

CITY OF PROVIDENCE

PROVIDENCE REDEVELOPMENT AGENCY

AUDIT OF RECORDS AND ACCOUNTS

FISCAL YEAR ENDED SEPTEMBER 30, 1960

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Bureau of Audits
State of Rhode Island

PROVIDENCE REDEVELOPMENT AGENCY

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DEPARTMENT OF ADMINISTRATION

PROVIDENCE, R. I.

BUREAU OF AUDITS

ELPHEGE J. GOULET, C. P. A., CHIEF

To the Members of the Finance Committee
City of Providence
Rhode Island

Gentlemen:

Supplementing our examination of the records of the City of Providence, we have completed an audit of the records and accounts of the Providence Redevelopment Agency for the fiscal year ended September 30, 1960 and we present herewith our report upon the results of this examination together with the exhibits and statements attached hereto and enumerated in the index of contents:

Our examination was made in accordance with generally accepted auditing standards and, consistent with our past practices, included such tests of records and transactions as we considered necessary in the circumstances. Receivables were not confirmed by direct correspondence with the debtors.

Assets

Cash:

Cash on deposit and on hand at the close of the fiscal period under review amounted to \$564,298.30, an increase of \$183,790.87 when compared with the balance at the close of the preceding fiscal year. Cash on deposit was verified by correspondence with the depository banks and escrow funds were confirmed by the holders thereof.

Allocation of the September 30, 1960 cash balance by project and custodian is scheduled as follows:

<u>Project</u>	<u>Custodian</u>		
	<u>Providence Redevelopment Agency</u>	<u>Title Companies</u>	<u>Superior Court</u>
Point Street	12,376.80		
West River	16,617.09		38,722.35
Lippitt Hill	20,479.79	26,879.21	415,802.45
Central Classical	28,169.79		
Mashapaug Pond	3,925.41		
Revolving Fund	1,325.41		
TOTAL	<u>\$82,894.29</u>	<u>\$26,879.21</u>	<u>\$454,524.80</u>

In reconciling the bank accounts in the custody of the Providence Redevelopment Agency, all checks of the various projects cancelled by the bank during the period of audit were examined and compared with the cash disbursements records. The petty cash fund within the Revolving Fund was counted by members of our staff during the course of our examination.

Accounts Receivable:

Accounts receivable of the Providence Redevelopment Agency amounted to \$87,949.75 at September 30, 1960 allocated as follows:

Federal Reimbursement:	
Project Inspection Fee	\$1,259.00
Relocation Payments	17,136.69
Tenants	16,579.72
Sale of Project Land	48,504.87
Advances to Revolving Fund	2,887.44
Travel Expense Advance	820.00
Deposit - Hotel Accommodations	25.00
Due from Other Projects	737.03
TOTAL	<u>\$87,949.75</u>

Reflected in the accounts receivable total is the sum of \$48,504.87 which represents the balance due from the sale of two parcels of West River Project Land. At the time of our examination deposits totalling \$5,389.43, representing 10% of the selling price, had been received and credited as sales of land on the records of the agency. For statement purposes, therefore, we have reflected the balance as being owed to the agency at September 30, 1960. Titles to both these parcels were transferred prior to this writing and all but \$3,000.00 of the amount due at September 30, 1960 had been received by the agency. This particular sum was being held in escrow by the Mortgage Guarantee and Title Company.

Receivables were not confirmed by direct correspondence with the individual debtors.

Investments:

Investments are carried at cost on the records of the agency, and at September 30, 1960, securities held were valued at \$1,584,984.38 of which total \$269,204.00 represented securities purchased with funds of the West River project and the balance of \$1,315,780.38 was owned by the Lippitt Hill Project. The individual securities making up this total are scheduled as follows:

	<u>Maturity</u>	<u>% Rate</u>	<u>Face</u>	<u>Cash</u>
West River Project:				
Federal Land Bank	6/20/61	4.75	24,000.00	24,382.33
" " "	2/15/61	4.625	100,000.00	101,214.24
" " "	12/20/60	5.4	50,000.00	51,657.50
" " "	12/20/60	5.4	50,000.00	51,953.75
Federal Intermediate Credit Bank Debentures	5/1/61	3.3	20,000.00	20,083.33
U.S. Treasury Bills	11/17/60	2.49	20,000.00	19,912.85
Lippitt Hill Project:				
Federal Intermediate Credit Bank Debentures	11/1/60	5.25	50,000.00	51,163.54
Federal Land Bank	10/20/60	5.375	100,000.00	103,452.43
Federal Intermediate Credit Bank Debentures	12/1/60	4.8	30,000.00	30,883.50
Federal Land Bank	10/20/60	5.375	1,000,000.00	1,066,430.81
U.S. Treasury Bills	10/20/60	2.48	64,000.00	63,850.10
TOTALS			<u>1,508,000.00</u>	<u>1,584,984.38</u>

The difference between the face value and cost of the securities held at September 30, 1960 amounted to a net total of \$76,984.38 and is allocated as follows:

	<u>Total</u>	<u>West River</u>	<u>Lippitt Hill</u>
Accrued Interest	\$44,740.18	\$3,234.90	\$41,505.28
Premium	32,481.25	2,056.25	30,425.00
Discount	(237.05)	(87.15)	(149.90)
NET	<u>\$76,984.38</u>	<u>\$5,204.00</u>	<u>\$71,780.38</u>

In reviewing the investment of idle monies we note an unusually large number of transactions within this account and we note also that

many of the securities purchased are held for only a period of a few days. It was also observed that formal agency approval for the purchases and sale of securities was given subsequent to the transaction and we would suggest, therefore, that prior approval be obtained for changes in the investment portfolio.

The investment of project funds in short-term direct obligations of the federal government is permitted under the provisions of the loan and grant contract.

Suspense:

Reflected in this account are the payments of real estate taxes made by the agency for assessments levied on unimproved land subsequent to the tax period during which said real estate was acquired. It is the established policy of the Housing and Home Finance Agency to exclude such payments from gross project costs and as a consequence are carried on the records of the Providence Redevelopment Agency as "cost exception" items.

These cost exception items represent unshared costs and as a result will be borne by the City in their entirety. Upon completion of each project or shortly prior thereto, these costs will be adjusted against the city's contribution account on the records of the redevelopment agency and the net thereof used to determine the over-payment or insufficiency of the city's share of the project costs.

The cumulative amount at September 30, 1960 represented a net total of \$48,055.74 allocated by projects as follows:

Point Street	\$ (262.16)
West River	48,317.90
TOTAL	<u>\$48,055.74</u>

Operations within this account for the fiscal year under review are summarized as follows:

	Project	
	Point Street	West River
Account Balance, October 1, 1959	* \$ 351.78	\$292.00
Add:		
1958 Tax Assessment		*18,803.64
1959 Tax Assessment		*40,519.44
Uncollected rent not deducted at closing		192.96
Total	351.78	59,808.04
Deduct:		
Pro-rata share of taxes collected at closings:		
1959 Tax Assessment		11,490.14
1960 Tax Assessment (net)	613.94	
BALANCE SEPTEMBER 30, 1960	<u>(\$ 262.16)</u>	<u>\$48,317.90</u>

* Received by City of Providence as general fund tax revenue.

Development Costs:

The sum of \$9,368,270.95 reflected in this account represents expenditures and/or grants cumulative to September 30, 1960, made in behalf of the various projects in progress at that time. These costs include both city and federal contributions and reflect shared and unshared amounts in each category. On an overall basis this total may be broken down in the following manner:

Shared Costs:	
Project Costs	\$8,873,054.89
Survey and Planning (Central- Classical)	67,485.60
Land Donations	165,400.00
Unshared Costs:	
Relocation - Federal	137,531.69
Survey and Planning (Mashapaug Pond) - City	76,743.03
Cost Exception - City	48,055.74
TOTAL	<u>\$9,368,270.95</u>

Unrealized Financing Funds:

This account is a budgetary item and reflects that portion of the funds and/or grants estimated as being necessary to complete the various projects which had not been received by the agency at September 30, 1960.

Project financing was anticipated to be accomplished through a combination of federal capital and relocation grants, city cash and non-cash grants and from the proceeds realized from the sale of project land. Thusly at September 30, 1960, \$6,160,905.64 of a total estimated

amount of \$13,598,633.00 was still to be received by the agency.

