



City of Providence

Annual Financial Report
June 30, 1981



Peat, Marwick, Mitchell & Co.



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

40 Westminister Street
Providence, Rhode Island 02903

March 25, 1982

PRIVATE

Ms. Rose M. Mendonca, City Clerk
City of Providence
Providence, Rhode Island

Dear Ms. Mendonca:

Enclosed is one copy with original signature of the Annual Financial Report of the City of Providence for the year ended June 30, 1981.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.

David V. Devault, Supervisor

DVD:bal

Enc.

IN CITY COUNCIL

APR 1 1982

READ:

WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

CLERK



Executive Chamber, City of Providence, Rhode Island

Vincent A. Cianci, Jr.
MAYOR

March 22, 1982

I am pleased to present the accompanying Financial Report of the City of Providence for the Fiscal Year ended June 30, 1981. Under generally accepted accounting rules in effect today and under which the budget was prepared, the operating surplus of the City of Providence for the Fiscal Year ended June 30, 1981 is \$227,629 and the cumulative deficit has been reduced to \$483,963.

As an update, I would like to report on additional management practices we have implemented since June 30, 1981. We have begun a weekly review of our operating budget with our department directors; instituted new practices in the controls of daily cash flow; designed and implemented more stringent purchasing regulations in accord with the Finance Director's program; and begun the privatization of many municipal services resulting in a reduction in our overall costs for personnel and capital expenditures. I believe that such actions have already been of significant value to our administering of the city's business.

In meeting with department directors each week, we have been able to monitor all operating expenses and the necessary

capital expenditures more closely. Problems are identified as immediate or long-term in nature and are dealt with accordingly. The performance of individual departments in keeping within their prescribed budgets is thus noted, and sound administrative and management practices are reaffirmed to ensure that problems are solved within a reasonable period of time, and in a cost-efficient manner.

The control of daily cash flow involves a cash flow forecast for the entire fiscal year in order to facilitate daily monitoring of cash that is available for investment. In the current 1982 Fiscal Year, for example, we have noted in the first eight months that this new procedure has enabled us to increase investment income some 45% over the comparable period for Fiscal Year 1981, despite a decline in interest rates on investments available to municipalities. During the period from July 1, 1981 to February 28, 1982, we have thus generated over \$1 million in investment income for the City of Providence.

With the institution of more stringent purchasing regulations, we have required a minimum of three bids for all city purchases to assure the lowest possible prices, and to ensure that all would-be bidders are able to have access to municipal bids. Additionally, in several instances, we have been able to go

to manufacturers directly to obtain the best possible prices for purchases of necessary materials for municipal use. And with a cooperative purchasing agreement for motor fuel, we will save the citizens of Providence some \$57,000 in motor fuel costs.

The privatization of municipal services has reduced our overall manpower costs, as well as the additional costs for fringe benefits of medical, pension, and other job-related expenses. We have begun a series of privatization activities in the collection of rubbish and trash, as well as in street-sweeping. Added to these numbers were reductions occasioned by the normal attrition of retirement, death, and the move to private employment that occurs in each fiscal year, but which were not accompanied by replacement in many instances. As a result, since May of 1981, the City has reduced its work force by some 250 employees with concomitant savings in all of the areas that are supplementary to personnel costs.

We have also begun facilities management of the data processing functions of the City of Providence. By July 1, 1982, we will have an in-house computer system operated by a national firm experienced in municipal operations. This will enable us to modernize and to expand management information systems to further improve the operations of the city. Each of these actions, I believe, reflects the kind of management and administrative practices that are necessary for the City of Providence.

Vincent A. Cianci
Mayor

CITY OF PROVIDENCE, RHODE ISLAND

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Independent Accountants' Report		1 - 2
Combined Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Group	A	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	B	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and School Funds	C	5 - 6
Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Nonexpendable Fiduciary Fund Types	D	7
Combined Statement of Changes in Financial Position - Nonexpendable Fiduciary Fund Types	E	8
Notes to Combined Financial Statements		9 - 20
	<u>Schedule</u>	
Additional Information:		
Governmental Funds:		
General Fund:		
Schedule of Revenues - Comparison of Budget to Actual	1	21
Schedule of Expenditures - Comparison of Budget to Actual	2	22 - 26
School Fund:		
Schedule of Revenues and Expenditures - Comparison of Budget to Actual	3	27
Fiduciary Funds:		
Combining Balance Sheet	4	28
Agency Funds - Schedule of Receipts and Disbursements	5	29
Long-term Debt Group of Accounts:		
Schedule of Notes Payable	6	30
Schedule of Bonds Outstanding	7	31 - 33
Schedule of Property Taxes Receivable	8	34



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

40 Westminister Street
Providence, Rhode Island 02903

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the combined financial statements of the City of Providence, Rhode Island, as of and for the year ended June 30, 1981 as listed in the accompanying table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

As discussed in Note 10, the City provides for retirement benefits in a manner which is not in conformity with generally accepted accounting principles.

The City is defendant in several claims and legal actions as described in Note 11. The final outcome of these matters is not presently determinable and no provision has been made in the financial statements for the effects, if any, of such matters.

As more fully described in Note 2, property tax revenues have been recognized under the accrual method of accounting. However, under generally accepted accounting principles which will become effective for the fiscal year ended June 30, 1983, only property tax payments due as of the end of the fiscal year and received within 60 days thereafter will be recognizable as revenue. Had this revenue recognition method been adopted by the City as of June 30, 1981, the excess of revenues and other financing sources over expenditures and other uses of the General Fund would be decreased by \$65,103 for the year ended June 30, 1981 and the fund deficit of the General Fund would be increased by \$5,853,991 over the amount presented in the combined financial statements.

