

KPMG Peat Marwick

Certified Public Accountants

CITY OF PROVIDENCE, RHODE ISLAND

General Purpose Financial Statements and
Supplementary Financial Information

Year ended June 30, 1993

(With Independent Auditors' Report Thereon)

IN CITY COUNCIL
JUN 2 1994

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

Jean M. Angeline CLERK

CITY OF PROVIDENCE, RHODE ISLAND

General Purpose Financial Statements
and Supplementary Financial Information

Year ended June 30, 1993

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INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the City of Providence, Rhode Island, as of and for the year ended June 30, 1993, as listed in the table of contents. Our responsibility is to express an opinion on these financial statements based on our audit.

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 provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Providence, Rhode Island at June 30, 1993, and the results of its operations and cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Providence, Rhode Island. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements financial statements taken as a whole.

KPMG Peat Marwick

March 31, 1994



Member Firm of
Klynveld Peat Marwick Goerdeler

CITY OF PROVIDENCE, RHODE ISLAND
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1993

Assets	Governmental Fund Types			Proprietary Funds Types	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	General Long-term Obligations	General Fixed Assets	
Cash and cash equivalents (note 14)	\$ 1,309,085	14,260,355	6,034,599	609,854	15,381,708	-	-	37,595,601
Investments (note 14)	-	5,455,891	11,922,410	401,399	195,690,619	-	-	213,470,319
Receivables:								
Taxes (net of allowances for uncollectible amounts of \$35,045,043)	15,082,359	102,556	-	-	-	-	-	15,184,915
Unbilled water charges	-	-	-	2,615,744	-	-	-	2,615,744
Other (net of allowance for uncollectible amounts)	1,771,461	-	-	4,338,972	27,620	-	-	6,138,053
Due from:								
Other funds (note 4)	8,306,475	2,445,611	729,146	603,046	7,406,525	-	-	19,490,803
State of Rhode Island	3,432,099	836,610	-	-	4,630	-	-	4,273,339
Notes due from Water Supply Board	3,674,479	-	-	-	-	-	-	3,674,479
Loans receivable, net (note 5)	400,000	12,860,575	-	-	9,140,426	-	-	22,401,001
Inventory	-	-	-	769,839	-	-	-	769,839
Property, plant and equipment (net of accumulated depreciation) (note 3)	-	-	-	89,175,096	-	-	195,146,261	284,321,357
Restricted assets (note 9)	-	-	-	5,359,128	-	-	-	5,359,128
Amount to be provided for retirement of long-term obligations	-	-	-	-	-	201,833,000	-	201,833,000
Other assets	<u>120,000</u>	<u>36,006</u>	<u>-</u>	<u>120,244</u>	<u>3,465,264</u>	<u>-</u>	<u>-</u>	<u>3,741,514</u>
	<u>\$ 34,095,958</u>	<u>35,997,604</u>	<u>18,686,155</u>	<u>103,993,322</u>	<u>231,116,792</u>	<u>201,833,000</u>	<u>195,146,261</u>	<u>820,869,092</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

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

June 30, 1993

Liabilities	Governmental Fund Types			Proprietary Funds Types Enterprise	Fiduciary Fund Types Trust and Agency	Account Groups		Total (Memorandum) Only)
	General	Special Revenue	Capital Projects			General Long-term Obligations	General Fixed Assets	
Accounts payable	\$ 4,738,128	4,722,236	488,501	1,915,347	648,604	-	-	12,512,816
Accrued expenditures	3,990,098	-	359,098	2,478,940	-	17,955,000	-	24,783,136
Accrued legal contingencies	901,300	-	2,831,286	-	-	4,332,680	-	8,065,266
Amounts held for others	-	-	-	-	9,626,583	-	-	9,626,583
Liabilities payable from restricted assets (note 9)	-	-	-	1,541,959	-	-	-	1,541,959
Due to:								
Other funds (note 4)	8,416,480	2,907,633	645,788	4,557,046	65,975	2,897,881	-	19,490,803
State of Rhode Island	-	14,069	425,000	-	-	-	-	439,069
Note payable to the General Fund	-	-	-	4,074,479	-	-	-	4,074,479
Deferred revenues	14,455,840	834,277	729,146	792,567	-	-	-	16,811,830
Bonds, loans and notes payable (note 6)	-	16,883,000	12,142,000	13,357,050	-	170,342,950	-	212,725,000
Other liabilities	-	763,190	-	-	-	134,489	-	897,679
Obligation under capital leases (notes 8 and 10)	-	-	-	12,889,319	-	6,170,000	-	19,059,319
	<u>32,501,846</u>	<u>26,124,405</u>	<u>17,620,819</u>	<u>41,606,707</u>	<u>10,341,162</u>	<u>201,833,000</u>	<u>-</u>	<u>330,027,939</u>
Fund Equity								
Investment in general fixed assets	-	-	-	-	-	-	195,146,261	195,146,261
Contributed capital	-	-	-	56,366,444	-	-	-	56,366,444
Retained earnings:								
Reserved	-	-	-	3,353,325	-	-	-	3,353,325
Unreserved	-	-	-	2,666,846	-	-	-	2,666,846
Fund balance (deficit) (notes 10 and 17):								
Reserved	4,913,737	24,328,916	105,926	-	212,855,691	-	-	242,204,270
Unreserved:								
Designated	-	-	-	-	-	-	-	-
Undesignated	(3,319,625)	(14,455,717)	959,410	-	7,919,939	-	-	(8,895,993)
	<u>1,594,112</u>	<u>9,873,199</u>	<u>1,065,336</u>	<u>62,386,615</u>	<u>220,775,630</u>	<u>-</u>	<u>195,146,261</u>	<u>490,841,153</u>
Commitments and contingent liabilities (note 13)								
	<u>\$ 34,095,958</u>	<u>35,997,604</u>	<u>18,686,155</u>	<u>103,993,322</u>	<u>231,116,792</u>	<u>201,833,000</u>	<u>195,146,261</u>	<u>820,869,092</u>

CITY OF PROVIDENCE, RHODE ISLAND

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

June 30, 1993

	Governmental Fund Types			Fiduciary	Total
	General	Special Revenue	Capital Projects	Expendable Trusts	(Memorandum Only)
Revenues:					
Taxes (note 2)	\$ 160,992,021	-	-	-	160,992,021
Departmental revenue	6,689,902	654,341	87,700	-	7,431,943
Federal and state grants and reimbursements	11,004,654	83,139,666	2,046,262	-	96,190,582
Sale of real estate	-	217,000	-	188,800	405,800
Investment and rental income	4,160,602	3,925,527	392,879	1,254,011	9,733,019
Fines and forfeitures	3,481,515	-	-	-	3,481,515
Other	<u>12,296,757</u>	<u>2,915,578</u>	<u>4,504,589</u>	<u>783,790</u>	<u>20,500,714</u>
Total revenues	198,625,451	90,852,112	7,031,430	2,226,601	298,735,594
Expenditures:					
Executive, legislative, and judicial	3,936,499	-	-	-	3,936,499
Finance	55,871,693	-	-	-	55,871,693
Public safety	51,743,722	-	-	-	51,743,722
Building inspection	1,879,893	-	-	-	1,879,893
Public works	8,868,501	-	-	-	8,868,501
Recreation	841,532	-	-	-	841,532
Public lands and parks	4,935,223	-	-	-	4,935,223
Education	-	134,670,692	-	-	134,670,692
Other departments	3,614,397	-	-	-	3,614,397
Welfare	1,206,832	-	-	-	1,206,832
Grants	2,375,820	-	-	-	2,375,820
Public properties	4,005,102	-	-	-	4,005,102
Other	981,055	16,326,820	371,339	2,356,128	20,035,342
Capital outlays	-	-	16,854,038	-	16,854,038
Program expenditures	-	-	-	-	-
Debt service	-	<u>5,141,602</u>	<u>94,600</u>	-	<u>5,236,202</u>
Total expenditures	140,260,269	156,139,114	17,319,977	2,356,128	316,075,488
Excess (deficiency) of revenues over expenditures	58,365,182	(65,287,002)	(10,288,547)	(129,527)	(17,339,894)
Other financing sources (uses):					
Operating transfers (to) from other funds (note 19)	(58,109,056)	60,763,484	(851,702)	(2,452,474)	(649,748)
Payments to escrow	-	-	-	-	-
Proceeds of bonds	-	<u>85,000</u>	<u>36,209,408</u>	-	<u>36,294,408</u>
	<u>(58,109,056)</u>	<u>60,848,484</u>	<u>35,357,706</u>	<u>(2,452,474)</u>	<u>35,644,660</u>
Revenues and other financing sources over (under) expenditures and other financing uses	256,126	(4,438,518)	25,069,159	(2,582,001)	18,304,766
Fund balance (deficit) at beginning of year	<u>1,337,986</u>	<u>14,311,717</u>	<u>(24,003,823)</u>	<u>10,774,588</u>	<u>2,420,468</u>
Fund balance at end of year	\$ <u>1,594,112</u>	<u>9,873,199</u>	<u>1,065,336</u>	<u>8,192,587</u>	<u>20,725,234</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund

June 30, 1993

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes (note 2)	\$ 159,528,028	160,992,021	1,463,993
Federal grants	3,000,000	975,050	(2,024,950)
State revenue	24,609,561	10,029,604	(14,579,957)
Fines and forfeits	3,670,000	3,481,515	(188,485)
Investment and rental income	3,520,000	4,160,602	640,602
Departmental	5,279,200	6,689,902	1,410,702
Other revenue	<u>12,193,151</u>	<u>12,296,757</u>	<u>103,606</u>
	211,799,940	198,625,451	(13,174,489)
Other financing sources:			
Operating transfers from other funded	<u>266,317</u>	<u>3,208,901</u>	<u>2,942,584</u>
Total revenues and other financing sources	212,066,257	201,834,352	(10,231,905)
Expenditures:			
Executive, legislative, and judicial	4,418,266	3,936,499	481,767
Finance	57,187,149	55,871,693	1,315,456
Public safety	50,129,398	51,743,722	(1,614,324)
Building inspection	2,077,103	1,879,893	197,210
Public works	10,200,354	8,868,501	1,331,853
Recreation	801,985	841,532	(39,547)
Public lands and parks	5,124,222	4,935,223	188,999
Other departments	3,510,129	3,614,397	(104,268)
Welfare	16,350,300	1,206,832	15,143,468
Grants	2,368,794	2,375,820	(7,026)
Public properties	3,261,227	4,005,102	(743,875)
Union concession	(5,766,165)	-	(5,766,165)
Other	<u>1,074,471</u>	<u>981,055</u>	<u>93,416</u>
	150,737,233	140,260,269	10,476,964
Transfer to other funds	<u>61,316,154</u>	<u>61,317,957</u>	<u>(1,803)</u>
Total expenditures and other financing uses	<u>212,053,387</u>	<u>201,578,226</u>	<u>10,475,161</u>
Revenues and other financing sources over expenditures and other financing uses	\$ <u>12,870</u>	<u>256,126</u>	<u>243,256</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE RHODE ISLAND