Allocation of the unrealized amount of \$6,160,905.64 by source is scheduled as follows:

	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Federal:			
Capital Grants	6,728,364.00	3,078,666.00	3,649,698.00
Relocation Grants	239,400.00	137,531.69	101,868.31
City:			
Cash Grants	2,923,336.00	2,856,244.03	67,091.97
Non-Cash Grants	530,717.00	159,950.00	370,767.00
Proceeds from Sale of			
Land	3,176,816.00	1,205,335.64	1,971,480.36
TOTALS	<u>13,598,633.00</u>	<u>7,437,727.36</u>	<u>6,160,905.64</u>

The unrealized cash grants due from the city in the amount of \$67,091.97 is a net figure with payments totalling \$10,519.68 representing amounts in excess of the estimated total required for three projects and \$77,611.65 still due the Mashapaug Pond project under the terms of the survey and planning budget. Of the \$370,767.00 representing unrealized non-cash grants, it must be observed that a substantial reduction in this amount will be effected upon acceptance by the federal government of some portion of the expenditures made for highway construction in the West River area financed by the highway bond issue. Comments regarding the foregoing are made in greater detail in a subsequent section of this report.

Liabilities and Capital Investment

Vouchers, Contracts and Encumbrances Payable:

This account amounted to \$274,347.56 at September 30, 1960 and represents unpaid current orders, payrolls and balances due under the terms of certain vendors' contracts.

Accrued Interest Payable:

Interest totalling \$78,083.69 represents the amount due on temporary borrowings for two projects and the balance of \$2,344.77 consists of unpaid financing charges in connection with a series of preliminary advances made by the federal government.

Notes Payable:

Temporary loans payable totalled \$3,813,000.00 at September 30, 1960 of which \$1,600,000.00 pertained to the West River project and the balance of \$2,213,000.00 represents borrowings in connection with the Lippitt Hill project.

Schedule below, by project, is the data pertinent to these obligations:

	<u>West River</u>	<u>Lippitt Hill</u>
Amount	\$1,600,000.00	\$2,213,000.00
Rate	2.29%	3.23%
Issue Date	June 21, 1960	October 20, 1959
Maturity Date	June 30, 1961	October 21, 1960
Holder	Industrial National Bank of Providence	Soloman Bros., & Hutzler

Temporary borrowings from sources other than the federal government are allowed under the terms of the loan and grant contract when interest rates offered by private investors are lower.

Capital Investment:

The cumulative capital investment in current projects amounted to \$9,368,270.95 at September 30, 1960 and is allocated by projects as follows:

Point Street	\$ 556,573.10
West River	5,509,877.88
Lippitt Hill	3,157,591.34
Central-Classical	67,485.60
Mashapaug Pond	76,743.03
TOTAL	<u>\$9,368,270.95</u>

This account represents the total of funds provided by city and federal authorities, proceeds from sale of land and temporary borrowings reduced by the amount of net uncommitted funds on hand at September 30, 1960. Allocation of this total by source of funds is shown below:

Funds Provided:	
City	\$3,016,194.03
Federal	3,216,197.69
Sale of Land	1,205,335.64
Temporary Loans	1,950,638.61
Total	<u>9,388,365.97</u>
Deduct:	
Net Uncommitted funds on Hand	20,095.02
TOTAL	<u><u>\$9,368,270.95</u></u>

Unencumbered Allotments:

Unencumbered budget allotments at September 30, 1960 totalled \$4,278,417.79 for the various projects current at that time, classified by purpose as follows:

Project Costs	\$3,811,232.48
Relocation Costs	101,868.31
Land Donations	365,317.00
TOTAL	<u><u>\$4,278,417.79</u></u>

GENERAL COMMENTS AND RECOMMENDATIONS

1. Inquiring as to the effect that taxable property condemnation attendant to Redevelopment has upon the City's tax structure, this office was informed that the Community Renewal Development Program of the City coordinates the capital improvement program of the Providence Redevelopment Agency, the City Plan Commission, the State Department of Public Works (Highways), the Providence Housing Authority and other such agencies. In timing the various capital improvement programs in such a manner as to stabilize the total taxable property valuations as much as possible, the financial strain on the City is minimized.
2. It is presently not the policy of the agency to reflect as a receivable the balance of the selling price of land sold upon the receipt of a deposit binding the transaction, nor are contracts set up as liabilities or encumbrances of the agency when they are signed. It is our opinion that both the receivables and payables should be a matter of record on the agencies books in order that the financial status of each project be correctly reflected at all times.
3. Strict adherence to the provisions of Section 37 Chapter 3654 of the Public Laws of 1956 is not being observed by the redevelopment

agency with reference to the contents of its reports to the City Council inasmuch as the reports filed thus far have not included "a statement of all revenues and expenditures" as required by the aforementioned section.

It is suggested that periodic reports perhaps monthly, be expanded to include cumulative budget operations both as to financing and expenditures. We would also recommend that consideration be given to the adoption of mechanized bookkeeping to facilitate the above expanded reporting.

4. Relocation payments for tenants range from \$40.00 for one room to \$200.00 for twelve or more rooms and roomers owning no furniture are paid \$5.00 for an individual and \$10.00 for a family. Tenants must file for their relocation payment and it is agency policy to deduct from the relocation grants any rental in arrears.

As a result of this practice rental loss during our period of examination was negligible.

Commercial relocation payments were raised from \$2,500.00 to a maximum of \$3,000.00 on September 23, 1959, the effective date of the Housing Act of 1959.

5. Willard Center projects U.R. R.1. 1-2 and 1-3 had both been completed prior to October 1, 1959 with no transactions occurring therein during our period of examination. With respect to the 1-3 project, however, a cash balance of \$496.00 was noted therein, which remained inactive during the fiscal year ended September 30, 1960. This balance represented outstanding commitments which were liquidated prior to this writing.

6. With reference to the accompanying exhibits, it should be noted that the amounts shown as city grants, with the exception of Mashapaug Pond, do not reflect debt service costs of the various notes and bonds which the city floated in order to finance its share of the various projects nor do they reflect the expenditures from the annual general

X

fund appropriation for administrative purposes of the Providence Redevelopment Agency.

7. Comments concerning the individual projects follow the combined statements contained herein and immediately precede the statements pertaining to each project.

General:

We wish to take this opportunity to express our appreciation for the cooperation and courtesies extended to our staff by the officials and employees of the Providence Redevelopment Agency with whom we came in contact during the course of this examination.

CERTIFICATE:

Subject to the comments herein contained the accompanying balance sheets and related statements, in our opinion, present fairly the financial condition of the various projects at September 30, 1960 and the results of their operations for the year then ended.

BUREAU OF AUDITS
State of Rhode Island

Elphège Goulet
Chef: Bureau of Audits

January 29, 1962

St/A

IN CITY COUNCIL

APR 5 1962

READ:

WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

D. Everett Whelan
CLERK

PROVIDENCE
CONDENSED BALANCE
SEPTEMBER

	EXECUTION STAGE	
ASSETS	POINT STREET	WEST RIVER
<u>CURRENT ASSETS:</u>		
Cash - Exhibit B	12,376.80	55,339.44
Accounts Receivable	1,259.19	51,926.00
Investments (value at cost)		269,204.00
Total Current Assets	13,635.99	376,469.44
Suspense - Taxes on Unimproved Land	(262.16)	48,317.90
Development Costs to Date	556,573.10	5,509,877.88
Budget - Unrealized Financing Funds	121,434.88	3,158,444.71
TOTAL ASSETS	691,381.81	9,093,109.93

LIABILITIES AND CAPITAL INVESTMENT

<u>CURRENT LIABILITIES:</u>		
Vouchers, Contracts and Encumbrances	.97	104,160.26
Accrued Interest Payable		10,177.77
Notes Payable		1,600,000.00
Total Current Liabilities	.97	1,714,338.03
Capital Investment to Date	556,573.10	5,509,877.88
Budget - Unencumbered Allotments	134,807.74	1,868,894.02
TOTAL LIABILITIES AND CAPITAL INVESTMENT	691,381.81	9,093,109.93

Exhibit A

REDEVELOPMENT AGENCY
SHEET BY FUNDS
30, 1960

<u>LIPPITT HILL</u>	<u>SURVEY AND PLANNING</u>			<u>TOTAL</u>
	<u>CENTRAL CLASSICAL</u>	<u>MASHAPAUG POND</u>	<u>REVOLVING FUND</u>	
463,161.45	28,169.79	3,925.41	1,325.41	564,298.30
33,135.09	67.44		1,562.03	87,949.75
<u>1,315,780.38</u>				<u>1,584,984.38</u>
1,812,076.92	28,237.23	3,925.41	2,887.44	<u>2,237,232.43</u>
				48,055.74
3,157,591.34	67,485.60	76,743.03		9,368,270.95
2,806,460.68	(3,046.28)	77,611.65		<u>6,160,905.64</u>
<u>7,776,128.94</u>	<u>92,676.55</u>	<u>158,280.09</u>	<u>2,887.44</u>	<u>17,814,464.76</u>
143,941.02	77.78	23,280.09	2,887.44	274,347.56
67,905.92	2,344.77			80,428.46
<u>2,213,000.00</u>				<u>3,813,000.00</u>
2,424,846.94	2,422.55	23,280.09	2,887.44	<u>4,167,776.02</u>
3,157,591.34	67,485.60	76,743.03		9,368,270.95
2,193,690.66	22,768.40	58,256.97		<u>4,278,417.79</u>
<u>7,776,128.94</u>	<u>92,676.55</u>	<u>158,280.09</u>	<u>2,887.44</u>	<u>17,814,464.76</u>