In our opinion, except that the omission of the financial statements referred to in the second paragraph results in an incomplete presentation, except for the effects on the General Fund of the matter discussed in the third paragraph, and subject to the effects of such adjustments, if any, on the General Fund of the matters discussed in the fourth paragraph, the aforementioned combined financial statements present fairly the financial position of the City of Providence, Rhode Island at June 30, 1981, and the results of its operations and the changes in financial position of its nonexpendable fiduciary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes, with which we concur, in the methods of accounting for revenues, encumbrances and the presentation of the financial statements as discussed in Note 7.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining and individual fund financial statements and information included in Schedules 1 through 9 are presented for purposes of additional analysis. They are not a required part of the combined financial statements of the City of Providence, Rhode Island, and accordingly our opinion does not relate to the fairness of presentation of the financial position and results of operations of such funds or the changes in financial position of nonexpendable fiduciary funds. This additional information has been subjected to the auditing procedures applied in the examination of the combined financial statements and, in our opinion, except for the effects on Schedule 2 of the matter discussed in the third paragraph, and subject to the effects of such adjustments, if any, on Schedule 2 of the matters discussed in the fourth paragraph, is stated fairly in all material respects in relation to the combined financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

December 31, 1981, except for Note 11
as to which the date is February 1, 1982

CITY OF PROVIDENCE, RHODE ISLAND
Combined Balance Sheet - All Fund Types and Account Group
Year ended June 30, 1981

Assets	Governmental Fund Types			Fiduciary Fund Types	Account Group	Totals
	General	School	Capital Projects	Trust and Agency	General Long- term Debt	(Memorandum Only)
Cash	\$			350,814		350,814
Short-term investments	3,315,000	1,200,000		8,715,550		13,230,550
Due from (notes 3 and 4):						
Other funds	325,000	705,545	96,946	5,171,299		6,298,790
Other governments	2,409,664					2,409,664
Accounts receivable (net where applicable of allowances for estimated uncollectible amounts of \$17,887,674):						
Taxes	16,131,627			627,088		16,758,715
Other		67,696				67,696
Investments				75,781,112		75,781,112
Loans receivable				3,183,441		3,183,441
Amount to be provided for retirement of debt					93,047,407	93,047,407
Other assets				139,120		139,120
Total assets and other debits	\$ 22,181,291	1,973,241	96,946	93,968,424	93,047,407	211,267,309
Liabilities						
Bank overdrafts	\$ 1,756,725	504,739				2,261,464
Accounts payable	5,502,989	1,163,610	430,824	829,804		7,927,227
Notes payable (note 5)	14,700,000				13,518,000	28,218,000
Due to other funds (note 4)	705,545	304,892		421,946	4,866,407	6,298,790
Deferred revenues				5,493,495		5,493,495
Bonds payable (note 6)					74,663,000	74,663,000
Total liabilities	22,665,259	1,973,241	430,824	6,745,245	93,047,407	124,861,976
Fund Balance (Deficit)						
Fund balance (deficit):						
Reserved (note 8)	6,239,807			84,939,096		91,178,903
Unreserved	(6,723,775)		(333,878)	2,284,083		(4,773,570)
Total fund balance (deficit) (note 9)	(483,968)	-	(333,878)	87,223,179	-	86,405,333
Commitments and contingent liabilities (notes 10 and 11).						
Total liabilities and fund balance	\$ 22,181,291	1,973,241	96,946	93,968,424	93,047,407	211,267,309

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

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

Year ended June 30, 1981

	Governmental Fund Types			Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
	General	School	Capital Projects		
Revenues:					
Taxes (note 2)	\$ 87,044,896			73,526	87,118,422
Charges for services	4,332,035	192,451		1,213,286	5,737,772
Shared state taxes	1,071,344				1,071,344
Federal and state grants	16,381,256	18,699,487		418,480	35,499,223
Water Supply Board	8,019,605				8,019,605
Licenses	597,172				597,172
Investment income	1,604,357		76,565	494,570	2,175,492
Fines and forfeitures	563,233				563,233
Miscellaneous	765,856			517,113	1,282,969
Total revenues	120,379,754	18,891,938	76,565	2,716,975	142,065,232
Other financing sources:					
Transfers in (note 9)		33,681,468	1,603,888		35,285,356
Debt issuance proceeds (net)			4,644,614		4,644,614
Total revenues and other financing sources	120,379,754	52,573,406	6,325,067	2,716,975	181,995,202
Expenditures:					
Personal services	39,240,571	41,407,715		492,912	81,141,198
Services other than personal	12,293,764	5,523,254		849,757	18,666,775
Materials and supplies	4,513,204	1,104,407		644,256	6,261,867
Special items	20,582,504	3,962,304		934,664	25,479,472
Equipment outlay	1,239,740			291,872	1,531,612
Structures and improvements	1,533,692	575,726	8,425,847		10,535,265
Debt service	5,517,783				5,517,783
Total expenditures	84,921,258	52,573,406	8,425,847	3,213,461	149,133,972
Other uses:					
Transfers to School Fund	33,681,468				33,681,468
Transfers to Capital Projects Fund (note 9)	1,549,399			54,489	1,603,888
Total expenditures and other uses	120,152,125	52,573,406	8,425,847	3,267,950	184,419,328
Revenues and other financing sources over (under) expenditures and other uses	227,629		(2,100,780)	(550,975)	(2,424,126)
Fund balance (deficit) at beginning of year as restated (note 7)	(5,578,004)		1,766,902	2,835,058	(976,044)
Decrease in fund deficit provided by deferral of pension contribution (note 11)	4,866,407				4,866,407
Fund balance (deficit) at end of year	\$ (483,968)	-	(333,878)	2,284,083	1,466,237

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General and School Funds

Year ended June 30, 1981

	General Fund			School Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes (note 2)	\$ 86,330,696	87,044,896	714,200				86,330,696	87,044,896	714,200
Charges for services	4,462,375	4,332,035	(130,340)	137,625	192,451	54,826	4,600,000	4,524,486	(75,514)
Shared state taxes	1,166,000	1,071,344	(94,656)				1,166,000	1,071,344	(94,656)
Federal and state grants	16,783,490	16,381,256	(402,234)	18,700,690	18,699,487	(1,203)	35,484,180	35,080,743	(403,437)
Water Supply Board	8,300,000	8,019,605	(280,395)				8,300,000	8,019,605	(280,395)
Licenses	615,000	597,172	(17,828)				615,000	597,172	(17,828)
Investment income	1,356,000	1,604,357	248,357				1,356,000	1,604,357	248,357
Fines and forfeitures	725,000	563,233	(161,767)				725,000	563,233	(161,767)
Miscellaneous	788,000	765,856	(22,144)				788,000	765,856	(22,144)
Total revenues	120,526,561	120,379,754	(146,807)	18,838,315	18,891,938	53,623	139,364,876	139,271,692	(93,184)
Other financing sources:									
Transfers in (note 9)	-	-	-	34,188,073	33,681,468	(506,605)	34,188,073	33,681,468	(506,605)
Total revenues and other financing sources	120,526,561	120,379,754	(146,807)	53,026,388	52,573,406	(452,982)	173,552,949	172,953,160	(599,789)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual - General and School Funds, Continued