Combined Statement of Revenues and Expenditures -
Budget and Actual- School Fund

Year ended June 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues:			
Grants in aid:			
Federal government	\$ 200,000	0	(200,000)
State of Rhode Island	58,394,730	58,468,206	73,476
Tuitions	81,000	94,709	13,709
Miscellaneous	<u>55,000</u>	<u>72,436</u>	<u>17,436</u>
Total revenues	58,730,730	58,635,351	(95,379)
Expenditures:			
Personnel services	71,613,915	71,495,858	118,057
Employee benefits	25,009,571	24,813,165	196,406
Other supplies	399,229	224,586	174,643
Equipment	257,730	118,737	138,993
Miscellaneous services	1,011,375	931,593	79,782
Other services	1,523,506	1,733,238	(209,732)
Security	469,000	423,115	45,885
Plant maintenance	168,500	112,748	55,752
Pupil transportation	3,668,379	3,866,386	(198,007)
Rentals	4,994,472	5,040,234	(45,762)
Repairs	583,070	441,491	141,579
School activities	100,250	299	99,951
Office supplies	142,718	143,552	(834)
Education supplies	1,028,471	766,898	261,573
Housekeeping supplies	220,197	190,159	30,038
Textbooks	626,801	486,772	140,029
Tuition payments	4,418,475	4,645,428	(226,953)
Utilities and fuel	<u>3,811,225</u>	<u>3,916,003</u>	<u>(104,778)</u>
Total expenditures	<u>120,046,884</u>	<u>119,350,262</u>	<u>696,622</u>
Revenues under expenditures	(61,316,154)	(60,714,911)	(601,243)
Other financing sources:			
Operating transfers:			
City of Providence General Fund	<u>61,316,154</u>	<u>60,714,911</u>	<u>601,243</u>
Excess of revenues and other financing sources over expenditures	\$ <u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds

June 30, 1993

	Proprietary Fund Types	Fiduciary Fund Types		Total (Memorandum Only)
		Enterprise	Retirement System	
Operating revenues:				
Employee contributions	\$ -	5,804,409	-	5,804,409
Employer contributions	-	16,835,726	-	16,835,726
Investment income	-	13,636,451	12,305	13,648,756
Interest on member loans	-	631,061	-	631,061
Arena rent and concession income	2,470,299	-	-	2,470,299
Water sales	16,126,302	-	-	16,126,302
Reimbursements by promoters	673,829	-	-	673,829
Maintenance and other charges	803,557	-	-	803,557
Other	<u>383,304</u>	<u>-</u>	<u>5,758</u>	<u>389,062</u>
	20,749,636	36,907,647	18,063	57,675,346
Operating expenses:				
Wages and benefits	2,228,455	-	-	2,228,455
Operations	4,621,189	-	-	4,621,189
Charges by other City departments (note 9)	846,250	-	-	846,250
Retiree benefits	366,865	35,000,880	-	35,367,745
Administrative and general	7,104,816	-	-	7,104,816
Bad debts	1,739,986	1,900,000	-	3,639,986
Other	416,457	-	-	416,457
Property taxes - other local governments	3,612,826	-	-	3,612,826
Depreciation	<u>1,901,871</u>	<u>-</u>	<u>-</u>	<u>1,901,871</u>
	22,838,715	36,900,880	-	60,739,595
Operating income (loss)	(2,381,424)	6,767	18,063	(2,356,594)
Nonoperating revenues (expenses):				
Water quality protection charge (note 9)	1,647,150	-	-	1,647,150
Water quality protection expense	(224,633)	-	-	(224,633)
City surcharge revenue	2,596,103	-	-	2,596,103
Net interest	<u>(2,118,042)</u>	<u>-</u>	<u>-</u>	<u>(2,118,042)</u>
	<u>1,795,628</u>	<u>-</u>	<u>-</u>	<u>1,795,628</u>
Net (loss) income	(585,796)	6,767	18,063	(560,966)
Add: depreciation on contributed fixed assets	430,708	-	-	430,708
Operating transfer from (to) other funds (note 19)	<u>-</u>	<u>-</u>	<u>46,702</u>	<u>46,702</u>
Increase (decrease) in retained earnings/fund balance	(155,088)	6,767	64,765	(83,556)
Retained earnings/fund balance at beginning of year	<u>6,175,259</u>	<u>212,274,810</u>	<u>236,701</u>	<u>218,686,770</u>
Retained earnings/fund balance at end of year	\$ <u>6,020,171</u>	<u>212,281,577</u>	<u>301,466</u>	<u>218,603,214</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE, RHODE ISLAND
 Combined Statement of Cash Flows - All Proprietary Fund Types and Similar Trust Funds
 June 30, 1993

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Total (Memorandum)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trusts</u>	<u>Only</u>
Operating activities:			
Operating income (loss)	\$ (2,381,424)	12,857	(2,368,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,901,871		1,901,871
Provision for losses on accounts receivable	1,749,241		1,749,241
Deferred revenue	(996,298)		(996,298)
Increase (decrease) in cash arising from changes in assets and liabilities:			
Accounts receivable	(232,305)		(232,305)
Accounts receivable - unbilled	(3,227,555)		(3,227,555)
Inventory	132,869		132,869
Other current assets	33,921	9,095	43,016
Accrued expenses and accounts payable	1,081,059		1,081,059
Advance sales receipts and promoter deposits	217,777		217,777
Due to Water Resources Board	(1,247,897)		(1,247,897)
Accounts payable - restricted	654,687		654,687
Due from City of Providence	<u>(603,046)</u>		<u>(603,046)</u>
Net cash (used in) provided by operating activities	<u>3,760,567</u>	<u>21,952</u>	<u>3,782,519</u>
Noncapital financing activities:			
Net borrowings from City of Providence General Fund	380,000		380,000
Interest paid on non-capital borrowings	<u>(1,080,504)</u>		<u>(1,080,504)</u>
Net cash provided by noncapital financing activities	<u>(700,504)</u>	<u>-</u>	<u>(700,504)</u>
Capital and related financing activities:			
Capital expenditures	(2,569,684)		(2,569,684)
Payment of obligations under capital lease	(940,873)		(940,873)
Proceeds from restricted investments	(6,568)		(6,568)
General obligation bonds	(855,100)		(855,100)
Interest on general obligation bonds	(1,151,002)		(1,151,002)
City surcharge revenue	2,596,103		2,596,103
Water quality protection receipts	1,489,915		1,489,915
Water quality protection disbursements	(882,448)		(882,448)
Interest expense under lease purchase expansion project	(95,280)		(95,280)
Transfer in (out)		5,206	5,206
Proceeds from sale/leaseback of assets	345,802		345,802
Contributions from the City of Providence	<u>603,046</u>		<u>603,046</u>
Net cash used in capital and related financing activities	<u>(1,466,089)</u>	<u>5,206</u>	<u>(1,460,883)</u>
Investing activities:			
Purchase of investments, net	(96,895)	(5,607)	(102,502)
Interest on investments	<u>8,555</u>	<u>12,858</u>	<u>21,413</u>
Net cash provided by (used in) investing activities	<u>(88,340)</u>	<u>7,251</u>	<u>(81,089)</u>
Net increase (decrease) in cash and cash equivalents	1,505,634	34,409	1,540,043
Cash and cash equivalents at beginning of year	<u>3,111,572</u>	<u>1,200</u>	<u>3,112,772</u>
Cash and cash equivalents at end of year	<u>\$ 4,617,206</u>	<u>35,609</u>	<u>4,652,815</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE, RHODE ISLAND
Notes to General Purpose Financial Statements

June 30, 1993

(1) Summary of Significant Accounting Policies

The City of Providence, Rhode Island, 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.

(a) Reporting Entity

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.

Based on the aforementioned criteria, the operations of the following entities have been included in the general purpose financial statements.

Entries included in the general purpose financial statements:

1. Providence Public Buildings Authority

The Providence Public Buildings Authority (PPBA) 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 PPBA is a component unit of the City and as such, the financial statements of the PPBA are included in the City's general purpose financial statements.

The purpose of the PPBA 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 PPBA to provide for the conduct of the executive, legislative and judicial functions of the government. The PPBA 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 PPBA's administrative expenses are paid on an annual basis by the lessee in the form of additional rent.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

2. 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.

3. Providence Civic Center

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 leases 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.

(b) 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 types and account group are used by the City:

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

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.

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 financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

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:

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. Additionally, the rates charged to customers by the Providence Water Supply Board are subject to approval by the State of Rhode Island Public Utilities Commission.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

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 (i.e. flow of economic resources measurement focus and accrual basis of accounting), since capital maintenance is critical. Agency funds are purely custodial and do not involve the measurement of operating results.

Account Groups: General Long-term Obligations and General Fixed Assets

These account groups are used to account for all general long-term obligations and general fixed assets of the City, except those accounted for in proprietary and similar trust funds.

(c) Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds, expendable trust funds and agency funds. Under the basis of accounting, revenues are recorded when susceptible to accrual (i.e. when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Motor vehicle and other excise, licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because these amounts are generally not measurable until actually received. Investment earnings are recorded as earned.

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, abatement refunds, pension costs and vacation and sick leave, which is recorded in the general long-term debt account group.

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements,

(d) 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.
- 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.