PROVIDENCE
CONDENSED STATEMENT OF CASH
FISCAL YEAR

	<u>EXECUTION STAGE</u>	
	<u>POINT STREET</u>	<u>WEST RIVER</u>
Cash Balance, October 1, 1959	36,792.03	297,912.02
Cash Receipts:		
Preliminary Advances:		
Federal		
City		
Capital Grants:		
Federal	12,124.00	330,009.00
City		
Temporary Loans		1,600,000.00
Investments Sold or Matured (at cost)	811,139.45	2,800,672.97
Income on Investments	4,003.49	23,028.12
Sale of Land	390,406.93	173,964.04
Transfers:		
Inter-Fund	462.49	7,000.00
Intra-Fund	42,336.96	146,234.42
Other	16,279.95	51,019.86
Total Cash Receipts	<u>1,276,753.27</u>	<u>5,131,928.41</u>
Total Available	<u>1,313,545.30</u>	<u>5,429,840.43</u>
Cash Disbursements:		
Project Costs	53,243.95	506,774.91
Temporary Loans Repaid	442,000.00	2,245,000.00
Investments Purchased (at cost)	761,342.27	2,457,988.96
Relocation Payments	445.32	5,063.75
Transfers:		
Inter Fund		7,724.94
Intra - Fund	42,336.96	146,234.42
Other	1,800.00	5,714.01
Total Cash Disbursements	<u>1,301,168.50</u>	<u>5,374,500.99</u>
CASH BALANCE SEPTEMBER 30, 1960	<u>12,376.80</u>	<u>55,339.44</u>

Exhibit B

REDEVELOPMENT AGENCY
RECEIPTS AND DISBURSEMENTS BY FUNDS
ENDED SEPTEMBER 30, 1960

<u>LIPPIITT HILL</u>	<u>SURVEY AND PLANNING</u>		<u>REVOLVING FUND</u>	<u>TOTAL</u>
	<u>CENTRAL - CLASSICAL</u>	<u>MASHAPAUG POND</u>		
38,570.90	5,964.56		1,267.92	380,507.43
	68,762.00			68,762.00
		57,388.35		57,388.35
1,067,803.00				1,409,936.00
1,248,954.00				1,248,954.00
2,213,000.00				3,813,000.00
3,071,878.04				6,683,690.46
11,570.75				38,602.36
				564,370.97
7,000.00	339.00		2,011.87	16,813.36
3,033,500.00				3,222,071.38
151,053.61	123.85	71.76	24,448.01	242,997.04
10,804,759.40	69,224.85	57,460.11	26,459.88	17,366,585.92
10,843,330.30	75,189.41	57,460.11	27,727.80	17,747,093.35
2,869,400.67	46,795.68	53,534.70		3,529,749.91
				2,687,000.00
4,387,658.42				7,606,989.65
79,258.72				84,767.79
8,109.43	177.50		801.49	16,813.36
3,033,500.00				3,222,071.38
2,241.61	46.44		25,600.90	35,402.96
10,380,168.85	47,019.62	53,534.70	26,402.39	17,182,795.05
463,161.45	28,169.79	3,925.41	1,325.41	564,298.30

POINT STREET PROJECT

UR R. I. 1-1

1. Due from the federal government at September 30, 1960 was the sum of \$1,259.19, of which total \$1,259.00 represented a reduction in the project inspection fee and the balance reflects the amount due the agency for relocation payments. Relative to the reimbursement due for the project inspection fee, we noted that receipt of these monies had been reflected on the records of the agency in April 1961.
2. Proceeds from the sale of project land totalled \$390,406.93 during the fiscal year under review with all but \$2,000.00 of this amount having been deposited correctly in the Temporary Loan Repayment Fund as provided in Section 303 (B) (1) of the loan and grant contract. The effect of having deposited the abovementioned \$2,000.00 in the project expenditures account, however, was nullified prior to the close of the fiscal year under review when sufficient funds were transferred from the project expenditures account to the temporary loan repayment fund in order that the latter account have a sufficient balance to liquidate the principal and interest on second series E preliminary loan notes which matured September 30, 1960.
3. Subsequent to the close of our examination period a final capital grant payment was received from the federal government in the amount of \$11,758.68 which brought the total from this source to \$104,627.68. Relative to the city's cash grant, \$23,921.05 of the original \$75,000.00 was returned to the City in December 1961 together with the sum of \$66.16 representing additional earnings on investments.
4. Certain budget items were overexpended in excess of the ten per cent limitation but revision was considered to be unnecessary by the Housing and Home Finance Agency because the project was considered practically complete at that time.

PROVIDENCE
POINT STREET
BALANCE
SEPTEMBER

ASSETS

CURRENT ASSETS:

Cash:

In Bank - Exhibit B-1 12,376.80

Accounts Receivable:

Federal:

Project Inspection Reimbursement	1,259.00		
Relocation Reimbursement	.19	1,259.19	13,635.99

SUSPENSE:

Taxes on Unimproved Land - Net (262.16)

DEVELOPMENT COSTS:

Project Costs - Statement 1	544,903.07		
Relocation Cost - Statement 1	9,332.19		
Land Donation	2,600.00		
Cost Exception	(262.16)	556,573.10	

UNREALIZED FINANCING FUNDS - Statement 1

Federal Grants	66,923.81		
City Grants - Net	1,562.00		
Land Sales	52,949.07	121,434.88	

TOTAL ASSETS

691,381.81

REDEVELOPMENT AGENCY
PROJECT - U.R. R.I. 1-1
SHEET
30, 1960

LIABILITIES AND CAPITAL INVESTMENT

CURRENT LIABILITIES:

Due to Revolving Fund - Exhibit A-6

.97

CAPITAL INVESTMENT:

Funds Provided

Federal Grants

102,201.19

City Grants

77,600.00

Proceeds from Sale of Land

390,406.93

Total Funds Provided - Statement 1

570,208.12

Deduct:

Uncommitted Funds Provided

13,635.02

556,573.10

UNENCUMBERED BUDGETED ALLOTMENTS

Project Costs - Statement 1

129,214.93

Relocation Costs - Statement 1

1,467.81

Land Donations

4,125.00

134,807.74

TOTAL LIABILITIES AND CAPITAL INVESTMENT

691,381.81

Exhibit B-1

PROVIDENCE REDEVELOPMENT AGENCY
POINT STREET PROJECT NO. U.R. R.I. 1-1
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
Cash Balance, October 1, 1959	36,792.03	8,607.03	-0-	28,185.00
<u>Receipts:</u>				
Rental of Acquired Property	3,328.88	3,328.88		
Sale of Investments	811,139.45	300,596.07	510,543.38	
Earnings on Investments	4,003.49	2,122.41	1,881.08	
Sale of Land	390,406.93	2,000.00	388,406.93	
Interest on Participation Accounts	633.21			633.21
Federal Capital Grants	12,124.00		12,124.00	
Relocation Payments Reimbursed-By Federal Government	9,332.00		9,332.00	
Real Estate Taxes	645.60	645.60		
Sundry Disposition Costs Reimbursed	99.55	99.55		
Sale of Furniture and Equipment	37.95	37.95		
Refunds	2.76	2.76		
Contractors' Performance Deposits	1,800.00	1,800.00		
Advances Repaid from Revolving Fund	462.49	462.49		
Advances Repaid from Title-Guarantee Co.	400.00	400.00		
Transfer from Superior Court	618.21	618.21		
Transfer from Project Expenditures Account	41,718.75		41,718.75	
Total Receipts	<u>1,276,753.27</u>	<u>312,113.92</u>	<u>964,006.14</u>	<u>633.21</u>
Total Available	<u>1,313,545.30</u>	<u>320,720.95</u>	<u>964,006.14</u>	<u>28,818.21</u>
<u>Disbursements:</u>				
Non-Technical Salaries	2,013.09	2,013.09		
Legal Salaries	1,553.63	1,553.63		
Site Clearance Salaries	84.77	84.77		
Site Improvements Salaries	325.93	325.93		
Disposition	160.40	160.40		
Travel Expense-L.P.A. Staff	276.22	276.22		
Sundry Overhead	1,397.47	1,397.47		
Legal Fees and Expenses General	250.00	250.00		
Real Estate Purchases	28,200.00			28,200.00