	General Fund			School Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures:									
Personal services	\$ 39,149,539	39,240,571	(91,032)	41,613,826	41,407,715	206,111	80,763,365	80,648,286	115,079
Services other than personal	12,881,230	12,293,764	587,466	5,598,133	5,523,254	74,879	18,479,363	17,817,018	662,345
Materials and supplies	5,062,347	4,513,204	549,143	1,370,458	1,104,407	266,051	6,432,805	5,617,611	815,194
Special items	21,604,958	20,582,504	1,022,454	3,865,116	3,962,304	(97,188)	25,470,074	24,544,808	925,266
Equipment outlay	1,235,414	1,239,740	(4,326)				1,235,414	1,239,740	(4,326)
Structures and improve- ments	1,429,000	1,533,692	(104,692)	578,855	575,726	3,129	2,007,855	2,109,418	(101,563)
Debt service	4,976,000	5,517,783	(541,783)				4,976,000	5,517,783	(541,783)
Total expendi- tures	86,338,488	84,921,258	1,417,230	53,026,388	52,573,406	452,982	139,364,876	137,494,664	1,870,212
Other uses:									
Transfers to School Fund	34,188,073	33,681,468	506,605				34,188,073	33,681,468	506,605
Transfers to Capital Projects Fund (note 9)		1,549,399	(1,549,399)					1,549,399	(1,549,399)
Total expenditures and other uses	120,526,561	120,152,125	374,436	53,026,388	52,573,406	452,982	173,552,949	172,725,531	827,418
Revenues and other sources over expenditures and other uses	\$ -	227,629	227,629	-	-	-	-	227,629	227,629
Fund deficit at beginning of year as restated (note 7)		(5,578,004)						(5,578,004)	
Decrease in fund deficit provided by deferral of pension contributions (note 11)		4,866,407			-			4,866,407	
Fund deficit at end of year	\$	(483,968)			-			(483,968)	

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenses, and Changes in
Fund Balances - Nonexpendable Fiduciary Fund Types

Year ended June 30, 1981

	<u>Fiduciary Fund Types</u>		
	<u>Retirement System</u>	<u>Nonexpendable Trusts</u>	<u>Total</u>
Operating revenues:			
Employee contributions	\$ 3,461,930		3,461,930
Employer contributions	5,706,970		5,706,970
Miscellaneous	8,950	3,772	12,722
Total operating revenues	<u>9,177,850</u>	<u>3,772</u>	<u>9,181,622</u>
Operating expenses:			
Services other than personal		12,691	12,691
Retiree benefits	10,174,986		10,174,986
Miscellaneous	78,969		78,969
Total operating expenses	<u>10,253,955</u>	<u>12,691</u>	<u>10,266,646</u>
Operating loss	<u>(1,076,105)</u>	<u>(8,919)</u>	<u>(1,085,024)</u>
Nonoperating revenues:			
Investment income	6,418,824	315,769	6,734,593
Interest on member loans	143,328		143,328
Total nonoperating revenues	<u>6,562,152</u>	<u>315,769</u>	<u>6,877,921</u>
Net income	5,486,047	306,850	5,792,897
Fund balance at beginning of year, as restated (note 7)	75,094,403	4,051,796	79,146,199
Fund balance at end of year (note 8)	\$ <u>80,580,450</u>	<u>4,358,646</u>	<u>84,939,096</u>

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Changes in Financial Position -
Nonexpendable Fiduciary Fund Types

Year ended June 30, 1981

	<u>Fiduciary Fund Types</u>		
	<u>Retirement</u>	<u>Nonexpendable</u>	
	<u>System</u>	<u>Trusts</u>	<u>Total</u>
Sources of funds:			
Net income	\$ 5,486,047	306,850	5,792,897
Less discount accretion which does not provide cash	<u>(64,087)</u>		<u>(64,087)</u>
Funds provided by operations	5,421,960	306,850	5,728,810
Loan payments	1,197,315		1,197,315
Increase in accounts payable	86,141		86,141
Decrease in amount due from other fund	<u>217,366</u>	<u>221</u>	<u>217,587</u>
Total sources of funds	<u>6,922,782</u>	<u>307,071</u>	<u>7,229,853</u>
Uses of funds:			
Net additions to investments	4,213,041	472,137	4,685,178
Loans to members	<u>1,765,527</u>		<u>1,765,527</u>
Total uses of funds	<u>5,978,568</u>	<u>472,137</u>	<u>6,450,705</u>
Net increase (decrease) in cash	944,214	(165,066)	779,148
Cash (overdraft) balance at beginning of year	<u>(467,036)</u>	<u>320,869</u>	<u>(146,167)</u>
Cash balance at end of year	\$ <u>477,178</u>	<u>155,803</u>	<u>632,981</u>

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements

June 30, 1981

(1) Summary of Significant Accounting Policies

The accounting policies of the City of Providence, Rhode Island conform to generally accepted accounting principles as applicable to governmental units except that provisions for retirement benefits are not based on normal costs and the combined financial statements do not include financial statements of various Federal program funds or a general fixed assets account group which should be included to conform with generally accepted accounting principles. The following is a summary of the more significant policies:

(a) Basis of Presentation - Fund Accounting

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

Governmental Fund Types

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

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

The General Fund includes the accounts and transactions of the Water Department as the City does not intend this to be a self-supporting activity.

School Fund - The School Fund is used to account for school operations. Only the Unrestricted School Funds have been included in the accompanying combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

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

Capital Projects Fund - The Capital Projects Fund is used to account for the expenditures of proceeds of debt issuances.

Fiduciary Fund Type

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

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

The Sinking Fund and Revolving Funds, previously presented separately, have been included in expendable trust funds in the 1981 combined financial statements.

Account Group: General Long-term Debt

This group of accounts is established to account for all long-term debt of the City as well as previously appropriated pension contributions which have been deferred to future years (note 11).

(b) Basis of Accounting

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

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Revenues and expenses of fiduciary fund types are primarily recognized on the accrual basis. Tax revenues from the Hurricane Barrier assessment are recorded as revenues when actually received because they are not available to pay liabilities of the current period until actually received.