(e) Cash Equivalents

For purposes of the cash flow statement, the proprietary and nonexpendable trust funds consider all investments with original maturities of three months or less when purchased to be cash equivalents.

(f) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

(g) 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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements,

(h) 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.

(i) Interfund Transfers

All City interfund transfers are operating transfers. Accordingly, all interfund transfers are reported as other financing sources (uses) in the general purpose financial statements.

(j) Compensated Absences

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.

(k) Self-Insurance

The City is self-insured for general liability claims, workers' compensation claims of most governmental fund employees and casualty losses to certain real estate and equipment. The City's policy is to recognize the cost of these claims and related liabilities in governmental funds when they are expected to be liquidated with expendable available financial resources. Any remaining liability is presented in the general long-term obligations account group.

(l) Judgments and Claims

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

(m) Inventory

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 is not maintained in governmental funds, but are recorded as expenditures at the time of purchase.

(n) Property, Plant and Equipment

Property, plant and equipment are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets acquired by the Providence Water Supply Board through contributions are recorded at contributor's reported cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method over the estimated useful lives.

Depreciation on Providence Civic Center assets acquired with contributed capital is recognized as an operating expense and then charged against contributed capital.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

The estimated useful lives are as follows:

	<u>Civic Center Authority</u>	<u>Water Supply Board</u>
Buildings, source of supply structures and improvements	10 - 30 years	50 - 150 years
Improvements, other than buildings	-	75 - 100 years
Equipment	3 - 20 years	3 - 40 years

(o) Reclassifications

Certain 1992 amounts have been reclassified to conform with the 1993 presentation.

(p) Total (Memorandum Only)

These totals are the aggregate of the fund types account group and authority. 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 to 6 unit dwellings. Assessed values of tangible property and equipment and motor vehicles are determined annually at 100% of market value.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

The 1992 taxable assessments and the fiscal 1993 tax rate and gross levy are as follows (in thousands):

	<u>Taxable assessment</u>	<u>Exemptions</u>	<u>Net taxable assessment</u>	<u>Rate per \$1,000</u>	<u>Gross levy</u>
Real property	\$ 5,434,818	1,309,833	4,124,985	28.17	116,201
Tangible property	508,537	6	508,531	67.77	34,463
Motor vehicle	215,405	1,942	273,463	67.77	18,533

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 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.

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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

(3) Property, Plant and Equipment

During 1993, the City established a general fixed asset account group. The following is a summary of the City's general fixed assets as of June 30, 1993:

Land	\$ 29,077,213
Buildings and improvements	146,092,090
Furniture and fixtures	2,939,759
Machinery and equipment	8,383,626
Auto and truck	8,402,073
Other	<u>251,500</u>
	<u>\$ 195,146,261</u>

The following is a summary of the property, plant and equipment of the City's enterprise funds at June 30, 1993.

	<u>Water Supply Board</u>	<u>Civic Center Authority</u>	<u>Total</u>
Land	\$ 7,876,901	-	7,876,901
Buildings and improvements	71,681,153	16,557,583	88,238,736
Machinery and equipment	5,433,972	1,818,081	7,252,053
Scituate Reservoir project	10,695,050	-	10,695,050
Assets under capital leases	9,473,081	-	9,473,081
Construction in progress	3,590,489	-	3,590,489
Funds restricted for construction of assets under capital lease	3,606,822	-	3,606,822
Deferred financing costs	<u>-</u>	<u>29,198</u>	<u>29,198</u>
	112,357,468	18,404,862	130,762,330
Less accumulated depreciation	<u>29,859,724</u>	<u>11,727,510</u>	<u>41,587,234</u>
Net property, plant and equipment	<u>\$ 82,497,744</u>	<u>6,677,352</u>	<u>89,175,096</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Notes to General Purpose Financial Statements

(4) Interfund Accounts

At June 30, 1993, amounts due to and from individual funds of the City were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 8,306,475	8,416,480
Capital project funds	729,146	645,788
Fiduciary fund types	7,406,525	65,975
Special Revenue Funds	2,445,611	2,907,633
Enterprise Funds		
General fund	603,046	4,557,046
General Long-Term Debt Account Group	<u>-</u>	<u>2,897,881</u>
	<u>\$ 19,490,803</u>	<u>19,490,803</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

(5) Loans Receivable(a) Special Revenue Fund - Department of Planning and DevelopmentUrban Development Action Grant Funds

Included in Special Revenue Funds are loans receivable under Community Development Action Grant (CDAG), Urban Development Action Grants (UDAG) and Housing Development Assistance Grants (HODAG). These loans represent amounts advanced to developers for certain urban, community and economic development projects within the City. As of June 30, 1993, the new loan receivable totaled, approximately \$8. million.

Security for these above loans includes first or second mortgages, property and equipment and other real estate and letters of credit. 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, 1993, the Corporation had outstanding new loans receivable of approximately \$5,038,000. 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.

(6) Long-Term and Short-Term Debt(a) Long-term Obligations

The following is a summary of the transactions in the City's general long-term debt account group for the year ended June 30, 1993 (in thousands):

	<u>June 30,</u> <u>1992</u>	<u>Additions</u>	<u>Retirement</u>	<u>June 30,</u> <u>1993</u>
City:				
General obligation bonds	\$ 94,320,000	63,765,000	31,375,000	126,710,000
Judgments and claims	2,600,000	-	400,000	2,200,000
Compensated absences	17,019,592	935,408	-	17,955,000
Workers Compensation	1,963,835	168,845	-	2,132,680
Capital Leases	8,205,881		2,035,881	6,170,000
Due to other funds	3,146,653	-	248,772	2,897,881
Other	<u>164,267</u>	<u>-</u>	<u>164,267</u>	<u>-</u>
Subtotal	<u>127,420,228</u>	<u>64,869,253</u>	<u>34,223,920</u>	<u>158,065,561</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

	June 30, 1992	Additions	Retirement	June 30, 1993
PPBA:				
RANS	4,150,000	-	4,150,000	-
Revenue Bonds	40,132,850	4,235,000	734,900	43,632,950
Arbitrage	<u>168,589</u>	<u>-</u>	<u>34,100</u>	<u>134,489</u>
Subtotal	<u>44,451,439</u>	<u>4,235,000</u>	<u>4,919,000</u>	<u>43,767,439</u>
Total	<u>\$ 171,871,667</u>	<u>69,104,253</u>	<u>39,142,920</u>	<u>201,833,000</u>

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

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.

The annual requirements to amortize general long-term bonds, and notes payable as of June 30, 1993, are as follows (in thousands):

Year Ending June 30	General Obligation Principal	Proprietary Fund Principal	Total
1994	\$ 11,748	737	12,485
1995	11,768	782	12,550
1996	12,015	830	12,845
1997	12,233	882	12,116
1998	15,556	934	16,490
Thereafter	<u>107,023</u>	<u>8,941</u>	<u>115,964</u>
Total	<u>\$ 170,343</u>	<u>13,103</u>	<u>183,450</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Notes to General Purpose Financial Statements

(b) Short-Term Debt

At June 30, 1993, the City had several short-term notes outstanding. The City's short-term notes were comprised of the following individual issues:

<u>Description</u>	<u>Date Issued</u>	<u>Principal Due Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Department of Planning and Development:				
Section 108 Guaranteed Notes, Series 1992-A	12/5/93	July 1995-1997	5.2% to 6.3%	\$ 9,000,000
Providence Redevelopment Agency:				
RANs Series 1 & 2	6/16/93	January 20, 1993	4.5%	6,555,000
Providence Public Building Authority:				
RANs - Series I	3/18/93	March 17, 1994	3.3%	6,710,000
RANs - Series II	5/15/93	May 15, 1996	4.5%	<u>6,760,000</u>
Total				<u>\$ 29,025,000</u>

(c) 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 \$66 million and the current 3% debt limit of the City is \$146 million based on taxable property as of December 31, 1989, of \$6.2 billion, leaving a remaining borrowing capacity of \$80 million.

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, 1993, the total outstanding debt of the City issued outside the 3% debt limit was \$66,295,282, excluding water bonds and sewer bonds that are 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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

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.

Included in the long-term debt account group are \$4,175,729 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.

Also included in the general long-term obligations accounts group is a liability of \$134,489 representing the PPBA's obligation, due February 14, 1994, related to arbitrage earnings from invested proceeds of the bond issuers.

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 \$188,800 and are included in the Restricted Sales Proceeds Fund (an expendable fiduciary trust fund) at June 30, 1993.

(d) Current Year Debt Refundings

On August 1, 1992, the City issued \$28.6 million in General Obligation Refunding Bonds to advance refund \$35 million of 1986 and 1988 General Obligation Bonds. The net proceeds of the Refunding Bonds were used to invest in United States Government Obligations that were deposited with an escrow agent to provide for all future debt service payments on the Refunded issues. The Escrow Fund, including interest earnings is pledged solely for the benefit of the holder of those Refunded Bonds. As a result, the 1986 and the 1988 General Obligation Bonds are considered to be defeased "in-substance" and the liability for those bonds has been removed from the general long-term debt account group.

The City advance refunded the 1986 and 1988 bonds to reduce its total debt service payments over the next 14 years by approximately \$89,485 and to obtain economic gain of \$1.2 million.

(7) Lease Commitments

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 totalling \$11,685,000 to finance the acquisition and construction of improvements and installation 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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements,

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 assets under capital lease represent unexpended proceeds of bond anticipation notes and revenue bonds obtained specifically for construction of water facilities discussed above.

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.

On October 1, 1992, the city of Providence entered into a lease purchase agreement on behalf of the Providence Civic Center in the amount of \$375,000 with Fleet National Bank and secured with the assets from a renovation project at the Civic Center. The agreement terminates June 30, 1993 but permits five renewal periods ending October 1, 1997, which have been exercised, 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 for specified amounts. 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. The lease has been accounted for as a capital lease.