PROVIDENCE REDEVELOPMENT AGENCY

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
<u>Disbursements (Continued):</u>				
Appraisals for Acquisition	400.00	400.00		
Title Information	89.03	89.03		
Sundry Disposition Costs	138.60	138.60		
Site Improvements	2,155.00	2,155.00		
Operation of Acquired Property	3,918.71	3,887.05	31.66	
Site Clearance	850.00	850.00		
Interest on Notes	11,431.10		11,431.10	
Total Development Costs	53,243.95	13,581.19	11,462.76	28,200.00
Purchase of Investments	761,342.27	250,798.89	510,543.38	
Relocation Payments	445.32	445.32		
Notes Payable	442,000.00		442,000.00	
Refund of Contractors' -Performance Deposits	1,800.00	1,800.00		
Transfer to Project Expenditures-Account	618.21			618.21
Transfer to Temporary Loan-Repayment Fund	41,718.75	41,718.75		
Total Disbursements	<u>1,301,168.50</u>	<u>308,344.15</u>	<u>964,006.14</u>	<u>28,818.21</u>
CASH BALANCE, SEPTEMBER 30, 1960	<u>12,376.80</u>	<u>12,376.80</u>	<u>-0-</u>	<u>-0-</u>

Composition of Cash Balance

Cash in Bank:

Checking Account-Industrial

National Bank of R.I. 12,376.80 12,376.80

PROVIDENCE REDEVELOPMENT AGENCY
POINT STREET PROJECT - UR R. 1, 1-1
STATEMENT OF OPERATION OF BUDGET
CUMULATIVE TO SEPTEMBER 30, 1960

<u>Item T, Project Expenditures</u>	<u>APPROVED BY HHFA 9-18-59</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>UNENCUMBERED BALANCE</u>
Survey and Planning	-	-	-
Project Execution:			
Administration:			
Overhead and Services	20,800.00	23,195.62	*2,395.62
Travel	1,400.00	1,208.13	191.87
Publications	525.00	-	525.00
Office Furniture and Equipment	51.00	12.65	38.35
Legal Services	19,586.00	10,078.57	9,507.43
Survey and Planning	5,012.00	5,012.16	* .16
Acquisition Expense	32,125.00	15,685.46	16,439.54
Temporary Operation of Acquired Property	8,000.00	2,325.54	5,674.46
Relocation Costs	2,900.00	2,899.26	.74
Site Clearance Project or Site Improvement	21,405.00	10,913.99	10,491.01
Disposal Lease or Retention Costs	2,070.00	2,623.73	* 553.73
Interest	2,350.00	1,971.28	378.72
Other Income	24,000.00	24,160.52	* 160.52
Contingencies	(7,000.00)	(7,991.84)	991.84
Real Estate Purchases	18,151.00	-	18,151.00
Project Inspection	519,335.00	449,400.00	69,935.00
Total Project Execution Expenditures	3,408.00	3,408.00	
	<u>674,118.00</u>	<u>544,903.07</u>	<u>129,214.93</u>
TOTAL PROJECT EXPENDITURES	<u>674,118.00</u>	<u>544,903.07</u>	<u>129,214.93</u>
RELOCATION PAYMENTS (100% FEDERAL)	<u>10,800.00</u>	<u>9,332.19</u>	<u>1,467.81</u>
* Overexpended			
<u>Source of Funds</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Federal:			
Capital Grant	158,325.00	92,869.00	65,456.00
Relocation Grant	10,800.00	9,332.19	1,467.81
City:			
Cash Grant	72,437.00	75,000.00	(2,563.00)
Non-Cash Grant	6,725.00	2,600.00	4,125.00
Proceeds from Sale of Land	443,356.00	390,406.93	52,949.07
TOTAL	<u>691,643.00</u>	<u>570,208.12</u>	<u>121,434.88</u>

WEST RIVER PROJECT

R. I. 1-6

1. Completion of the entire West River project was estimated to be financed as follows:

<u>Source</u>	<u>Estimated Costs</u>	<u>Received to date</u>	<u>Unrealized</u>
Federal:			
Capital Grant	3,384,703.00	1,827,740.00	1,556,963.00
Relocation Payments	82,600.00	47,495.58	35,104.42
City:			
Cash Grant	1,324,495.00	1,324,495.00	-
Non-cash Grant	367,856.00	157,350.00	210,506.00
Proceeds for sale of project land	<u>2,170,800.00</u>	<u>814,928.71</u>	<u>1,355,871.29</u>
TOTALS	<u>7,330,454.00</u>	<u>4,172,009.29</u>	<u>3,158,444.71</u>

Relative to the amount of \$1,324,495.00 recorded as having been received from the City as a cash grant-in-aid we might note that \$1,312,510.25 of this amount was charged against the city's capital fund and the balance of \$11,984.75 has been reflected against general fund operations for the fiscal years ended September 30, 1955, 1956 and 1957. The latter amount represents wages which, although eligible to be included as shared project costs, were charged to the agency's appropriation in the general fund due to the fact that the project balance was insufficient at the time to meet these charges.

Although the receipt of these monies was properly credited to the city's contribution account on the records of the redevelopment agency we note that the results of these transactions has been to charge the general fund operations for project expenditures which are capital in nature. Operating results of the general fund for the three fiscal years involved, therefore have been adversely affected while the unencumbered balance of the Slum Clearance II appropriation account in the capital funds is overstated by a like amount.

This does not reflect on the methods and procedures in the

office of the City Controller inasmuch as currently no distinction is made on the general fund payroll voucher for those personal services which are not general fund items. In this direction, a meeting has been scheduled between the finance director, city controller and members of our staff, the purpose of which is to set up sufficient controls to prevent the recurrence of this condition. Furthermore, it is the suggestion of this office that the above charges and like charges by other projects be reimbursed to the City's general fund from project funds in the custody of the Agency.

2. Currently this project is operating under a recently revised budget which when compared with the previous revision reveals the following changes:

	<u>1/11/60 Budget</u>	<u>10/3/61 Budget</u>	<u>Increase *Decrease</u>
Gross Project Costs (Item 1)	6,879,998.00	5,479,676.00	*1,400,322.00
Non-Cash Grants	<u>367,856.00</u>	<u>367,856.00</u>	--
GROSS	<u>7,247,854.00</u>	<u>5,847,532.00</u>	<u>*1,400,322.00</u>
Financed by:			
Sale of Land	2,170,800.00	1,740,000.00	* 430,800.00
City Grant (1/3):			
Cash	1,324,495.00	1,001,321.00	* 323,174.00
Non-Cash	367,856.00	367,856.00	--
Federal Capital Grant (2/3)	<u>3,384,703.00</u>	<u>2,738,355.00</u>	<u>* 646,348.00</u>
TOTAL	<u>7,247,854.00</u>	<u>5,847,532.00</u>	<u>*1,400,322.00</u>
FEDERAL RELOCATION GRANT	<u>82,600.00</u>	<u>50,496.00</u>	<u>32,104.00</u>

The reduction in the amount estimated to be received from the sale of project land appears to be a realistic reappraisal of this phase of project financing based at least on results to date. We were informed at the date of this writing that only one parcel of project land consisting of approximately 121,000 square feet remains on which no offer has been received. Projection of the receipts from the sale of this parcel at the maximum appraisal price per square foot together with that to be received from other parcels on which

offers have been made and actual sales to the date of this writing, indicated that the maximum amount to be received from the sale of land will be slightly in excess of the revised amount estimated to be received from this source.

As noted in the above schedule the recently revised budget reflects a decrease of \$323,174.00 in the amount estimated to be required from the city as a cash grant-in-aid. It should be noted, however, that this estimated surplus will be charged with "cost exception" items which, as indicated in a prior section of this report, stood at \$48,317.90 at September 30, 1960.

With reference to non-cash grants in aid, the accompanying statements reflect the cost of land donated in previous years as well as the cumulative expenditures, to September 30, 1960, made from the West River Lead Track and Appurtenance appropriation in the City's capital fund but do not include expenditures charged to the Highway-West River appropriation also in the capital funds.

The latter appropriation will undoubtedly make a substantial contribution to the city's non-cash grant account at the conclusion of the project, but inasmuch as the value to be placed on these highways by the federal government is unknown at this writing, the absence of known facts dictates the exclusive of this item in the accompanying statements pending final federal determination.