(c) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

(d) Investments

Investments of the Retirement Fund are stated at cost (debt securities are adjusted for amortization of premium and accretion of discount). Investments of other funds are stated at cost which approximates market.

(e) Inventory and Supplies

Inventory and supplies are recorded as expenditures when purchased.

(f) Vacations and Sick Leave

Under terms of union contracts, City employees are granted vacation and sick leave in varying amounts based on length of service. There is no estimate available of the amount of accumulated and unpaid vacation and sick leave at June 30, 1981.

(g) Amounts to be Provided

Amounts to be provided represent monies to be raised from future tax levies to retire general long-term liabilities.

(h) Combined Total Data

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

(2) Property Taxes

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

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

During the year ended June 30, 1981, the City levied a supplemental property tax in addition to the original levy. The taxable assessments, tax rate and gross levy of both the original and supplemental tax levy are as follows (in thousands):

	<u>Taxable assessment</u>	<u>Exemptions</u>	<u>Net taxable assessment</u>	<u>Rate per \$1,000</u>		<u>Gross levy</u>		
				<u>Original</u>	<u>Supple- mental</u>	<u>Original</u>	<u>Supple- mental</u>	<u>Total</u>
Real property	\$ 1,025,612	26,133	999,479	56.18	11.43	\$ 56,151	11,424	67,575
Tangible property	188,869	67	188,802	56.18	11.43	10,607	2,158	12,765
Equipment	11,002		11,002	71.65	-	788	-	788
Motor vehicles	<u>138,004</u>	<u>3,337</u>	<u>134,667</u>	56.18	11.43	<u>7,566</u>	<u>1,539</u>	<u>9,105</u>
	<u>\$ 1,363,487</u>	<u>29,537</u>	<u>1,333,950</u>			<u>\$ 75,112</u>	<u>15,121</u>	<u>90,233</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Taxes on the original levy were due in equal quarterly installments in July and October 1980 and January and April 1981. Taxes on the supplemental levy are primarily payable in quarterly installments due in May, August, and November 1981 and February 1982. Unpaid property taxes are recorded as receivable, net of estimated uncollectible amounts.

In June 1981, the National Council on Governmental Accounting issued Interpretation 3 of Governmental Accounting and Financial Reporting Principles. Under Interpretation 3, only those property tax payments due as of the end of the fiscal year and received within 60 days thereafter are recognizable as revenue. This pronouncement will become effective for the fiscal year ended June 30, 1983 although earlier application has been encouraged. For the year ended June 30, 1981, however, the City has chosen to recognize property tax revenues under the accrual method, retroactively adopted as of the beginning of the fiscal year (note 7), based on historical collection experience and consideration of existing and expected economic conditions. Had Interpretation 3 been adopted as of June 30, 1981, the fund deficit of the General Fund would have been increased by \$5,853,991. It is expected that the eventual adoption of Interpretation 3 will have a similar significant effect on the fund deficit. Following is a comparison of amounts presented in the accompanying combined financial statements under the current method and those amounts which would have been presented had the City adopted Interpretation 3 for the year ended June 30, 1981.

	Fund deficit at June 30, 1980 as restated (note 7)	Excess of revenues over expenditures	Fund deficit at June 30, 1981
Amounts presented in the accompanying financial statements	\$ 5,578,004	227,629	483,968
Amounts that would be presented under Interpretation 3	<u>11,366,892</u>	<u>162,526</u>	<u>6,337,959</u>
Difference	\$ <u>(5,788,888)</u>	<u>65,103</u>	<u>(5,853,991)</u>

The supplemental property tax was levied to finance expenditures incurred and recognized during the year ended June 30, 1981. As a result, revenues from the supplemental property tax have been recognized on an accrual basis with an estimate of collectibility based upon historical collection experience of City levies. This method was adopted to more properly match revenues with expenses incurred. Revenues recognized on the supplemental property tax and reflected in the accompanying combined financial statements amount to approximately \$14,365,000. Supplemental property taxes receivable, net of estimated uncollectible amounts as of June 30, 1981 amounted to approximately \$9,866,000.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(3) Due from Other Governments

Due from Other Governments consists of the following amounts at June 30, 1981:

Due from State of Rhode Island	\$ 1,165,380
Due from Federal Government	<u>1,244,284</u>
	<u>\$ 2,409,664</u>

The amount due from the State of Rhode Island represents welfare payments made by the City which are to be reimbursed by the State. The amount due from the Federal government is the fourth quarter payment of Federal revenue sharing owed to the City for the fiscal year 1981 which was received by the City in July 1981.

(4) Interfund Accounts

At June 30, 1981, amounts due to and from other funds resulting from various interfund activities were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Fiduciary Funds	\$ 325,000	-
School Fund	<u>-</u>	<u>705,545</u>
Total General Fund	<u>325,000</u>	<u>705,545</u>
Capital Projects Fund:		
Fiduciary Funds - Revolving	<u>96,946</u>	<u>-</u>
Long-term Debt Group of Accounts:		
Fiduciary Funds - Retirement System (note 11)	<u>-</u>	<u>4,866,407</u>
Fiduciary Fund Types:		
General Fund	-	325,000
Capital Projects Fund	-	96,946
School Fund	304,892	-
Long-term Debt Group of Accounts (note 11)	<u>4,866,407</u>	<u>-</u>
Total Fiduciary Fund Types	<u>5,171,299</u>	<u>421,946</u>
School Fund:		
Fiduciary Funds - Retirement System	-	304,892
General Fund	<u>705,545</u>	<u>-</u>
	<u>705,545</u>	<u>304,892</u>
	<u>\$ 6,298,790</u>	<u>6,298,790</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(5) Notes Payable

General Fund - Revenue anticipation notes payable at June 30, 1981 amounting to \$14,700,000 were due on July 3, 1981 with interest at the rate of 11.25%. These notes were renewed to July 9, 1981, when \$430,000 was repaid and the remainder borrowed through August 18, 1981 at which time the notes were paid off.

Long-term Debt Group - Bond anticipation notes payable at June 30, 1981 totaling \$13,518,000 were due on July 22, 1981 with interest at the rate of 10.95%. These notes were subsequently renewed and remain outstanding as of December 31, 1981. It is the intent of the City to redeem these notes through the issuance of authorized but not yet issued long-term debt.