The City leases certain properties from the PPBA, a related party.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

The City is obligated under various capital and operating leases through the year 1998 to make the following aggregate annual lease payments (in thousands):

	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
1994	\$ 948	2,646	3,594
1995	698	1,967	2,665
1996	263	1,384	1,647
1997	32	746	778
1998	<u>14</u>	<u>201</u>	<u>215</u>
Total minimum lease payments	\$ <u>1,955</u>	6,944	8,899
Less: Interest		<u>774</u>	<u>774</u>
Present value of minimum payments		\$ <u>6,170</u>	<u>8,125</u>

(8) Segment Information for Enterprise Funds

The City maintains two Enterprise Funds, the Providence Civic Center Authority and the Providence Water Supply Board. Segment information for the year ended June 30, 1993 is as follows (amounts in thousands):

	<u>Water Board</u>	<u>Civic Center</u>	<u>Total</u>
Operating revenues	\$ 19,317	4,029	23,346
Depreciation and amortization expense	1,206	696	1,902
Operating income (loss)	1,189	(1,080)	109
Net income (loss)	611	(1,196)	(155)
Capital contributions	597	603	1,200
Property, plant, and equipment:			
Additions	2,777	390	3,167
Deletions			
Net working capital	(826)	(1,280)	(2,106)
Total assets	95,225	8,316	103,541
Bonds and other long-term liabilities:			
Payable from operating revenues	35,417	4,195	39,612
Total equity	58,266	4,120	62,386

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

(9) Restricted Assets and Related Liabilities

The State of Rhode Island enacted the Public Drinking Water Protection Act of 1987 (the Act) that empowers suppliers of public drinking water to levy a surcharge (the Water Quality Protection surcharge) of \$.01 per hundred gallons of water for all customers.

A July 1990 amendment to the Act increased the surcharge to \$.02333 per hundred gallons of water. The \$.01333 increase is to be remitted to the State and appropriated to the Water Resources Board, a component of the State of Rhode Island. In July 1992, the Act was further amended to increase the levy to \$.02590 per hundred gallons of water for all customers. The Board retains 40.7% of the surcharge in its water quality protection fund, remits 51.5% to the State Water Resources Board and retains 7.8% for general operations. The surcharge was effective as of January 1, 1989 and the funds collected in the water quality protection fund are to be expended in the following manner: 1) at a minimum, 55% of the funds are to be spent for the acquisition of land or land rights or physical improvements to acquired land to protect the quality of the raw water of the water supply system; 2) 35% may be used to acquire a fee simple interest or a conservation restriction that directly protects the quality and safety of the public drinking water supply; and 3) 10% may be used by the supplier for any purpose relating to its operations.

The restricted assets are pooled with the cash and cash equivalents and investments of other funds maintained by the City of Providence. The earnings from pooled cash and cash equivalents and investments are allocated in proportion to each fund's balance.

(b) Providence Civic Center Authority
Ticket Surcharge Receipts

A 5% surcharge on all ticket sales is collected pursuant to a public law enacted by the Rhode Island General Assembly. The proceeds are to be used to reduce City bond indebtedness and will terminate upon retirement of the bonds. Amounts collected and not remitted to the City as of June 30, 1993 totaled \$711,145.

(10) Fund Equity

Fund balance as of June 30, 1992 was affected by the following fund reclassifications and other items:

	<u>Internal Service</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>Capital Projects</u>
Balance as previously reported	\$ 121,435	9,328,709	11,098,175	(23,998,874)
Blending of Providence Building Authority	-	4,537,985	-	(2,844,029)
Reclassification of Revolving Funds	-	323,588	(323,588)	-
Reclassification of Internal Service Fund	(121,435)	<u>121,435</u>	<u>-</u>	<u>-</u>
Balances as currently reported	<u>\$ -</u>	<u>14,311,717</u>	<u>10,774,588</u>	<u>(26,842,903)</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

Reserved fund balances at June 30, 1993, are as follows:

General Fund:	
Reserved for encumbrances	\$ 139,258
Reserved for note due from Water Supply Board	3,674,479
Reserved for due from Water Supply Board	<u>1,100,000</u>
	4,913,737
Special Revenue Fund:	
Reserved for loans	13,210,575
Reserved for encumbrances	7,630,769
Reserved for debt service	<u>3,487,572</u>
	24,328,916
Capital Projects Fund:	
Reserved for encumbrances	105,926
Fiduciary Fund types:	
Reserved for payment of retirement benefits and endowments	212,610,818
Reserved for encumbrances	<u>244,873</u>
	<u>212,855,691</u>
	<u>\$ 242,204,270</u>

The Water Supply Board has reserved retained earnings of \$3,353,325 at June 30, 1993. This represents the excess of restricted assets over liabilities payable from restricted assets unexpended water quality protection revenue.

(11) Employee Retirement(a) Employees' Retirement System of the City of Providence (ERS)

The ERS is a single employer defined benefit pension plan covering most City management 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 presented in the City's general purpose financial statements as a retirement system. The City's payroll for the year ended June 30, 1993, for employees covered by the plan was \$65,025,985; the City's total payroll was \$160,005,239.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Notes to General Purpose Financial Statements

At June 30, 1993, the City's ERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	2,778
Current employees:	
Vested	1,415
Nonvested	<u>1,467</u>
	<u>5,660</u>

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 accumulated contributions at the time of retirement, plus 1/40 of final compensation for each year of total service up to 20 years and 1/50 of final compensation for each year of service in excess of 20 years.

Class B members are eligible to retire (with full retirement benefits) 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 accumulated contributions at the time of retirement, plus 1/40 of final compensation for each year of total service up to 20 years and 1/50 of final compensation for each year of service in excess of 20 years (not to exceed 32 years and 6 months). At retirement, members may elect to receive their benefits under various options allowed in the plan. These benefit provisions and all other requirements are established by City ordinance.

Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the plan on a going concern basis, assess progress made in accumulating sufficient assets to benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the plan.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1993. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investments of 8 1/2% per year, (b) projected salary increase of 5% per year and (c) cost of living adjustments of 3% for class a members and 5% for Class B members.

Total unfunded pension benefit obligation applicable to the City's employees at June 30, 1993, was as follows (in thousands):

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Notes to General Purpose Financial Statements

Pension benefit obligation:	
Retirees and beneficiaries	\$ 405,790
Active employees:	
Accumulated employee contributions	56,465
Employer-financed vested benefits	67,985
Employer-financed nonvested benefits	30,156
Additional value of accrued benefits due to future salary increases	<u>56,479</u>
Total pension benefit obligation	616,875
Net assets available for benefits, at cost (market value \$294,266)	<u>212,282</u>
Unfunded pension benefit obligation	<u>\$ 404,593</u>

Contribution Requirement and Contributions Made

The City's ERS funding policy provides for employer contributions (both normal cost and a deficiency contribution) at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. The percentage of payroll employer contribution rates are determined using the entry age normal cost actuarial funding method. The ERS is also using the percentage of payroll method to amortize the unfunded liability over a 40-year period. For elected officials, the City funds on a pay-as-you-go basis. This amount is not considered material.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation discussed above.

Class A members are required to contribute 8% of their salary to the Plan. Class B members are required to contribute 9 1/2% of their salary to the Plan. The Mayor and City Council contribute to the Plan at a rate of \$350 per year. The City's required contribution for the year ended June 30, 1993, was approximately \$16,707,000. The required contribution for fiscal 1993 represents approximately \$5,993,000 (13.28%) for Class A members and \$10,714,000 (37.01%) for Class B members. Actual contributions consisted of approximately \$16,728,000 from the City and approximately \$5,804,000 from employees; the employer and employee contributions represent covered payroll of 25.7% and 8.9%, respectively. The City's required contribution consisted of amounts to cover normal cost and to amortize the unfunded actuarial accrued liability over a 40 year period.

Certain Class A members are contributing an amount less than the required 8% contribution rate. Such employees have been notified by City officials of this matter and upon retirement of such employees, the deficiency of the contribution up to the required contribution of 8% shall be deducted from the retirees' benefits.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

Historical Trend Information

Three-year trend information gives an indication of the progress in accumulating sufficient assets to pay benefits when due.

	<u>Fiscal year end</u>		
	<u>1992</u>	<u>1991</u>	<u>1990</u>
Net assets available for benefits (at cost) as a percentage of pension benefit obligation	37.5%	45.5%	47.1%
Unfunded pension benefit obligation as a percentage of annual covered payroll	473.0%	319.0%	312.0%
Employer contributions as a percentage of annual covered payroll	20.2%	16.7%	18.2%

Ten year historical trend information designed to provide information about the City's ERS progress made in accumulating sufficient assets to pay benefits when due is being developed on a year-by-year basis. Significant trend information for the periods available is included in the accompanying other financial information.

(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, 1993, was approximately \$63,182,279; the Department's total payroll was approximately \$80,068,000.

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 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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

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, 1993. The School Department contributions required for the year ended June 30, 1993 were approximately \$6,002,000. Actual contributions consisted of approximately \$6,002,000 from the School Department and approximately \$5,371,000 from employees; the employer and employee contributions represent covered payroll of 9% and 8%, respectively. The School Department contribution represented 1% of total contributions required of all participating entities of approximately \$66,236,000.

Excluding the state employees' portion of the System, the pension benefit obligation at June 30, 1992, for the System as a whole, determined through an actuarial valuation performed as of that date was \$2.1 billion. The System's net assets excluding the net assets attributable to the state employees' portion of the plan available for benefits on that date (valued at market) were approximately \$1.4 billion, leaving an unfunded pension benefit obligation of approximately \$700 million.

Ten year historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is being developed on a year-by-year basis. Significant trend information for the periods available is included in the State of Rhode Island's comprehensive annual financial report.

(c) Providence Civic Center - Management Employees Pension Plan

The Providence Civic Center Authority established a noncontributory defined contribution plan for all management employees. The contribution for the year ended June 30, 1993 was \$14,747 and was based on a percentage of salaries paid. Total payroll expense for the year ended June 30, 1993, was approximately \$2,220,000 while covered payroll was approximately \$191,000. A management employee may become a participant upon the completion of one year of service, in which at least 1,000 hours of service was performed. A participant becomes fully vested upon completion of seven years of employment.