3. On the basis of physical progress reports the project reflected various stages of completion as shown below:

	<u>September 30</u>	
	<u>1960</u>	<u>1961</u>
Land Acquisition	100%	100%
Relocation	100	100
Site Clearance	99	100
Site Improvements	86	90
Supporting facilities	100	100
Land Disposition	57	63

PROVIDENCE
WEST RIVER
BALANCE
SEPTEMBER

ASSETS

CURRENT ASSETS:

Cash - Exhibit B-2			
In Bank	16,617.09		
In Escrow	<u>38,722.35</u>	55,339.44	
Accounts Receivable:			
Tenants	1,794.55		
Sale of Land	48,504.87		
Advance to Revolving Fund - Exhibit A-6	1,626.00		
Relocation Reimbursement- Federal	<u>.58</u>	51,926.00	
Investments (at Cost)		<u>269,204.00</u>	376,469.44

SUSPENSE:

Taxes on Unimproved Land			48,317.90
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DEVELOPMENT COSTS:

Project Costs - Statement 2	5,251,264.40		
Relocation Costs-Statement 2	47,495.58		
Land Donations	162,800.00		
Cost Exception	<u>48,317.90</u>	5,509,877.88	

UNREALIZED FINANCING FUNDS-STATEMENT 2

Federal Grants	1,592,067.42		
City Grants	210,506.00		
Land Sales	<u>1,355,871.29</u>	3,158,444.41	

TOTAL ASSETS

9,093,109.93

REDEVELOPMENT AGENCY
PROJECT -R.I. 1 -6
SHEET
30, 1960

LIABILITIES AND CAPITAL INVESTMENT

CURRENT LIABILITIES:

Vouchers and/or Encumbrances Payable	8,054.31	
Due to Revolving Fund-Exhibit A-6	49.63	
Accrued Interest	10,177.77	
Contracts Payable	96,056.32	
Notes Payable	<u>1,600,000.00</u>	1,714,338.03

CAPITAL INVESTMENT

Funds Provided:

Federal Grants-Statement 2	1,875,235.58	
City Grants-Statement 2	1,481,845.00	
Proceeds from Sale of Land-Statement 2	814,928.71	
Temporary Loan Proceeds-Net	<u>1,337,868.59</u>	5,509,877.88

UNENCUMBERED BUDGET ALLOTMENTS:

Project Costs-Statement 2	1,628,733.60	
Relocation Costs-Statement 2	35,104.42	
Land Donation	<u>205,056.00</u>	1,868,894.02

TOTAL LIABILITIES AND CAPITAL INVESTMENT

9,093,109.93

PROVIDENCE REDEVELOPMENT AGENCY
WEST RIVER PROJECT NO. UR. R. 1. 1-6
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
Cash Balance, October 1, 1959	297,912.02	2,150.91	924.03	294,837.08
<u>Receipts:</u>				
Proceeds from Temporary Loan	1,600,000.00		1,600,000.00	
Premium on Sale of Notes	7.00		7.00	
Rental of Acquired Property	25,732.33	25,732.33		
Sale of Investments	2,800,672.97	1,784,048.52	1,016,624.45	
Earnings on Investments	23,028.12	17,617.40	5,410.72	
Interest on Participation Accounts	3,788.18			3,788.18
Federal Capital Grants	330,009.00		330,009.00	
Relocation Payments Reimbursed-by Federal Government	15,801.00		15,801.00	
Sale of Land	173,964.04	30.80	173,933.24	
Sale of Cast Iron Pipe	971.12	971.12		
Sale of Furniture and Equipment	537.17	537.17		
Advance Repaid from Lippitt Hill Project	7,000.00	7,000.00		
Refund of Overpayments	823.51	823.51		
Advance Repaid from Mortgage Guarantee and Title Company	50.00	50.00		
Real Estate Taxes	3,309.55	3,309.55		
Transfer from Project Expenditures Account	146,234.42		96,234.42	50,000.00
Total Receipts	5,131,928.41	1,840,120.40	3,238,019.83	53,788.18
Total Available	5,429,840.43	1,842,271.31	3,238,943.86	348,625.26

Disbursements:

Non-Technical Salaries	5,838.94	5,838.94		
Legal Salaries	2,742.30	2,742.30		
Site Clearance Salaries	81.02	81.02		
Site Improvements Salaries	1,032.79	1,032.79		
Disposition Salaries	5,067.59	5,067.59		
Travel Expense-L.P.A. Staff	496.00	496.00		
Sundry Overhead	4,342.01	4,342.01		
Administrative Service Fees and Expenses	23.72	23.72		
Acquisition Appraisals	249.74*	249.74*		
Title Information	505.05	505.05		
Sundry Acquisition Costs				
Condemnation	666.34	666.34		

PROVIDENCE REDEVELOPMENT AGENCY

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
Disposition Appraisals, Boundary Surveys and Maps	692.00	692.00		
Commissions and Fees	3,000.35	3,000.35		
Sundry Disposition Costs	301.20	301.20		
Operation of Acquired Property	45,908.78	45,908.78		
Real Estate Purchases	309,902.91			309,902.91
Site Clearance	6,912.00	6,912.00		
Site Improvements	66,203.43	66,203.43		
Office Furniture and Equipment	66.80	66.80		
Interest on Notes	53,241.42		53,241.42	
Total Development Costs	506,774.91	143,630.58	53,241.42	309,902.91
Purchase of Investments	2,457,988.96	1,529,398.88	928,590.08	
Relocation Payments	5,063.75	5,063.75		
Notes Payable	2,245,000.00		2,245,000.00	
Refund of Deposit on Sale of Land	4,755.09		4,755.09	
Excess Reimbursement to Revolving Fund	135.41	135.41		
Transfer to Superior Court	50,000.00	50,000.00		
Overpayments	823.51	823.51		
Advance to Lippitt Hill Project	7,000.00	7,000.00		
Advance to Revolving Fund	724.94	724.94		
Transfer to Temporary Loan Repayment Fund	96,234.42	96,234.42		
Total Disbursements	<u>5,374,500.99</u>	<u>1,833,011.49</u>	<u>3,231,586.59</u>	<u>309,902.91</u>
CASH BALANCE, SEPTEMBER 30, 1960	<u>55,339.44</u>	<u>9,259.82</u>	<u>7,357.27</u>	<u>38,722.35</u>

* Indicates Deduction

Composition of Cash BalanceCash in Bank:

Checking Accounts- Industrial National Bank of R.I.	16,617.09	9,259.82	7,357.27	
Participation Accounts in Custody of Superior Court:				
#19514-Plantations Bank of R.I.	15,452.28			15,452.28
#10325-Columbus National Bank	23,270.07			23,270.07
TOTAL	<u>55,339.44</u>	<u>9,259.82</u>	<u>7,357.27</u>	<u>38,722.35</u>

Statement 2

PROVIDENCE REDEVELOPMENT AGENCY
WEST RIVER PROJECT - UR R. 1. 1-6
STATEMENT OF OPERATION OF BUDGET
CUMULATIVE TO SEPTEMBER 30, 1960

<u>Item I. Project Expenditures</u>	<u>APPROVED BY H.H.F.A. 1-11-60</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>UNENCUMBERED BALANCE</u>
Survey and Planning	85,307.00	85,306.73	.27
Project Execution:			
Administration			
Overhead and Services	72,936.00	63,980.55	8,955.45
Travel	6,415.00	6,137.27	277.73
Publications	2,500.00	1,111.69	1,388.31
Office Furniture and Fixtures	11,128.00	10,657.63	470.37
Legal Services	70,512.00	47,498.26	23,013.74
Acquisition Expenses	254,766.00	157,837.04	96,928.96
Temporary Operation of Acquired Property	72,294.00	(3,114.18)	75,408.18
Relocation Costs	15,248.00	15,247.74	.26
Site Clearance	436,623.00	147,417.21	289,205.79
Project or Site Im- provement	815,160.00	727,914.13	87,245.87
Disposal, Lease or Retention Costs	71,400.00	31,157.02	40,242.98
Interest	530,000.00	174,988.99	355,011.01
Other Income	(100,058.00)	(127,773.37)	27,715.37
Contingencies	232,647.00		232,647.00
Real Estate Purchases	4,268,480.00	3,878,257.69	390,222.31
Project Inspection	34,640.00	34,640.00	-
Total Project Execution Expenditures	<u>6,794,691.00</u>	<u>5,165,957.67</u>	<u>1,628,733.33</u>
TOTAL PROJECT EXPENDITURES	<u>6,879,998.00</u>	<u>5,251,264.40</u>	<u>1,628,733.60</u>
RELOCATION PAYMENTS (100% FEDERAL)	<u>82,600.00</u>	<u>47,495.58</u>	<u>35,104.42</u>
<u>Source of Funds</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Federal:			
Capital Grant	3,384,703.00	1,827,740.00	1,556,963.00
Relocation Grant	82,600.00	47,495.58	35,104.42
City:			
Cash Grant	1,324,495.00	1,324,495.00	-
Non-Cash Grant	367,856.00	157,350.00	210,506.00
Proceeds from Sale of Land	2,170,800.00	814,928.71	1,355,871.29
TOTAL	<u>7,330,454.00</u>	<u>4,172,009.29</u>	<u>3,158,444.71</u>

LIPPITT HILL PROJECT

UR R. 1. R-3

1. A situation similar to that noted in the comments pertaining to West River existed in this project with regard to the use of general fund monies for capital purposes. The sum involved, however, amounted to \$2,360.40 and covered five weekly pay periods during April, May and June of 1959.