(6) Long-term Debt

The following is a summary of bond transactions of the City for the year ended June 30, 1981 (in thousands):

	<u>General</u>	<u>Water</u>	<u>Total</u>
Bonds payable at June 30, 1980	\$ 49,944	11,045	60,989
New debt issued:			
1980 Public Improvement (Series A)	8,500		8,500
1980 Sewer Bonds (Series B)	10,500		10,500
Debt retired	(4,976)	(350)	(5,326)
Bonds payable at June 30, 1981	\$ <u>63,968</u>	<u>10,695</u>	<u>74,663</u>

The annual requirements to amortize long-term debt outstanding as of June 30, 1981, excluding interest payments, are as follows (in thousands):

<u>Year ending</u> <u>June 30</u>	<u>General</u>	<u>Water</u>	<u>Total</u>
1982	\$ 5,823	370	6,193
1983	5,270	385	5,655
1984	5,270	405	5,675
1985	4,965	425	5,390
1986	4,870	445	5,315
1987	4,770	460	5,230
1988	4,655	490	5,145
1989	3,840	510	4,350
1990	3,590	540	4,130
1991	3,240	560	3,800
1992	2,725	600	3,325
1993	2,075	625	2,700
1994	2,075	495	2,570
1995	1,650	525	2,175
1996	1,650	555	2,205
1997	1,650	590	2,240
1998	1,650	620	2,270
1999	1,650	655	2,305
2000	1,650	695	2,345
2001	900	745	1,645
	\$ <u>63,968</u>	<u>10,695</u>	<u>74,663</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Bonds authorized but not yet issued available to redeem bond anticipation notes and for capital improvements amounted to \$25,700,000 at June 30, 1981.

In addition to the long-term debt amounts presented above, the City has agreed to contribute \$4,866,407 to the Employees' Retirement System over a twenty-year period beginning in 1982 with interest at 8½%. This amount is presented as an amount due to the Retirement System in the Long-term Debt Group as well as a reservation of the fund deficit of the General Fund (note 11).

(7) Changes in Financial Presentation

The City has kept its records and has prepared the combined financial statements for the previous years on the basis of cash receipts. Consequently, certain revenues and the related assets were recognized when received rather than when susceptible to accrual or earned. Also, encumbrances were recognized as expenditures when ordered rather than when the obligation was incurred. At the beginning of the current year, the City adopted the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for other fund types. Appropriate adjustments have been made to fund balances as of the beginning of the year. The prior year's combined financial statements are not presented for comparative purposes because it was not practicable to determine what adjustments would be necessary to restate such statements in conformity with the accounting principles used in the current year.

The Capital Projects Fund and the General Long-term Debt Group represent reclassifications of the accounts of the former Capital Fund presented in prior years.

Also, as more fully explained in Note 11, \$4,866,477 appropriated in prior years for pension contributions has been deferred and will be paid over a long-term period. This amount has been reflected in the reserved fund deficit section of the General Fund and as a liability in the Long-term Debt Group of Accounts. A reconciliation of fund balance (deficit) for the year ended June 30, 1981 follows:

General Fund:

Fund deficit at June 30, 1980 as previously reported	\$ (14,662,880)
--	-----------------

Decrease in fund deficit resulting from change in revenue recognition:	
--	--

Property taxes	6,445,143
----------------	-----------

Federal Revenue Sharing	1,177,814
-------------------------	-----------

General Public Assistance Reimbursement	521,149
---	---------

Decrease in fund deficit resulting from change in method of accounting for encumbrances	<u>940,770</u>
---	----------------

Fund deficit at June 30, 1980 as restated	(5,578,004)
---	-------------

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Decrease in fund deficit provided by deferral of pension contributions (note 11)	\$ 4,866,407
Net excess of revenues and other financing sources over expenditures and other uses	<u>227,629</u>
Fund deficit at June 30, 1981	\$ <u>(483,968)</u>
Fiduciary Fund Types - Expendable Trusts:	
Fund balance at June 30, 1980 as previously reported for all Fiduciary Fund types including Trust and Special Funds, Revolving Funds, and Sinking Fund	\$ <u>82,323,036</u>
Less amounts attributable to nonexpendable trusts:	
Retirement System	74,572,145
Other nonexpendable trusts	<u>4,051,796</u>
	<u>78,623,941</u>
Fund balance as previously reported, expendable trusts only	<u>3,699,095</u>
Decrease in fund balance attributable to change in method of accounting for inventories	429,085
Net decrease in fund balance attributable to removal of fixed assets and obligations under capital leases from accounts of City	<u>434,952</u>
Total decreases in fund balance	<u>864,037</u>
Fund balance at June 30, 1980 as restated	2,835,058
Net excess of expenditures and other uses over revenues and other sources	<u>(550,975)</u>
Fund balance at June 30, 1981	\$ <u>2,284,083</u>
Fiduciary Fund Types - Nonexpendable Trusts:	
Fund balance at June 30, 1980, as previously reported	\$ 78,623,941
Increase in fund balance attributable to change in revenue recognition method - amount due from School Fund	<u>522,258</u>
Fund balance at June 30, 1980 as restated	79,146,199
Net income	<u>5,792,897</u>
Fund balance at June 30, 1981	\$ <u>84,939,096</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(8) Reserved Fund Balances

Reservations of fund balance at June 30, 1981 were as follows:

General Fund:

Reserved for encumbrances	\$ 1,373,400
Reserved for future pension payments	<u>4,866,407</u>
	\$ <u>6,239,807</u>

Fiduciary Fund Types:

Reserved for payment of benefits	80,580,450
Reserved for designated purposes	<u>4,358,646</u>
	\$ <u>84,939,096</u>

(9) Capital Projects Fund

During the year ended June 30, 1981, the General Fund advanced \$1,549,399 to the Capital Projects Fund to provide funds for various purposes. It is expected that funds for the completion of the ongoing capital projects as well as the elimination of the fund deficit will be provided by future proceeds of debt issuances. It cannot be determined however, that future debt proceeds will be sufficient to allow repayment of the advance amount to the General Fund. Therefore, the advance amount been reserved as an uncollectible amount by the General Fund.