(d) Other Pension Costs

The City is required to make contributions to the National Pension Plan of the Laborers' International Union of North America, the Rhode Island Legal Service trust for those employees in the Laborers' International Union and pay retirement benefits to certain retired police and firemen not covered by the ERS. Pension cost for these purposes amounted to the following for the year ended June 30, 1993:

General Fund	\$ 1,123,644
Providence Water Supply Board	253,852
Unrestricted School Fund	<u>283,684</u>
	<u>\$ 1,661,180</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

The Civic Center Authority makes contributions to three union-sponsored multiple-employer pension plans. Contributions for the year ended June 30, 1993, were approximately \$56,000, as determined in accordance with negotiated labor contracts.

Provisions of the Multi-employer Pension Act of 1980 require participating employers to assume a proportionate share of multi-employer plan's unfunded vested benefit in the event of withdrawal from or termination of such plan. Information concerning the City's and Authority's share of unfunded vested benefits at June 30, 1993, if any, was not available. Provisions of the Act may have the effect of increasing the level of contributions in future years.

(12) Post Retirement Benefits

The City pays health care benefits for certain retired employees and funds these benefits on a cash basis. During the year ended June 30, 1993, the cost of retiree health care benefits recorded by the City amounted to \$4,437,900.

(13) Contingent Liabilities

The City is involved in numerous lawsuits, claims and grievances arising in the normal course of business, including claims for property damage, personal injury and personnel practices, disputes over property condemnation proceedings and suits contesting the legality of certain taxes. In the opinion of City officials, the ultimate disposition of these matters will not have a material adverse effect on the City's financial statements.

The City participates in a number of federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of City officials, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements.

(14) Deposits

Cash, cash equivalents and investments are separately held by several of the City's fund. However, the cash account of the City's General Fund combines activity of both the General Fund and the City's Water Supply Board.

Cash and Cash Equivalents

At year end, the City had cash and cash equivalents of \$41,150,395 (\$3,554,794 which was included in restricted assets) compared with a bank balance of \$21,058,155. Of the bank balance, \$1,520,449 was covered by depository insurance and \$19,537,706 was uninsured.

In accordance with the City's policy of including repurchase agreements as cash equivalents, \$16,000,000 of repurchase agreements are included in the June 30, 1993, cash and cash equivalents balance.

Investments

City management invests primarily in commercial paper, certificates of deposit funds, U.S. government securities and corporate stocks. The City also enters into repurchase agreements.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements

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.

	<u>Category 1</u>	<u>Category 2</u>	<u>Uncategorized</u>	<u>Total Book Value</u>	<u>Estimated Market Value</u>
Repurchase Agreements	\$ 6,364,321	-	-	6,364,321	6,364,321
US Government and Agencies Obligations	2,955,161	16,798,705	-	19,753,866	22,016,536
Corporate bonds	-	48,679,216	-	48,679,216	53,510,486
Common stock	-	62,805,707	-	62,805,707	118,631,663
Other	-	39,032,661	-	39,032,661	39,040,856
Real estate	-	12,500	-	12,500,000	12,500,000
Pooled funds	-	-	17,786,223	17,786,223	18,950,593
Money market funds	-	-	<u>6,548,325</u>	<u>6,548,325</u>	<u>6,548,325</u>
Summary	<u>9,319,482</u>	<u>179,816,289</u>	<u>24,334,548</u>	<u>213,470,319</u>	<u>277,562,780</u>

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

The City has not used all 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.

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements, Continued

(17) Related Party Transactions

The City leases certain properties from the PPBA, a related party.

The estimated future minimum lease payments required under these agreement coincide with the principal and interest payments on bonds issued by PPBA. The leases terminate between 2010 and 2012.

The City inturn subleases a portion of this property to the School Department.

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

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 \$846,250. 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 outstanding balance of \$5,020,928 until the amount is paid in full. The note is to be repaid over a 2 1/2 year period due October 19, 1993. As of December 31, 1993, the note has not been called.

On December 8, 1992, the Civic Center Authority borrowed \$303,817 from the City of Providence and borrowed an additional \$96,183 from the City of Providence on May 26, 1993. The entire \$400,000 loan is payable in full on July 2, 1995 and bears interest at the rate of 4.0% per year payable on July 2, 1995. As part of the agreement, the Authority has agreed to make \$400,000 of the proceeds due from Sportsservice Corporation available to the City upon their receipt in repayment of this loan.

(17) Contributed Capital

Contributed capital consist of contributions in aid for the Water Supply Board for property and equipment paid for by customers for water installations. The contributed capital for the Civic Center consists of amounts contributed by the City to acquire and maintain the Civic Center. Activity in the contributed capital accounts for June 30, 1993 is as follows:

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements, Continued

	<u>Water Board</u>	<u>Civic Center</u>	<u>Total</u>
Balance June 30, 1992	\$ 51,721,105	3,876,367	55,597,472
Contributions in aid	596,634		596,634
Depreciation on contributed assets		(430,708)	(430,708)
Contribution from the City of Providence	-	<u>603,046</u>	<u>603,046</u>
Balance June 30, 1993	<u>\$ 52,317,739</u>	<u>4,048,705</u>	<u>56,366,444</u>

(18) Joint Venture

The City participates in the Providence Cranston Job Training Partnership (PCJTP). This partnership was established to set up and operate a comprehensive employment and training service delivery system in accordance with the provisions of the Job Training Partnership Act of 1982.

Summary financial statements of the PCJTP as of June 30, 1993 are presented below:

<u>Balance Sheet</u>	
Total assets	\$ <u>585,319</u>
Current liabilities	<u>585,319</u>
Fund equity	<u>-</u>
Total liabilities and fund equity	\$ <u>585,319</u>
<u>Statement of Revenues and Expenses</u>	
Total revenues	\$ <u>4,020,695</u>
Total expenses	<u>4,020,695</u>
Excess revenues over expenses	\$ <u>-</u>

(19) Operating Transfers

Purpose of Transfers	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Nonexpendable Trust</u>
School operations	\$ (60,714,911)	60,714,911	-	-	-
Grant activities	1,000,100	(1,000,100)	-	-	-
Revolving fund activities	70,529	21,971	-	(92,500)	-
Seizure funds	-	175,000	-	(175,000)	-
Cemetery funds	2,138,272	-	-	(2,138,272)	-
Capital expenditures	-	851,702	(851,702)	-	-
Trust accruing	-	-	-	(46,702)	46,702
Civic Center operations	<u>(603,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (58,109,056)</u>	<u>60,763,484</u>	<u>(851,702)</u>	<u>(2,452,474)</u>	<u>46,702</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to General Purpose Financial Statements, Continued

Operating transfers do not exceed by \$603,046 because the Civic Center recorded the transfer from the general fund as an addition to contributed capital.

(20) Air Rights Agreement

On June 30, 1993, the City of Providence entered into an agreement with Rhode Island Hospital in which the Hospital agreed to pay \$500,000 for the exclusive rights to utilize the surrounding airspace to construct five walkways. The recognition of the revenue to the City will be delayed until further resolution from the City is granted to Rhode Island Hospital.

(21) Subsequent Events

On October 9, 1993, the City of Providence general fund transferred \$603,046 to the Civic Center to pay outstanding accounts payable as of June 30, 1993.

On August 5, 1993, the City received \$1,995,050 for the sale without recourse of its interest in a future stream of lease payments from FCG Associates, the operators of the City's Triggs Golf Course. The lessor, the Board of Park Commissioners, interest in the revenue stream was assigned to a trustee, Fleet Bank, in exchange for a payment equal to the discounted present value of fifteen years of lease payments.

Effective December 31, 1993, the City issued \$985,000 in General Obligation Refunding Bonds to advance refund the \$2.4 million lease purchase agreement for the Providence Civic Center. The net proceeds of the Refunding Bonds were deposited with an escrow agent to provide for all future debt service payments on the lease purchase agreement.

The City advance refunded the 1986 lease purchase agreement which extended the life of the debt an additional 2 years.

CITY OF PROVIDENCE, RHODE ISLAND
Combining Balance Sheet-Special Revenue Funds
June 30, 1993

<u>Assets</u>	<u>School Department</u>	<u>Department Planning and Development</u>	<u>Providence Redevelopment Agency</u>	<u>Economic Development Corporation</u>	<u>Revolving Fund</u>	<u>Providence Public Building Authority</u>	<u>Sewer Fund</u>	<u>Miscellaneous</u>	<u>Total</u>
Cash and cash equivalents	\$ 4,653,109	6,380,757	930,730	644,728	335,488	114,021	86,323	1,115,199	14,260,355
Accounts receivable	-	-	-	-	102,556	-	-	-	102,556
Investments	-	-	-	-	-	5,455,891	-	-	5,455,891
Due from:									
Other funds	1,916,371	450,396	-	-	78,844	-	-	-	2,445,611
State of Rhode Island	836,610	-	-	-	-	-	-	-	836,610
Loans receivable (net of allowance for uncollectible amounts of \$3,747,838)	-	7,822,723	-	5,037,852	-	-	-	-	12,860,575
Other assets	<u>3,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,948</u>	<u>36,006</u>
Total assets	<u>\$ 7,409,148</u>	<u>14,653,876</u>	<u>930,730</u>	<u>5,682,580</u>	<u>516,888</u>	<u>5,569,912</u>	<u>86,323</u>	<u>1,148,147</u>	<u>35,997,604</u>
<u>Liabilities</u>									
Accounts payable	4,096,513	124,928	188,693	25,000	34,884	16,562	-	235,656	4,722,236
Due to:									
Other funds	1,312,705	313,741	729,146	-	-	-	-	552,041	2,907,633
State of Rhode Island	14,069	-	-	-	-	-	-	-	14,069
Bonds, loans, and notes payable	-	9,000,000	6,555,000	-	-	1,328,000	-	-	16,883,000
Other liabilities	714,928	-	-	48,262	-	-	-	-	763,190
Deferred revenue	<u>834,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,277</u>
Fund balance (deficit):	6,972,492	9,438,669	7,472,839	73,262	34,884	1,344,562	-	787,697	26,124,405
Reserved	297,460	15,231,540	-	5,037,852	44,011	3,487,572	-	230,481	24,328,916
Unreserved	<u>139,196</u>	<u>(10,016,333)</u>	<u>(6,542,109)</u>	<u>571,466</u>	<u>437,993</u>	<u>737,778</u>	<u>86,323</u>	<u>129,969</u>	<u>(14,455,717)</u>
	<u>436,656</u>	<u>5,215,207</u>	<u>(6,542,109)</u>	<u>5,609,318</u>	<u>482,004</u>	<u>4,225,350</u>	<u>86,323</u>	<u>360,450</u>	<u>9,873,199</u>
Total liabilities and fund balance	<u>\$ 7,409,148</u>	<u>14,653,876</u>	<u>930,730</u>	<u>5,682,580</u>	<u>516,888</u>	<u>5,569,912</u>	<u>86,323</u>	<u>1,148,147</u>	<u>35,997,604</u>