As in the West River project, the city's contribution account has been credited for this amount which together with other amounts reflects a total cash grant of \$1,396,314.40 allocated as follows:

Capital Funds:		
Slum Clearance <u>II</u> appropriation		\$ 1,393,954.00
General Fund		<u>2,360.40</u>
TOTAL "LOCAL CASH GRANT-IN-AID"		\$ <u>1,396,314.40</u>

2. Property condemnation was effected in November 1959 and as a result December 1, 1959 was established by the redevelopment agency as the starting date for rent accruals. Operations within the rent account are summarized as follows:

Charges		\$ 95,031.53
Credits:		
Rents collected	\$ 62,704.89	
Vacancy allowances	8,290.81	
Rent reductions	814.50	
Relocation claims	8,012.31	
Write-offs	419.85	
Cash lost	4.00	
		<u>80,246.36</u>
BALANCE DUE SEPTEMBER 30, 1960		<u>14,785.17</u>

We tested vacancy allowances and relocation payments and traced selected rent reductions to the minutes of the agency for approval. Adequate rental collection techniques were in operation as evidenced by the relatively small write-offs as shown in the preceding schedule.

3. During the period under examination, the redevelopment agency contracted with a former police chief for special patrols by off-duty patrolmen in an attempt to curb the vandalism reportedly

rampant throughout the project at that time. Total payments under this contract, in the form of a series of checks to the former police chief, amounted to \$5,670.00 and covered the period from July 21, 1960 through November 2, 1960. Each check was substantiated by a series of signed receipts obtained from the individual patrolmen to whom the proceeds of the check had been distributed. This office is of the opinion, however, that the payment of these monies should have been handled through the city's payroll account with the necessary payroll deductions being made at the source.

4. The individual phases of this project were in various stages of completion as noted below:

	<u>September 30</u>	
	<u>1960</u>	<u>1961</u>
Land acquisition	100%	100%
Relocation	93	98
Site Clearance	38	96
Site Improvement		76
Rehabilitation of Existing Structures	15	33

PROVIDENCE
LIPPITT HILL PROJECT
BALANCE
SEPTEMBER

ASSETS

CURRENT ASSETS:

Cash - Exhibit E-3			
In Bank	20,404.79		
In Escrow	442,681.66		
On Hand	<u>75.00</u>	463,161.45	
Accounts Receivable			
Relocation Reimbursement-Federal	17,135.92		
Tenants	14,785.17		
Advance to Revolving Fund-Exhibit A-6	1,194.00		
Other	<u>20.00</u>	33,135.09	
Investments (at cost)		1,315,780.38	1,812,076.92

DEVELOPMENT COSTS:

Project Costs - Statement 3			
Relocation Payments - Statement 3	3,076,887.42		
	<u>80,703.92</u>	3,157,591.34	

UNREALIZED FINANCING FUNDS - Statement 3

Federal Grants			
City Grants - Net	2,092,575.08		
Land Sale	151,225.60		
	<u>562,660.00</u>	2,806,460.68	

TOTAL ASSETS

7,776,128.94

REDEVELOPMENT AGENCY
- U.R. R.I. R - 3
SHEET
30, 1960

LIABILITIES AND CAPITAL INVESTMENT

CURRENT LIABILITIES

Vouchers and/or Encumbrances Payable	5,737.92	
Due to Revolving Fund - Exhibit A-6	349.41	
Accrued Interest	67,905.92	
Contracts Payable	137,853.69	
Notes Payable	<u>2,213,000.00</u>	2,424,846.94

CAPITAL INVESTMENT

Funds Provided:

Federal Grants - Statement 3	1,148,506.92	
City Grants-Statement 3	1,396,314.40	
Temporary Loan Proceeds - Net	<u>612,770.02</u>	3,157,591.34

UNENCUMBERED BUDGETED ALLOTMENTS

Project Costs - Statement 3	1,972,258.58	
Relocation Costs - Statement 3	65,296.08	
Land Donations	<u>156,136.00</u>	2,193,690.66

TOTAL LIABILITIES AND CAPITAL INVESTMENT

7,776,128.94

PROVIDENCE REDEVELOPMENT AGENCY
LIPPITT HILL PROJECT NO. U.R. R.1. R-3
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
Cash Balance, October 1, 1959	38,570.90	38,570.90	-0-	-0-
<u>Receipts:</u>				
Proceeds from Temporary Loan	2,213,000.00	2,213,000.00		
Premium on Sale of Notes	37.00	37.00		
Rental of Acquired Property	70,717.20	70,717.20		
Sewerage and Water Rentals	4,127.54	4,127.54		
Sale of Investments	3,071,878.04	3,071,878.04		
Earnings on Invest- ments	11,570.75	11,570.75		
Interest on Partici- pation Accounts	10,927.45			10,927.45
Local Cash Grants in Aid	1,248,954.00	1,248,954.00		
Federal Capital Grants	1,067,803.00		1,067,803.00	
Relocation Payments Reimbursed-by Federal Government	63,568.00		63,568.00	
Deposits on Demolition Contracts	75.00	75.00		
Sale of Shrubs	4.00	4.00		
Refunds and Reimburse- ments	97.42	97.42		
Advance from West River Project	7,000.00	7,000.00		
Transfer from Project Expenditures Account	3,033,500.00			3,033,500.00
Tax Escrow Fund	1,500.00			1,500.00
Total Receipts	<u>10,804,759.40</u>	<u>6,627,460.95</u>	<u>1,131,371.00</u>	<u>3,045,927.45</u>
Total Available	<u>10,843,330.30</u>	<u>6,666,031.85</u>	<u>1,131,371.00</u>	<u>3,045,927.45</u>

Disbursements:

Non-Technical Salaries	13,147.13	13,147.13		
Acquisition Salaries	6,226.73	6,226.73		
Relocation Salaries	18,499.30	18,499.30		
Legal Salaries	13,317.65	13,317.65		
Site Clearance Salaries	2,847.64	2,847.64		
Site Improvements Salaries	202.16	202.16		
Management Salaries	8,196.24	8,196.24		
Disposition Salaries	887.55	887.55		
Rehabilitation Salaries	5,397.41	5,397.41		
Travel Expense-L.P.A. Staff	2,320.83	2,320.83		
Sundry Overhead	20,652.95	20,652.95		
Legal Fees and Expenses General	866.06	866.06		
Legal Fees and Expenses Operation of Acquired Property	164.10	164.10		

PROVIDENCE REDEVELOPMENT AGENCY

	<u>TOTAL</u>	<u>PROJECT EXPENDITURES ACCOUNT</u>	<u>TEMPORARY LOAN REPAYMENT FUND</u>	<u>FUNDS IN ESCROW</u>
Administrative Service				
Fees and Expenses	10.95	10.95		
Project Inspection	38,014.00	38,014.00		
Real Estate Purchases	2,602,804.27			2,602,804.27
Appraisals for Ac- quisition	13,365.00	13,365.00		
Option Negotiations	26,857.97	26,857.97		
Title Information	14,425.56	14,425.56		
Sundry Acquisition Costs				
Direct Purchase	25.50	25.50		
Sundry Acquisition Costs				
Condemnation	8,732.10	8,732.10		
Operation of Acquired Property	41,312.79	40,871.27		441.52
Other Income Expenditures	25.00	25.00		
Site Clearance	27,829.80	27,829.80		
Site Improvements	546.00	546.00		
Rehabilitation	1,875.96	1,875.96		
Office Furniture and Equipment	850.02	850.02		
Total Development Costs	<u>2,869,400.67</u>	<u>266,154.88</u>		<u>2,603,245.79</u>
Purchase of Investments	4,387,658.42	3,257,377.51	1,130,280.91	
Relocation Payments	79,258.72	79,258.72		
Repayment of Advance from West River Project	7,000.00	7,000.00		
Excess Reimbursement to Revolving Fund	721.61	721.61		
Transfer to Superior Court	3,033,500.00	3,033,500.00		
Advance to Revolving Fund	1,109.43	1,109.43		
Advance to Title Guarantee Co.	1,500.00	1,500.00		
Advance of Travel Expenses	20.00	20.00		
Total Disbursements	<u>10,380,168.85</u>	<u>6,646,642.15</u>	<u>1,130,280.91</u>	<u>2,603,245.79</u>
CASH BALANCE, SEPTEMBER 30, 1960	<u>463,161.45</u>	<u>19,389.70</u>	<u>1,090.09</u>	<u>442,681.66</u>
	<u>Composition of Cash Balance</u>			
<u>Cash in Bank:</u>				
Checking Accounts-Industrial National Bank of R.I.	20,404.79	19,314.70	1,090.09	
<u>Cash in Custody of Others</u>				
In Custody of Superior Court:				
#267982-Industrial National Bank	34,373.50			34,373.50
#106403-R.I. Hospital Trust Co.	261,418.41			261,418.41
#20560-Plantations Bank of R.I.	58,117.50			58,117.50
#11097-Columbus Nat'l Bank	61,893.04			61,893.04
In Custody of Management Aide	75.00	75.00		
In Custody of Title Guarantee Co.	26,879.21			26,879.21
TOTAL	<u>463,161.45</u>	<u>19,389.70</u>	<u>1,090.09</u>	<u>442,681.66</u>