(10) Pension Plans

The City has a contributory pension plan covering substantially all City and certain School Department employees. It is the policy of the City to record as pension cost an amount which is sufficient to maintain funding at 70% of the actuarially determined liabilities of the plan. Nonetheless, the City's contribution for the current year is less than the amount needed for 70% funding based on the June 30, 1979 valuation of its cost for the year ended June 30, 1981. The City's method of recording pension cost is at variance with generally accepted accounting principles since such cost is less than normal cost of the plan plus an amount equivalent to amortization of past service cost on a 40 year basis and interest on the unfunded past service liability. Since the City has not had an actuarial valuation of its plan since June 30, 1979, the effect of the 70% funding policy on pension cost in 1981 is not determinable.

The following is a summary of actuarially recommended and actual contributions made during the year ended June 30, 1981:

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Actuarially recommended contributions	\$ <u>8,440,000</u>
Actual contributions:	
General Fund, exclusive of Water Board employees (not including \$2,630,000 appropriated in prior years and paid during year ended June 30, 1981)	1,334,000
Water Board	333,000
School Department	<u>1,410,000</u>
	\$ <u>3,077,000</u>

As of June 30, 1979, the date of the latest actuarial report, the unfunded past service liability amounted to \$88,425,000. The City believes this unfunded past service liability has increased since 1979 due to the City's funding policy.

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

Actuarial present value of accumulated plan benefits as of June 30, 1979:	
Vested	\$ 124,934,000
Nonvested	<u>5,821,000</u>
	\$ <u>130,755,000</u>
Net assets available for benefits as of June 30, 1979	\$ <u>76,777,000</u>

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8.5 percent compounded annually. Net assets available for benefits are stated at cost. The extent of any additional liability that may exist due to any excess of cost over market value is not known.

The City is obligated to contribute each year an amount sufficient to provide for the payment of special pensions to elective officers on a pay-as-you-go-basis. The City is also required to make contributions to the National Pension Plan of the Laborers' International Union of North America, the Rhode Island Legal Service trust for those employees in the Laborers' International Union, the Police Pension Fund and the Fire Pension Fund and other plans. Total pension expense for these purposes, recorded on the General Fund, amounted to \$1,387,000 during the year ended June 30, 1981.

The City is also obligated to make contributions to the Employees' Retirement System of the State of Rhode Island for certain School Department employees. Total pension expense incurred by the School Fund for this purpose amounted to \$1,492,000 for the year ended June 30, 1981. School Fund pension expense for other pension plans amounted to \$107,000 during the year ended June 30, 1981.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(11) Commitments and Contingent Liabilities

The City is a defendant in many pending and existing lawsuits, claims, and grievances. It is the opinion of the City Solicitor and outside counsel that the maximum possible liability relating to such cases amounts to approximately \$400,000. In addition, there are several recent threatened or pending lawsuits for which the City Solicitor is unable to determine the extent of liability to the City.

A judgment has been rendered in a class action suit against the City Assessor and the City in the amount of \$5,000,000 concerning the propriety of a previous year property tax levy. The case is currently on appeal and in the opinion of the City Solicitor, the eventual settlement of the suit will not materially affect the financial statements of the City.

On February 1, 1982, the City entered into a settlement of a lawsuit which had been brought by the Retirement Board of the Employees Retirement System against the City alleging a failure on the part of the City to make appropriate contributions to the Employees Retirement System. The settlement calls for an unpaid contribution amount of \$4,866,407, which had been appropriated during the year ended June 30, 1980, to be paid over a period of twenty years with interest at an annual rate of 8½%. The first installment is called for during the year ended June 30, 1982. This transaction has been reflected in the accompanying combined financial statements as a reservation of fund balance of the General Fund and a long-term liability of the long-term debt group of accounts. A corresponding receivable amount has been established on the Retirement System with an offset included in deferred revenue.

The City participates in a number of Federally-assisted grant programs, principal of which are the General Revenue Sharing, Community Development Block Grant, Comprehensive Employment Training Act, and Local Public Works programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 1981 have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City follows the policy of self-insuring its real estate property against possible casualty losses caused by fire. As of June 30, 1981, the total amount available for this purpose totaled \$94,811 and is carried in the Fiduciary Fund Types.

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Revenues - Comparison of Budget to Actual

Year ended June 30, 1981

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>	Actual over (under) <u>budget</u>
Property taxes:			
Regular	\$ 71,931,000	72,679,668	748,668
Supplemental	14,399,696	14,365,228	(34,468)
Shared State taxes	1,166,000	1,071,344	(94,656)
Business and nonbusiness licenses	615,000	597,172	(17,828)
Fines, forfeits and escheats	725,000	563,233	(161,767)
Grants-in-aid (State of Rhode Island):			
General Public Assistance	8,350,000	7,880,584	(469,416)
Payment of school debt	388,000	388,324	324
In lieu of machinery, equipment, inventory and intangible taxes	3,194,443	3,194,441	(2)
Donations	8,000	37,992	29,992
Rents and interest	1,356,000	1,604,357	248,357
General departments	4,462,375	4,332,035	(130,340)
Sewer rentals	550,000	550,666	666
Federal Revenue Sharing	4,851,047	4,917,907	66,860
Sale of surplus property	230,000	177,198	(52,802)
 Total General Fund excluding Water Supply Board	 112,226,561	 112,360,149	 133,588
 Water Supply Board	 8,300,000	 8,019,605	 (280,395)
 Total revenues	 \$ <u>120,526,561</u>	 <u>120,379,754</u>	 <u>(146,807)</u>

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Comparison of Budget to Actual