CITY OF PROVIDENCE, RHODE ISLAND

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

	School Department	Department Planning and Development	Providence Redevelopment Agency	Economic Development Corporation	Revolving Fund	Providence Public Building Authority	Sewer Fund	Miscellaneous	Total
Revenues:									
Federal, state and local grants	\$ 74,068,102	6,563,244	-	154,523	121,607	-	-	2,232,190	83,139,666
Charges for services	-	-	-	-	-	654,341	-	-	654,341
Sale of real estate	-	-	217,000	-	-	-	-	-	217,000
Investment and rental income	-	-	41,479	396,926	-	3,479,808	7,314	-	3,925,527
Miscellaneous	<u>199,844</u>	<u>608,902</u>	<u>50,332</u>	<u>19,083</u>	<u>821,738</u>	<u>61,032</u>	<u>-</u>	<u>1,154,647</u>	<u>2,915,578</u>
	74,267,946	7,172,146	308,811	570,532	943,345	4,195,181	7,314	3,388,750	90,852,112
Expenditures:									
Personal services	79,827,948	-	-	-	234,919	-	-	1,268,059	81,330,926
Employee benefits	27,405,030	-	-	-	74,682	-	-	193,844	27,673,556
Miscellaneous services	1,423,271	-	-	-	341,813	-	-	1,142,934	2,908,018
Other supplies	885,350	-	-	-	73,237	-	-	44,774	1,003,361
Equipment	625,560	-	-	-	40,435	1,401	-	10,566	677,962
Other services	3,378,897	-	275,740	-	-	-	-	3,756	3,658,393
Securities	423,115	-	-	-	-	-	-	-	423,115
Plant maintenance	298,941	-	-	-	-	-	-	474	299,415
Transportation	4,205,698	-	-	-	-	-	-	14,125	4,219,823
Rentals	5,053,578	-	-	-	-	-	-	22,696	5,076,274
Repairs	452,878	-	-	-	-	-	-	-	452,878
School activities	84,192	-	-	-	-	-	-	-	84,192
Office supplies	234,528	-	-	-	-	-	-	8,657	243,185
Education supplies	1,114,127	-	-	-	-	-	-	-	1,114,127
Housekeeping supplies	190,159	-	-	-	-	-	-	-	190,159
Textbooks	494,731	-	-	-	-	-	-	-	494,731
Tuition payments	4,656,686	-	-	-	-	-	-	-	4,656,686
Utilities and fuel	3,916,003	-	-	-	-	-	-	-	3,916,003
Debt service	-	-	-	-	-	5,141,602	-	-	5,141,602
Other	<u>-</u>	<u>11,497,802</u>	<u>487,832</u>	<u>245,745</u>	<u>41,814</u>	<u>301,515</u>	<u>-</u>	<u>-</u>	<u>12,574,708</u>
Total expenditures	<u>134,670,692</u>	<u>11,497,802</u>	<u>763,572</u>	<u>245,745</u>	<u>806,900</u>	<u>5,444,518</u>	<u>-</u>	<u>2,709,885</u>	<u>156,139,114</u>
Excess (deficiency) of revenue over expenditures	(60,402,746)	(4,325,656)	(454,761)	324,787	136,445	(1,249,337)	7,314	676,952	(65,287,002)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

	<u>School Department</u>	<u>Department Planning and Development</u>	<u>Providence Redevelopment Agency</u>	<u>Economic Development Corporation</u>	<u>Revolving Fund</u>	<u>Providence Public Building Authority</u>	<u>Sewer Fund</u>	<u>Miscellaneous</u>	<u>Total</u>
Other financing sources (uses):									
Refunding of bond anticipation notes						85,000			85,000
Transfer from (to) other funds	<u>60,714,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,971</u>	<u>851,702</u>	<u>-</u>	<u>(825,100)</u>	<u>60,763,484</u>
Total other financing sources (uses)	<u>60,714,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,971</u>	<u>936,702</u>	<u>-</u>	<u>(825,100)</u>	<u>60,848,484</u>
Revenues over expenditures and other financing sources (uses)	312,165	(4,325,656)	(454,761)	324,787	158,416	(312,635)	7,314	(148,148)	(4,438,518)
Fund balance (deficit) at beginning of year	<u>124,491</u>	<u>9,540,863</u>	<u>(6,087,348)</u>	<u>5,284,531</u>	<u>323,588</u>	<u>4,537,985</u>	<u>79,009</u>	<u>508,598</u>	<u>14,311,717</u>
Fund balance (deficit) at end of year	<u>\$ 436,656</u>	<u>5,215,207</u>	<u>(6,542,109)</u>	<u>5,609,318</u>	<u>482,004</u>	<u>4,225,350</u>	<u>86,323</u>	<u>360,450</u>	<u>9,873,199</u>

CITY OF PROVIDENCE, RHODE ISLAND
Combining Balance Sheet - All Enterprise Funds
June 30, 1993

<u>Asset</u>	<u>Water Supply Board</u>	<u>Civic Center Authority</u>	<u>Total</u>
Current Assets:			
Cash and cash equivalents	\$ -	609,854	609,854
Restricted assets	5,347,842	11,286	5,359,128
Investments	401,399	-	401,399
Accounts receivable	4,043,597	295,375	4,338,972
Unbilled accounts receivable	2,615,744	-	2,615,744
Prepaid expenses	-	118,911	118,911
Inventory	769,839	-	769,839
Due from the City of Providence	-	603,046	603,046
Other	<u>1,333</u>	<u>-</u>	<u>1,333</u>
Total current assets	<u>13,179,754</u>	<u>1,638,472</u>	<u>14,818,226</u>
Property, plant and equipment:			
Land	7,876,901		7,876,901
Building and improvements	99,046,595	16,557,583	115,604,178
Furnishings and equipment	5,433,972	1,818,081	7,252,053
Deferred financing costs	<u>-</u>	<u>29,198</u>	<u>29,198</u>
	112,357,468	18,404,862	130,762,330
Less accumulated depreciation and amortization	<u>29,859,724</u>	<u>11,727,510</u>	<u>41,587,234</u>
Net property, plant and equipment	<u>82,497,744</u>	<u>6,677,352</u>	<u>89,175,096</u>
Total assets	<u>\$ 95,677,498</u>	<u>8,315,824</u>	<u>103,993,322</u>
<u>Liabilities and Fund Equity</u>			
Current liabilities:			
Accounts payable	1,915,347	-	1,915,347
Accrued expenses	1,677,842	801,098	2,478,940
Advance sales receipts and promoter deposits	-	297,240	297,240
Due to City of Providence	3,845,901	711,145	4,557,046
Note payable to City of Providence	3,674,479	400,000	4,074,479
Deferred revenue	104,860	390,467	495,327
Current installment under capitalized lease obligation	509,018	318,318	827,336
Current portion of bonds payable	736,800	-	736,800
Liabilities payable from restricted assets	<u>1,541,959</u>	<u>-</u>	<u>1,541,959</u>
Total current liabilities	<u>14,006,206</u>	<u>2,918,268</u>	<u>16,924,474</u>
Long-term notes payable	-	250,000	250,000
Capitalized lease obligations	11,034,834	1,027,149	12,061,983
Long-term bonds payable	<u>12,370,250</u>	<u>-</u>	<u>12,370,250</u>
Total liabilities	<u>37,411,290</u>	<u>4,195,417</u>	<u>41,606,707</u>
Fund equity:			
Contributed capital	52,317,739	4,048,705	56,366,444
Reserved retained earnings	3,353,325	-	3,353,325
Unreserved retained earnings	<u>2,595,144</u>	<u>71,702</u>	<u>2,666,846</u>
Total fund equity	<u>58,266,208</u>	<u>4,120,407</u>	<u>62,386,615</u>
Total liabilities and fund equity	<u>\$ 95,677,498</u>	<u>8,315,824</u>	<u>103,993,322</u>

CITY OF PROVIDENCE, RHODE ISLAND

Combining Statement of Revenues, Expenditures and Changes
in Retained Earnings - All Enterprise Funds

June 30, 1993

	<u>Water Supply Board</u>	<u>Civic Center Authority</u>	<u>Total</u>
Operating revenues:			
Arena rent and concession income	\$ -	2,470,299	2,470,299
Water sales	16,126,302	-	16,126,302
Reimbursements by promoters	-	673,829	673,829
Maintenance and other charges	301,871	501,686	803,557
Other	<u>-</u>	<u>383,304</u>	<u>383,304</u>
Total revenues	<u>16,428,173</u>	<u>4,029,118</u>	<u>20,457,291</u>
Operating expenses:			
Wages and benefits	-	2,228,455	2,228,455
Operations	4,238,012	383,177	4,621,189
Charges by other City departments	846,250	-	846,250
Retiree benefits	-	366,865	366,865
Administrative and general	6,303,388	801,428	7,104,816
Bad debts - net of recoveries	1,739,986	-	1,739,986
Other	-	416,457	416,457
Property taxes - other local governments	3,396,637	216,189	3,612,826
Depreciation	<u>1,205,638</u>	<u>696,233</u>	<u>1,901,871</u>
Total expenses	<u>17,729,911</u>	<u>5,108,804</u>	<u>22,838,715</u>
Operating income (loss)	(1,301,738)	(1,079,686)	(2,381,424)
Nonoperating revenues (expenses):			
Water quality protection charge	1,647,150	-	1,647,150
City surcharge revenue	2,596,103	-	2,596,103
Water quality protection expense	(329,583)	-	(329,583)
Net interest expense	<u>(2,001,318)</u>	<u>(116,724)</u>	<u>(2,118,042)</u>
	<u>1,912,352</u>	<u>(116,724)</u>	<u>1,795,628</u>
Net (loss) income	610,614	(1,196,410)	(585,796)
Add: depreciation on contributed fixed assets	<u>-</u>	<u>430,708</u>	<u>430,708</u>
Increase (decrease) in retained earnings	610,614	(765,702)	(155,088)
Retained earnings at beginning of year	<u>5,337,855</u>	<u>837,404</u>	<u>6,175,259</u>
Retained earnings at end of year	<u>\$ 5,948,469</u>	<u>71,702</u>	<u>6,020,171</u>