PROVIDENCE REDEVELOPMENT AGENCY
LIPPITT HILL PROJECT - R. I. R-3
STATEMENT OF OPERATION OF BUDGET
CUMULATIVE TO SEPTEMBER 30, 1960

	<u>APPROVED</u> by H.H.F.A. 4-30-58	<u>CUMULATIVE</u> <u>EXPENDITURES</u>	<u>UNENCUMBERED</u> <u>BALANCE</u>
<u>Item 1. Project Expenditures</u>			
Survey and Planning	88,550.00	92,899.09	*4,349.09
Project Execution:			
Administration:			
Overhead and Services	65,740.00	35,996.11	29,743.89
Travel	8,468.00	2,393.13	6,074.87
Publications	2,000.00		2,000.00
Office Furniture and Fixtures	-	850.02	*850.02
Legal Services	40,000.00	14,841.63	25,158.37
Survey and Planning	6,560.00	-	6,560.00
Acquisition Expense	179,630.00	81,165.54	98,464.46
Temporary Operation of Acquired Property	28,520.00	(36,008.50)	64,528.50
Relocation Costs	51,077.00	19,222.01	31,854.99
Site Clearance	355,940.00	147,140.24	208,799.76
Project or Site Improvement	412,150.00	17,048.80	395,101.20
Disposal Lease or Retention Costs	69,850.00	887.55	68,962.45
Rehabilitation	23,000.00	14,316.81	8,683.19
Interest	350,000.00	67,905.92	282,094.08
Other Income	-	(22,589.20)	22,589.20
Contingencies	79,647.00	-	79,647.00
Real Estate Purchases	3,250,000.00	2,602,804.27	647,195.73
Project Inspection	38,014.00	38,014.00	-
Total Project Ex- ecution Expenditures	<u>4,960,596.00</u>	<u>2,983,988.33</u>	<u>1,976,607.67</u>
TOTAL PROJECT EXPENDITURES	<u>5,049,146.00</u>	<u>3,076,887.42</u>	<u>1,972,258.58</u>
RELOCATION PAYMENTS (100% FEDERAL)	<u>146,000.00</u>	<u>80,703.92</u>	<u>65,296.08</u>

* Overexpenditure

<u>Service of Funds</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Federal:			
Capital Grant	3,095,082.00	1,067,803.00	2,027,279.00
Relocation Grant	146,000.00	80,703.92	65,296.08
City:			
Cash Grant	1,391,404.00	1,396,314.40	(4,910.40)
Non-Cash Grant	156,136.00	-	156,136.00
Proceeds from Sale of Land	562,660.00	-	562,660.00
TOTAL	<u>5,351,282.00</u>	<u>2,544,821.32</u>	<u>2,806,460.68</u>

CENTRAL-CLASSICAL PROJECT

UR R. 1. R-2

1. The Central-Classical project, unlike those mentioned previously in this report was still in the survey and planning stage during our period of examination with a Regional Office approved budget totalling \$90,254.00.

Preliminary advances had been received in a series of payments from the federal government in the aggregate amount of \$90,254.00. These advances carry an interest rate of 3 1/8% with the sum of \$2,344.77 being carried on the records of the local redevelopment agency as interest accrual to September 30, 1960.

2. The similar use of general fund monies for the payment of salaries eligible to be included as shared costs as described in comments pertaining to the West River and Lippitt Hill projects was noted also in our examination of the records of the Central-Classical project. The amounts involved, however, totalled \$3,046.28 and covered certain wages for the period September 4, 1958 through December 14, 1958.

PROVIDENCE REDEVELOPMENT AGENCY
CENTRAL-CLASSICAL PROJECT- UR R.I. R-2
BALANCE SHEET
SEPTEMBER 30, 1960

Assets

Current Assets

Cash:

In Bank-Exhibit B-4 28,169.79

Accounts Receivable:

Advance to Revolving Fund-Exhibit A-6 67.44 28,237.23

Development Costs

Survey and Planning Costs-Statement 4 67,485.60

Unrealized Financing Funds

City Grants-Statement 4 (3,046.28)

TOTAL ASSETS

92,676.55

Liabilities and Capital Investment

Current Liabilities

Vouchers and/or Encumbrances Payable 36.66

Due to Revolving Fund-Exhibit A-6 41.12

Accrued Interest 2,344.77 2,422.55

Capital Investment

Funds Provided:

Federal Preliminary Advance 90,254.00

City Grant 3,046.28

Total Funds Provided-Statement 4 93,300.28

Deduct:

Uncommitted Funds 25,814.68 67,485.60

Unencumbered Budgeted Allotments

Survey and Planning Costs-Statement 4 22,768.40

TOTAL LIABILITIES AND CAPITAL INVESTMENT

92,676.55

PROVIDENCE REDEVELOPMENT AGENCY
CENTRAL-CLASSICAL PROJECT NO. U.R. R.1. R-2
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

		<u>SURVEY AND PLANNING ACCOUNT</u>
Cash Balance, October 1, 1959		5,964.56
<u>Receipts:</u>		
Preliminary Advance from Federal Government	68,762.00	
Advances Repaid from Revolving Fund	339.00	
Sale of Photographic Film	<u>123.85</u>	
Total Receipts		69,224.85
Total Available		<u>75,189.41</u>
<u>Disbursements:</u>		
Non-Technical Salaries	7,482.22	
Technical Salaries-Survey and Planning	8,409.44	
Technical Salaries-Legal	276.89	
Travel Expense-L.P.A. Staff	362.83	
Sundry Overhead Expense	4,036.30	
Survey and Planning	738.00	
Appraisals for Acquisition	<u>25,490.00</u>	
Total Survey and Planning Costs	46,795.68	
Excess Reimbursement to Revolving Fund	46.44	
Advance to Revolving Fund	<u>177.50</u>	
Total Disbursements		47,019.62
CASH BALANCE, SEPTEMBER 30, 1960		<u>28,169.79</u>

COMPOSITION OF CASH BALANCE

Cash in Bank:

Checking Account-Industrial National Bank of R.I.		<u>28,169.79</u>
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PROVIDENCE REDEVELOPMENT AGENCY
CENTRAL-CLASSICAL PROJECT - UR R.I. R-2
STATEMENT OF OPERATION OF BUDGET
CUMULATIVE TO SEPTEMBER 30, 1960

	APPROVED BY H.H.F.A. 3-17-60	CUMULATIVE EXPENDITURES	UNENCUMBERED BALANCES
<u>Survey and Planning</u>			
Administrative:			
Overhead and Services	17,927.00	18,520.82	*593.82
Travel	1,000.00	487.89	512.11
Publications	-	-	
Office Furniture and Equipment	-	-	
Legal Services	2,213.00	584.23	1,628.77
Survey and Planning	29,110.00	19,175.89	9,934.11
Land Surveys and Appraisals	26,616.00	25,490.00	1,126.00
Relocation Planning	1,334.00		1,334.00
Project Inspection	882.00	882.00	-
Contingencies	11,172.00		11,172.00
Interest		2,344.77	*2,344.77
	<u>90,254.00</u>	<u>67,485.60</u>	<u>22,768.40</u>
<u>Source of Funds</u>			
	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
Federal:			
Preliminary Advance	90,254.00	90,254.00	--
City:			
Cash Grant	-	3,046.28	(3,046.28)
	<u>90,254.00</u>	<u>93,300.28</u>	<u>(3,046.28)</u>

MASHAPAUG POND PROJECT

1. The Mashapaug Pond project unlike those described previously in this report was strictly a city project with no federal participation. Similar to the Central-Classical project, however, this project was still in the survey and planning stage at the conclusion of our audit period with the first condemnation not being made until January 5, 1961.
2. Development costs to September 30, 1960 totalled \$76,743.03 and included encumbrances for current liabilities and also the unpaid balances of certain contracts whose final amount was determinable.
3. Contributions by the city during the fiscal year under review totalled \$57,388.35 of which total \$56,640.00 was transferred to the redevelopment agency and the balance of \$748.35 represented interest payments on temporary borrowings. Contributions necessary to make up the estimated survey and planning budget of \$135,000.00, therefore, were deficient in the sum of \$77,611.65 at September 30, 1960.
4. The city's capital investment in this project totalled \$76,743.03 at September 30, 1960 composed as follows:

City Grants		\$ 57,388.35
Committed Funds-Net:		
Current Liabilities	\$ 23,280.09	
Deduct:		
Cash on Hand	<u>3,925.41</u>	<u>19,354.68</u>
TOTAL		<u>76,743.03</u>

5. Unencumbered budgeted allotments reflected a net balance of \$58,256.97 at the close of our period of examination allocated as follows:

Administration:		
Overhead and Services		\$ 2,373.71
Travel		* 84.77
Office Furniture and Equipment		* 145.00
Legal Services		900.39
Survey and Planning		* 13,993.96
Land Surveys and Appraisals		56,407.95
Reserve and Contingencies		13,547.00
Interest		* 748.35
NET		<u>58,256.97</u>
* Indicates overexpenditure		

PROVIDENCE REDEVELOPMENT AGENCY
MASHAPAUG POND PROJECT
BALANCE SHEET
SEPTEMBER 30, 1960

		<u>ASSETS</u>	
<u>CURRENT ASSETS:</u>			
Cash:			
	In Bank - Exhibit B-5		3,925.41
<u>DEVELOPMENT COSTS:</u>			
	Survey and Planning Costs - Statement 5		76,743.03
<u>UNREALIZED FINANCING FUNDS:</u>			
	City Grant - Statement 5		<u>77,611.65</u>
TOTAL ASSETS			<u>158,280.09</u>
<u>LIABILITIES AND CAPITAL INVESTMENT</u>			
<u>CURRENT LIABILITIES:</u>			
	Vouchers and/or Encumbrances Payable	1,014.19	
	Due to Revolving Fund-Exhibit A-6	295.90	
	Contracts Payable	<u>21,970.00</u>	23,280.09
<u>CAPITAL INVESTMENT:</u>			
Funds Provided:			
	City Grants - Statement 5	57,388.35	
Add:			
	Committed Funds	<u>19,354.68</u>	76,743.03
<u>UNENCUMBERED BUDGETED ALLOTMENTS:</u>			
	Survey and Planning Costs -Statement 5		<u>58,256.97</u>
TOTAL LIABILITIES AND CAPITAL INVESTMENT			<u>158,280.09</u>

PROVIDENCE REDEVELOPMENT AGENCY
MASHAPAUG POND PROJECT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

		<u>SURVEY AND PLANNING ACCOUNT</u>
Cash Balance, October 1, 1959		<u>-0-</u>
<u>Receipts:</u>		
Advance from City of Providence	57,388.35	
Refunds and Reimbursements	<u>71.76</u>	
Total Receipts		57,460.11
Total Available		<u>57,460.11</u>
<u>Disbursements:</u>		
Non-Technical Salaries	4,210.79	
Survey and Planning Salaries	6,878.51	
Legal Salaries	1,580.59	
Travel Expense-L.P.A. Staff	84.77	
Sundry Overhead	2,674.19	
Administrative Services and Expenses	33.09	
Interest Expense	748.35	
Survey and Planning	12,939.41	
Appraisals for Acquisition	18,140.00	
Sundry Acquisition Costs-Condemnation	3,600.00	
Disposition Appraisals, Boundary Surveys, and Maps	2,500.00	
Furniture and Fixtures	<u>145.00</u>	
Total Survey and Planning Disbursements		53,534.70
CASH BALANCE, SEPTEMBER 30, 1960		<u>3,925.41</u>

COMPOSITION OF CASH BALANCE

Cash in Bank:

Checking Account-Industrial National Bank of R.I.		<u>3,925.41</u>
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PROVIDENCE REDEVELOPMENT AGENCY
MASHAPAUG POND PROJECT
STATEMENT OF OPERATION OF BUDGET
CUMULATIVE TO SEPTEMBER 30, 1960

<u>Survey and Planning</u>	<u>BUDGET</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>UNENCUMBERED BALANCE</u>
Administrative:			
Overhead and Services	10,200.00	7,826.29	2,373.71
Travel	-	84.77	(84.77)
Office Furniture and Equipment	-	145.00	(145.00)
Legal Services	2,566.00	1,665.61	900.39
Survey and Planning	13,927.00	27,920.96	(13,993.96)
Land Surveys and Appraisals	94,760.00	38,352.05	56,407.95
Contingencies	13,547.00		13,547.00
Interest		748.35	(748.35)
TOTAL SURVEY AND PLANNING	<u>135,000.00</u>	<u>76,743.03</u>	<u>58,256.97</u>
 <u>Source of Funds</u>	<u>Estimated</u>	<u>Realized</u>	<u>Unrealized</u>
City Grant:			
Survey and Planning	<u>135,000.00</u>	<u>57,388.35</u>	<u>77,611.65</u>

REVOLVING FUND

1. The revolving fund was established by advances made from the various projects and is maintained for such indirect costs as travel and sundry overhead. Reimbursements are effected monthly and are allocated to the individual projects on the same ratio that each project's wage cost bears to the total wages paid for all projects.
2. Revolving fund cash totalled \$1,325.41 at September 30, 1961 and was represented by cash on deposit in a commercial account totalling \$1,300.41 and a petty cash fund of \$25.00.
3. Accounts receivables totalling \$825.00 represented advances made to members of the agency staff for travel and hotel accommodations. Subsequent to the close of the fiscal year under examination \$140.75 of this amount was returned unspent and the balance of \$684.25 was recorded as expense.
4. The amount due the revolving fund from the various projects amounted to a net total of \$737.03 at September 30, 1960. This net total resulted from the adjustment of cumulative excess reimbursements against unreimbursed expenditures made during September 1960. Our examination disclosed that, as a result of a change in methods during the fiscal year under review, a net excess reimbursement of \$1,178.55 was received by the Revolving Fund from the various projects allocated as follows:

Lippitt Hill	\$ 721.61
Mashapaug Pond	276.06
West River	135.41
Central-Classical	46.44
Point Street	<u>(.97)</u>
NET	<u>1,178.55</u>

- Our examination of reimbursements was carried to October 31, 1961 at which time we furnished the agency staff with data to effect the necessary adjustments on the records involved.
5. The amounts shown as "Due to Other Funds" represents for the

most part advances made by the various projects for the continued maintenance of the revolving fund. Reflected in the amount due to the Central-Classical project is the original advance of \$21.00 adjusted for the sum of \$46.44 representing excess payments by this project to the revolving fund.

PROVIDENCE REDEVELOPMENT AGENCY
REVOLVING FUND
BALANCE SHEET
SEPTEMBER 30, 1960

ASSETS

Cash - Exhibit B-6:		
In Bank	1,300.41	
on Hand	<u>25.00</u>	1,325.41
Accounts Receivable		
Advances-Travel Expenses	800.00	
Deposit-Hotel Accomodations	<u>25.00</u>	825.00
Due from Other Funds:		
West River Project-Exhibit A-2	49.63	
Lippitt Hill Project-Exhibit A-3	349.41	
Central Classical Project - Exhibit A-4	41.12	
Mashapaug Pond Project-Exhibit A-5	295.90	
Point Street Project - Exhibit A-1	<u>.97</u>	737.03
TOTAL ASSETS		<u>2,887.44</u>

LIABILITIES

Due to Other Funds		
West River Project - Exhibit A-2	1,626.00	
Lippitt Hill Project - Exhibit A-3	1,194.00	
Central Classical Project - Exhibit A-4	<u>67.44</u>	2,887.44
TOTAL LIABILITIES		<u>2,887.44</u>

PROVIDENCE REDEVELOPMENT AGENCY
REVOLVING FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1960

Cash Balance, October 1, 1959	1,267.92
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Receipts:

Advance from Central-Classical Project	177.50		
Advance from Lippitt Hill Project	1,109.43		
Advance from West River Project	<u>724.94</u>	2,011.87	
Travel Expenses Reimbursed		1,803.50	
Sundry Overhead Expenses Reimbursed		22,310.51	
Refund of Travel Expense Advances		<u>334.00</u>	
Total Receipts			26,459.88
Total Available			<u>27,727.80</u>

Disbursements:

Travel Expenses		1,802.67	
Sundry Overhead		22,639.23	
Repayment of Advances from Central-Classical Project	339.00		
Repayment of Advances from Point Street Project	<u>462.49</u>	801.49	
Advance of Travel Expenses		<u>1,159.00</u>	
Total Disbursements			<u>26,402.39</u>

CASH BALANCE, SEPTEMBER 30, 1960	<u>1,325.41</u>
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Composition of Cash Balance

<u>Cash in Bank:</u>	
Checking Account-Industrial National Bank of R.I.	1,300.41
<u>Cash on Hand:</u>	
Petty Cash Fund	25.00
TOTAL	<u>1,325.41</u>