Year ended June 30, 1981

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Executive, Legislative and Judicial activities:					
City Council	\$ 210,235		210,235	201,902	8,333
City Clerk	119,151		119,151	117,164	1,987
Probate Court	82,232		82,232	80,088	2,144
Providence Municipal Court	168,355		168,355	164,666	3,689
Mayor's Office	345,618		345,618	312,816	32,802
Law Department	1,394,047		1,394,047	1,681,602	(287,555)
City Sargeant	18,019		18,019	17,722	297
Total Executive, Legislative, and Judicial Activities	2,337,657	-	2,337,657	2,575,960	(238,303)
Finance Administration:					
Finance Director	171,499		171,499	131,833	39,666
City Controller	402,983		402,983	391,357	11,626
Employees' Retirement	119,189		119,189	142,873	(23,684)
Data Processing	587,016		587,016	603,915	(16,899)
City Collector	423,445	12,500	435,945	428,901	7,044
City Assessor	312,820		312,820	301,450	11,370
Treasury Department	115,604		115,604	113,358	2,246
Board of Tax Assessments Review	17,258		17,258	22,044	(4,786)
Total Finance Administration	2,149,814	12,500	2,162,314	2,135,731	26,583
Public Safety:					
Commissioner of Public Safety	126,773		126,773	127,277	(504)
Police Department	10,845,494	(484,053)	10,361,441	10,120,435	241,006
Fire Department	11,333,429		11,333,429	11,609,875	(276,446)
Department of Communications	1,067,414		1,067,414	915,470	151,944
Traffic Engineers	536,196		536,196	495,165	41,031
Total Public Safety	23,909,306	(484,053)	23,425,253	23,268,222	157,031

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Comparison of Budget to Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decreases)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Building Inspection Department:					
Building Inspection	\$ 145,287		145,287	143,930	1,357
Structures and Zoning Division	154,404		154,404	149,126	5,278
Plumbing, Drainage, and Gas Piping Division	88,760		88,760	80,126	8,634
Electrical Installations Division	59,285		59,285	53,103	6,181
Mechanical Equipment and Installations Division	72,377		72,377	69,136	3,241
Zoning Board of Review	49,069		49,069	52,180	(3,111)
Housing Board of Review	5,697		5,697	4,425	1,272
Building Board of Review	11,415		11,415	10,343	1,072
Total Building Codes and Inspection	<u>586,294</u>	<u>-</u>	<u>586,294</u>	<u>562,369</u>	<u>23,925</u>
Public Works activities:					
Public Works Administration	261,180		261,180	269,017	(7,837)
Engineering Office	389,317		389,317	376,214	13,103
Sanitation Division Administration	30,146		30,146	20,720	9,426
Street Cleaning Section	609,355		609,355	615,731	(6,376)
Sewage Pumping Station	293,172		293,172	287,827	5,345
Sewage Disposal Section	3,715,528		3,715,528	3,416,480	299,048
Waste Collection and Processing	3,028,585		3,028,585	3,096,798	(68,213)
Highway Section	2,226,724		2,226,724	2,181,263	45,461
Bridge Maintenance Section	167,719		167,719	169,042	(1,323)
Snow Removal	621,639	(180,000)	441,639	343,022	98,617
Sewer Construction and Maintenance	724,948	80,000	804,948	717,799	87,149
Street Lighting Division	1,180,000		1,180,000	1,237,554	(57,554)
Municipal Dock Section	357,942		357,942	304,417	53,525
Environment Control	158,736		158,736	151,670	7,066
Garage Maintenance and Equipment Repair	252,465		252,465	253,957	(1,492)
Total Public Works activities	<u>14,017,456</u>	<u>(100,000)</u>	<u>13,917,456</u>	<u>13,441,511</u>	<u>475,945</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Comparison of Budget to Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Recreation activities:					
Recreation Department	\$ 409,430		409,430	382,159	27,271
Junior Police Camp	22,000		22,000	28,835	(6,835)
Providence Elderly Multi-Purpose Center	63,625		63,625	57,035	6,590
Recreation Seasonal	963,845		963,845	931,792	32,053
Recreation for the Handicapped	16,603		16,603	16,951	(348)
Total Recreation Activities	1,475,503	-	1,475,503	1,416,772	58,731
Public Property:					
Purchasing	2,123,579		2,123,579	1,884,132	239,447
Administration and Maintenance	929,089	100,000	1,029,089	1,213,675	(184,586)
Public Buildings	135,780		135,780	115,053	20,727
Custodian Services	514,810		514,810	500,760	14,050
Total Public Property	3,703,258	100,000	3,803,258	3,713,620	89,638
Public Lands and Parks:					
Public land and parks	1,157,596	100,000	1,257,596	1,286,738	(29,142)
Zoo division	512,711		512,711	497,511	15,200
Forestry section	290,612		290,612	335,765	(45,153)
Museum	121,297		121,297	124,915	(3,618)
Locust Grove Cemetery	17,643		17,643	14,016	3,627
Total public lands and parks	2,099,859	100,000	2,199,859	2,258,945	(59,086)
Education:					
Local appropriation to School Department	33,439,170	748,903	34,188,073	33,681,468	506,605
Other departments:					
Recorder of Deeds	144,895		144,895	139,082	5,813
Weights and measures	55,999		55,999	55,556	443
Vital statistics	87,460		87,460	80,703	6,757
Board of Canvassers	176,398		176,398	166,072	10,326
Bureau of Licenses	92,999		92,999	93,357	(358)
Providence Human Relations	102,857		102,857	114,076	(11,219)
Civil Defense	70,524		70,524	67,412	3,112
Planning and Urban Development	1,104,013	(4,000)	1,100,013	1,058,995	41,018
Emergency Temporary and Seasonal Employees	132,748		132,748	132,183	565
Administration to City Council	20,862		20,862	20,527	335
Providence Charter Commission	13,075		13,075	13,277	(202)
Providence Review Commission		4,000	4,000		4,000
Civic Center Memorial				16,000	(16,000)
Total other departments	2,001,830	-	2,001,830	1,957,240	44,590

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Comparison of Budget to Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Welfare activities:					
General Public Assistance Administration	\$ 662,600		662,600	505,799	156,801
General Public Assistance	<u>7,735,000</u>		<u>7,735,000</u>	<u>7,635,926</u>	<u>99,074</u>
Total Welfare activities	<u>8,397,600</u>	<u>-</u>	<u>8,397,600</u>	<u>8,141,725</u>	<u>255,875</u>
Pensions:					
Contributions to:					
Employees' Retirement System, exclusive of Water Supply Board	1,200,000	(85,504)	1,114,496	1,114,497	(1)
Elected Officials' Retirement System	92,640		92,640	92,640	
Unremarried Police and Fire Widows				2,322	(2,322)
Cost of Living Grant to Retired Employees				5,407	(5,407)
Payments to:					
Police Pension Fund	85,000		85,000	79,607	5,393
Fire Pension Fund	132,000		132,000	139,018	(7,018)
Laborers International Pension Fund	1,150,000	(155,272)	994,728	903,289	91,439
Relief Fund for Firemen and Police				1,553	(1,553)
Laborers International legal fee	310,000	(20,272)	289,228	187,918	101,310
Public Employees Health Services	<u>82,000</u>	<u>(2,482)</u>	<u>79,518</u>	<u>68,127</u>	<u>11,391</u>
Total pensions	<u>3,051,640</u>	<u>(264,030)</u>	<u>2,787,610</u>	<u>2,594,378</u>	<u>193,232</u>
Debt service:					
Retirement of Serial Bonds	4,976,000		4,976,000	4,976,000	
Interest on bonded debt	<u>3,777,574</u>		<u>3,777,574</u>	<u>3,774,458</u>	<u>3,116</u>
Total debt service	<u>8,753,574</u>	<u>-</u>	<u>8,753,574</u>	<u>8,750,458</u>	<u>3,116</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Comparison of Budget to Actual, Continued