See accompanying notes to general purpose financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combining Statement of Cash Flows - All Enterprise Funds

June 30, 1993

	Water Board	Civic Center	Total
Operating activities:			
Operating income (loss)	\$ (1,301,738)	(1,079,686)	(2,381,424)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,205,638	696,233	1,901,871
Provision for losses on accounts receivable	1,739,986	9,255	1,749,241
Deferred credits	(996,298)		(996,298)
Increase (decrease) in cash arising from:			
Accounts receivable	(21,938)	(210,367)	(232,305)
Accounts receivable - unbilled	(3,227,555)		(3,337,555)
Inventory	132,869		132,869
Other current assets	1,000	32,921	33,921
Accrued expenses and accounts payable	769,075	311,984	1,081,059
Advance sales receipts and promoter deposits	-	217,777	217,777
Due from City of Providence	-	(603,046)	(603,046)
Accounts payable - restricted	654,687	-	654,687
Due to Water Resources Board	<u>(1,247,897)</u>	<u> </u>	<u>(1,247,897)</u>
Net cash (used in) provided by operating activities	<u>4,162,939</u>	<u>(402,372)</u>	<u>3,760,567</u>
Noncapital financing activities:			
Net payments to City of Providence General Fund	-	380,000	380,000
Interest paid on non-capital borrowings	<u>(1,314,543)</u>	<u>234,039</u>	<u>(1,080,504)</u>
Net cash provided by noncapital financing activities	<u>(1,314,543)</u>	<u>614,039</u>	<u>(700,504)</u>
Capital and related financing activities:			
Capital expenditures	(2,179,994)	(389,690)	(2,569,684)
Payment of obligations under capital lease	(697,809)	(243,064)	(940,873)
Proceeds from restricted investments	-	(6,568)	(6,568)
General obligation bonds	(855,100)		(855,100)
Interest on general obligation bonds	(1,151,002)		(1,151,002)
Water quality protection receipts	1,489,915		1,489,915
Water quality protection disbursements	(882,448)		(882,448)
City surcharge	2,596,103		2,596,103
Interest expense under lease purchase expansion project	-	(95,280)	(95,280)
Proceeds from sale/leaseback of assets	-	345,802	345,802
Contributions from the City of Providence	<u> </u>	<u>603,046</u>	<u>603,046</u>
Net cash used in capital and related financing activities	<u>(1,680,335)</u>	<u>214,246</u>	<u>(1,466,089)</u>
Investing activities:			
Purchase of investments	(96,895)		(96,895)
Interest on investments	<u> </u>	<u>8,555</u>	<u>8,555</u>
Net cash provided by (used in) investing activities	<u>(96,895)</u>	<u>8,555</u>	<u>(88,340)</u>
Net increase (decrease) in cash and cash equivalents	1,071,166	434,468	1,505,634
Cash and cash equivalents at beginning of year	<u>2,936,186</u>	<u>175,386</u>	<u>3,111,572</u>
Cash and cash equivalents at end of year	<u>\$ 4,007,352</u>	<u>609,854</u>	<u>4,617,206</u>

CITY OF PROVIDENCE, RHODE ISLAND

Combining Balance Sheet - Fiduciary Funds
June 30, 1993

Assets	Trust Funds			Agency Funds			Total
	Expendable	Non-expendable	Retirement System	Probate Court	Deferred Compensation Plans	Other Agency Funds	
Cash (overdrafts) and cash equivalents	\$ 2,003,575	22,752	13,936,706	234,493	-	(815,818)	15,381,708
Investments	6,250,228	232,012	179,816,289	-	9,392,090	-	195,690,619
Accounts receivable	27,620	-	-	-	-	-	27,620
Due from:							
Other funds	-	-	7,406,525	-	-	-	7,406,525
State of Rhode Island	4,630	-	-	-	-	-	4,630
Loans receivable	-	-	9,140,426	-	-	-	9,140,426
Other assets	-	46,702	2,275,315	-	-	1,143,247	3,465,264
	<u>\$ 8,286,053</u>	<u>301,466</u>	<u>212,575,261</u>	<u>234,493</u>	<u>9,392,090</u>	<u>327,429</u>	<u>231,116,792</u>
Liabilities and Fund Balances							
Accounts payable	92,969	-	293,684	-	-	261,951	648,604
Accrued expenditures	-	-	-	-	-	-	-
Amounts held for others	-	-	-	234,493	9,392,090	-	9,626,583
Due to other funds	497	-	-	-	-	65,478	65,975
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	93,466	-	293,684	234,493	9,392,090	327,429	10,341,162
Fund balance (deficit):							
Reserved	272,648	301,466	212,281,577	-	-	-	212,855,691
Undesignated	7,919,939	-	-	-	-	-	7,919,939
	<u>8,192,587</u>	<u>301,466</u>	<u>212,281,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,775,630</u>
	<u>\$ 8,286,053</u>	<u>301,466</u>	<u>212,575,261</u>	<u>234,493</u>	<u>9,392,090</u>	<u>327,429</u>	<u>231,116,792</u>

OTHER FINANCIAL INFORMATION

CITY OF PROVIDENCE, RHODE ISLAND

Required Supplemental Information - Historical Trend Information

Year ended June 30

(dollar amounts in thousands)

	<u>1992</u>	<u>1991</u>	Fiscal Year Ended <u>1990</u>	<u>1989</u>	<u>1988</u>
Net assets available for benefits, at cost	\$ 212,275	193,590	181,651	169,618	159,543
Pension benefit obligation	566,199	425,616	385,597	339,833	323,502
Net assets available for benefits as a percentage of pension benefit obligation	37.5%	45.5%	47.1%	49.9%	49.3%
Unfunded pension benefit obligation	353,924	232,026	203,946	170,215	163,959
Annual covered payroll	74,763	72,817	65,352	60,841	60,007
Unfunded pension benefit obligation as a percentage of annual covered payroll	473.0%	319%	312%	280%	273%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the System. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of Statewide's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the System.

CITY OF PROVIDENCE, RHODE ISLAND

Employee Retirement System

Required Supplemental Information -
Revenues by Source and Expenses by Type

Year ended June 30, 1993

(amounts in thousands)

Fiscal Year	Revenues by Source			Total
	Employer Contributions	Employee Contributions	Investment Income	
1993	\$ 16,836	5,804	12,368	35,008
1992	15,086	5,681	28,425	49,192
1991	12,185	5,875	19,424	37,484
1990	11,890	5,053	15,744	32,687
1989	10,181	4,580	16,101	30,862
1988	10,519	4,300	14,522	29,341
1987	11,494	4,104	13,847	29,445
1986	11,503	4,048	13,489	29,040
1985	11,050	3,944	10,550	25,544
1984	12,196	3,854	10,312	26,362

Fiscal Year	Expenses by Type			Total
	Benefits	Administrative Expenses	Refunds	
1993	\$ 35,001	-	-	35,001
1992	31,003	-	-	31,003
1991	26,108	-	-	26,108
1990	21,845	-	-	21,845
1989	21,647	-	-	21,647
1988	20,067	-	-	20,067
1987	18,567	-	-	18,567
1986	19,930	-	481	17,411
1985	13,687	-	284	13,976
1984	15,472	-	186	15,658

Contributions were made in accordance with actuarially determined contributions requirements.

CITY OF PROVIDENCE, RHODE ISLAND

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

Year ended June 30, 1993

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Revised Budget</u>	<u>Actual Expenditures</u>	<u>Actual (Over) Under Budget</u>
Executive, Legislative and					
Judicial Activities:					
Mayor's Office	\$ 879,404	-	879,404	861,677	17,727
City Council	565,430	-	565,430	387,036	178,394
City Clerk	285,067	-	285,067	267,300	17,767
City Sergeant	29,221	-	29,221	28,818	403
Law Department	1,918,781	-	1,918,781	1,645,055	273,726
Providence Municipal Court	313,837	-	313,837	329,400	(15,563)
Probate Court	156,267	-	156,267	156,766	(499)
Contingencies	80,000	-	80,000	78,595	1,405
Housing Court	<u>190,259</u>	<u>-</u>	<u>190,259</u>	<u>181,852</u>	<u>8,407</u>
	4,418,266	-	4,418,266	3,936,499	481,767
Finance Administration:					
Finance Director	176,194	(7,000)	169,194	144,345	24,849
City Controller	577,239	-	577,239	523,445	53,794
Employees' Retirement Office	305,591	-	305,591	309,239	(3,648)
Data Processing	1,459,459	7,000	1,466,459	1,493,464	(27,005)
City Collector	1,245,560	-	1,245,560	1,728,777	(483,217)
City Assessor	783,945	-	783,945	796,914	(12,969)
Board of Tax Assessments Review	18,000	-	18,000	-	18,000
Treasury Department	189,518	-	189,518	173,579	15,939
Personnel	298,417	-	298,417	276,833	21,584
Heat, light and power	2,400,000	-	2,400,000	2,501,513	(101,513)
Labor lawyer	150,000	-	150,000	250,749	(100,749)
Payment to Employees' Retirement System	14,571,021	-	14,571,021	14,571,021	-
Elected officials	98,964	-	98,964	107,332	(8,368)
Police pensions	75,600	-	75,600	77,475	(1,875)
Fire pensions	94,500	-	94,500	92,473	2,027
Laborers International legal fee	675,000	-	675,000	535,125	139,875
Payment to Laborers International					
Pension fund	1,340,000	-	1,340,000	1,123,644	216,356
Public employees health services	125,000	-	125,000	158,701	(33,701)
Debt service	14,186,141	-	14,186,141	13,786,965	399,176
FICA	2,600,000	-	2,600,000	2,298,591	301,409
Medical insurance	12,091,000	1,500,000	13,591,000	12,660,231	930,769
Workers' compensation	1,736,000	-	1,736,000	1,468,638	267,362
Unemployment compensation	140,000	-	140,000	82,485	57,515
Reserve for anticipated tax abatements	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>710,156</u>	<u>(360,156)</u>
	55,687,149	1,500,000	57,187,149	55,871,693	1,315,456

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Revised Budget</u>	<u>Actual Expenditures</u>	<u>Actual (Over) Under Budget</u>
Public Safety:					
Commissioner of Public Safety	300,705	-	300,705	372,878	(72,173)
Police Department	22,636,771	-	22,636,771	22,008,577	628,194
Fire Department	23,243,412	-	23,243,412	25,567,559	(2,324,147)
Department of Communication	3,364,113	-	3,364,113	3,257,728	106,385
Traffic Engineering Department	<u>584,397</u>	<u>-</u>	<u>584,397</u>	<u>536,981</u>	<u>47,416</u>
	50,129,398	-	50,129,398	51,743,722	(1,614,324)
Building Inspection Department:					
Building Inspection Administration	710,841	-	710,841	686,598	24,243
Structures and Zoning Division	369,676	-	369,676	351,955	17,721
Plumbing, Drainage and Gas Piping Division	130,284	-	130,284	96,711	33,573
Electrical Installations Division	120,508	-	120,508	127,523	(7,015)
Mechanical Equipment and Installations Division	97,979	-	97,979	96,733	1,246
Zoning Board of Review	36,700	-	36,700	14,632	22,068
Building Board of Review	13,000	-	13,000	572	12,428
Housing Board of Review	3,120	-	3,120	7	3,113
Building Inspection Code Enforcement	376,094	-	376,094	311,753	64,341
Building Inspection Prosecution	151,615	-	151,615	144,254	7,361
Utilities and standards	<u>67,286</u>	<u>-</u>	<u>67,286</u>	<u>49,156</u>	<u>18,130</u>
	2,077,103	-	2,077,103	1,879,893	197,210
Public Works Activities:					
Public Works Administration	591,012	-	591,012	438,819	152,193
Engineering and Sanitation	332,405	-	332,405	230,675	101,730
Environment Control	5,977,765	-	5,977,765	5,019,664	958,101
Highway	1,905,246	-	1,905,246	1,684,254	220,992
Bridge Maintenance Section	160,485	-	160,485	155,261	5,224
Snow Removal	500,000	-	500,000	670,629	(170,629)
Sewer Construction and Maintenance	516,437	-	516,437	482,380	34,057
Garage Maintenance and Equipment Repair	<u>217,004</u>	<u>-</u>	<u>217,004</u>	<u>186,819</u>	<u>30,185</u>
	10,200,354	-	10,200,354	8,868,501	1,331,853
Recreation Activities:					
Recreation Department	521,985	-	521,985	527,591	(5,606)
Recreation - seasonal	280,000	-	280,000	313,941	(33,941)
Transfer to Summer Lunch	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	801,985	-	801,985	841,532	(39,547)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Revised Budget</u>	<u>Actual Expenditures</u>	<u>Actual (Over) Under Budget</u>
Public Lands and Parks:					
Grounds maintenance services	\$ 2,870,123	-	2,870,123	2,750,192	119,931
Zoological services	1,132,533	-	1,132,533	1,146,958	(14,425)
Park Environmental Services	452,542	-	452,542	410,558	41,984
Park Programming	269,196	-	269,196	258,286	10,910
Superintendent of Parks	399,828	-	399,828	362,493	37,335
North Burial Grounds	-	-	-	6,736	(6,736)
	<u>5,124,222</u>	-	<u>5,124,222</u>	<u>4,935,223</u>	<u>188,999</u>
Other Departments:					
Recorder of Deeds	344,264	-	344,264	297,858	46,406
Vital Statistics	129,354	-	129,354	128,149	1,205
Board of Canvassers	444,396	-	444,396	516,979	(72,583)
Bureau of Licenses	224,709	-	224,709	243,109	(18,400)
Human Relations	168,674	-	168,674	166,546	2,128
Civil Defense Preparedness	154,428	-	154,428	142,643	11,785
Planning and Urban Development	1,681,480	-	1,681,480	1,809,985	(128,505)
Administration to City Council	220,209	-	220,209	173,884	46,325
Providence Review Commission	19,550	-	19,550	19,144	406
Archives	71,966	-	71,966	67,361	4,605
Mayor's Council Substance Abuse	<u>51,099</u>	-	<u>51,099</u>	<u>48,739</u>	<u>2,360</u>
	<u>3,510,129</u>	-	<u>3,510,129</u>	<u>3,614,397</u>	<u>(104,268)</u>
Welfare Activities:					
General Public Assistance	15,874,000	-	15,874,000	860,308	15,013,692
General Public Assistance Admin.	<u>476,300</u>	-	<u>476,300</u>	<u>346,524</u>	<u>129,776</u>
	<u>16,350,300</u>	-	<u>16,350,300</u>	<u>1,206,832</u>	<u>15,143,468</u>
Commissions:					
Providence Public Library	2,022,000	-	2,022,000	2,028,291	(6,291)
Providence Center	270,000	-	270,000	270,000	-
Capital Center	50,000	-	50,000	50,000	-
Other	<u>26,794</u>	-	<u>26,794</u>	<u>27,529</u>	<u>(735)</u>
	<u>2,368,794</u>	-	<u>2,368,794</u>	<u>2,375,820</u>	<u>(7,026)</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Revised Budget</u>	<u>Actual Expenditures</u>	<u>Actual (Over) Under Budget</u>
Public properties	\$ 3,261,227	-	3,261,227	4,005,102	(743,875)
Union Concession	(5,766,165)	-	(5,766,165)	-	(5,766,165)
Purchasing	295,714	-	295,714	298,836	(3,122)
Miscellaneous Departments:					
Providence Housing Authority	50,000	-	50,000	47,115	2,885
League of Cities	<u>57,000</u>	<u>-</u>	<u>57,000</u>	<u>8,955</u>	<u>48,045</u>
	107,000		107,000	56,070	50,930
Municipal Docks	638,057	-	638,057	562,165	75,892
Salaries	1,500,000	(1,500,000)	-	-	-
Public Celebrations	33,700	-	33,700	63,982	(30,282)
Education:					
Transfer to School Department	61,316,154	-	61,316,154	60,714,911	601,243
Transfer to Civic Center	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,046</u>	<u>(603,046)</u>
	<u>61,316,154</u>	<u>-</u>	<u>61,316,154</u>	<u>61,317,957</u>	<u>(1,803)</u>
Total expenditures and transfers	\$ <u>212,053,387</u>	<u>-</u>	<u>212,053,387</u>	<u>201,578,226</u>	<u>10,475,161</u>

CITY OF PROVIDENCE, RHODE ISLAND

Schedule of Long-Term Bonds Payable

June 30, 1993

<u>Long-term Debt Account Group</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Issued</u>	<u>Outstanding</u>
General Obligation:					
Public Improvement Bonds	4.75-6.00%	05/01/79	7/1/99	15,000,000	5,250,000
Public Improvement Bonds	7-9.5%	05/01/79	8/15/06	20,040,000	-
Refunding Bonds	4.20-7.00%	09/01/91	3/15/05	30,750,000	28,250,000
Refunding Bonds	5.00-5.80%	08/01/92	08/01/06	28,615,000	28,615,000
Old Harbor Tax Increment Bonds	5.50-8.50%	8/15/86	8/15/01	<u>2,100,000</u> 96,505,000	<u>1,260,000</u> 63,375,000
Schools:					
School Modernization and Construction Bonds Series II	5.00%	02/15/74	2/15/94	3,000,000	150,000
School Modernization and Construction Bonds Series III	5.00%	02/15/74	2/15/94	3,000,000	150,000
School for Handicapped Children	5.00%	02/15/74	2/15/94	2,500,000	125,000
School Bonds of 1988 Series I	6.6-8.76%	01/15/88	8/15/02	15,000,000	-
School Bonds	6.75-8.625%	01/15/91	1/1/11	15,850,000	14,262,432
School Bonds	5.25-8.25%	01/15/93	01/15/11	<u>35,150,000</u> 74,500,000	<u>35,150,000</u> 49,837,432
Preserving Open Space Bonds	6.75-8.625%	01/15/91	1/1/11	<u>15,000,000</u>	<u>13,497,568</u>
Providence Building Authority:					
General Revenue Bond	5.80-7.25%	12/15/90	12/15/10	13,599,950	12,867,950
General Revenue Bond	5.80-7.25%	12/90	12/10	14,105,000	13,430,000
General Revenue Bond	6.90-7.75%	12/91	12/11	13,100,000	13,100,000
General Revenue Bond	5%	12/15/92	12/15/97	<u>4,235,000</u>	<u>4,235,000</u>
				<u>45,039,950</u>	<u>43,632,950</u>
Total long-term debt account group				<u><u>231,044,950</u></u>	<u><u>170,342,950</u></u>
<u>Proprietary funds</u>					
Water Bonds of 1971	5.09-6.00%	06/01/71	6/01/01	<u>11,000,000</u>	<u>4,880,000</u>
General Revenue Bonds	5.80-7.25%	12/15/90	12/15/10	<u>8,695,050</u>	<u>8,227,050</u>
Total proprietary funds				<u><u>19,695,050</u></u>	<u><u>13,107,050</u></u>

CITY OF PROVIDENCE, RHODE ISLAND

Schedule of Property Taxes Receivable

June 30, 1993

<u>Year of Assessment</u>	<u>Amount Receivable June 30, 1993</u>
1992	\$ 16,464,241
1991	9,342,630
1990	5,862,284
1989	3,965,956
1988	2,989,288
1987	2,532,788
1986	2,151,674
1985	2,121,740
1984	1,974,387
1983	2,312,342
1982	59,114
1981	53,595
1980	46,685
1979	40,457
1978	36,188
1977	27,967
1976 and prior	<u>146,066</u>
Total taxes	50,127,402
Less allowance for estimated uncollectible amounts	<u>35,045,043</u>
Net property taxes receivable	<u>\$ 15,082,359</u>