Expenditures	Budget	Transfers increase (decrease)	Revised budget	Actual expenditures	Actual (over) under budget
Miscellaneous Activities:					
Contingencies	\$ 85,000		85,000	110,273	(25,273)
F.I.C.A.	1,310,425	(31,129)	1,279,296	1,098,421	180,875
Medical insurance	2,566,057	(82,191)	2,483,866	2,534,042	(50,176)
Board of Tenants Affairs	2,500		2,500	1,956	544
Community Mental Health Centers	175,000		175,000	175,000	
Demolition of Abandoned Property	85,000		85,000	62,035	22,965
Providence Housing Authority	10,000		10,000	8,155	1,845
Unemployment Compensation	800,000		800,000	874,808	(74,808)
Restoration Study City Hall				17,499	(17,499)
Reserve for Anticipated Tax Abateements	311,000		311,000	69,933	241,067
Total miscellaneous activities	5,344,982	(113,320)	5,231,662	4,952,122	279,540
Grants:					
Providence Public Library	940,000		940,000	940,000	
Other	50,824		50,824	18,470	32,354
Total grants	990,824	-	990,824	958,470	32,354
Public celebrations	9,675	-	9,675	9,404	271
Transfer to Capital Project Fund	-	-	-	1,549,399	(1,549,399)
Water Supply Board:					
Administration	1,243,163		1,243,163	1,190,518	52,645
Source of Supply	1,478,054		1,478,054	1,473,978	4,076
Transmission and Distribution	1,962,876		1,962,876	2,068,839	(105,963)
Accounting and Commercial	600,698		600,698	538,498	62,200
Taxes	1,475,000		1,475,000	1,479,907	(4,907)
Employees' Retirement System	333,028		333,028	333,028	
F.I.C.A.	170,000		170,000	139,263	30,737
Interest on Bonded Debt	610,300		610,300	610,300	
Retirement of Serial Bonds	355,000		355,000	350,000	5,000
Unemployment Compensation	30,000		30,000		30,000
Total Water Supply Board	8,258,119	-	8,258,119	8,184,331	73,788
Total expenditures	\$ 120,526,561	-	120,526,561	120,152,125	374,436

CITY OF PROVIDENCE, RHODE ISLAND

Unrestricted School Fund

Schedule of Revenues and Expenditures
Comparison of Budget to Actual

Year ended June 30, 1981

	<u>Budget</u>	<u>Actual</u>	<u>Over (under)</u> <u>budget</u>
Revenues:			
Local appropriation	\$ <u>34,188,073</u>	<u>33,681,468</u>	(<u>506,605</u>)
Grants-in-aid:			
Federal Government	143,108	148,870	5,762
State of Rhode Island	<u>18,557,582</u>	<u>18,550,617</u>	(<u>6,965</u>)
	<u>18,700,690</u>	<u>18,699,487</u>	(<u>1,203</u>)
School revenues:			
Tuition	104,600	141,196	36,596
Miscellaneous	<u>33,025</u>	<u>51,255</u>	<u>18,230</u>
	<u>137,625</u>	<u>192,451</u>	<u>54,826</u>
Total revenues	<u>53,026,388</u>	<u>52,573,406</u>	(<u>452,982</u>)
Expenditures:			
Personnel services	36,566,727	36,486,192	(80,535)
Employee benefits	5,047,099	4,921,523	(125,576)
Data processing	191,647	204,241	12,594
Equipment and supplies	993,949	759,841	(234,108)
Miscellaneous	428,204	409,622	(18,582)
Other services	256,641	220,079	(36,562)
Pensions	2,887,821	2,988,878	101,057
Postage, freight and express	41,343	22,659	(18,684)
Professional services	72,268	121,800	49,532
Rentals	136,620	164,964	28,344
Repairs and maintenance	442,235	410,762	(31,473)
School activities	65,070	53,651	(11,419)
Subscriptions, printing and binding	172,360	127,620	(44,740)
Telephone	225,085	176,703	(48,382)
Textbooks	376,509	344,566	(31,943)
Transportation and travel	1,533,655	1,602,068	68,413
Tuition payments	912,225	919,775	7,550
Utilities and fuel	<u>2,676,930</u>	<u>2,638,462</u>	(<u>38,468</u>)
Total expenditures	\$ <u>53,026,388</u>	<u>52,573,406</u>	(<u>452,982</u>)
Net excess of revenues over expenditures		\$ <u>-</u>	

CITY OF PROVIDENCE, RHODE ISLAND

Combining Balance Sheet

Fiduciary Fund Types

June 30, 1981

Assets	Retirement System	Expendable Trust Funds			Agency	Total
		Expendable Trust and Special	Revolving Funds	Nonexpendable Trust Funds		
Cash (overdraft)	\$ 477,178	(526,750)	(32,562)	155,803	277,145	350,814
Short-term investments, at cost which approximates market	8,215,550		500,000			8,715,550
Due from other funds	5,171,299					5,171,299
Accounts receivable	627,088					627,088
Investments, at cost	68,485,530*	2,631,357		4,064,223	600,002	75,781,112
Loans receivable	3,183,441			139,120		3,183,441
Other assets						139,120
Total assets	\$ 85,532,998	2,731,695	467,438	4,359,146	877,147	93,968,424
Liabilities and Fund Balances						
Accounts payable	\$ 86,141	500	90,516	500	652,147	829,804
Due to other funds	4,866,407	627,088	196,946		225,000	421,946
Deferred revenues						5,493,495
Total liabilities	4,952,548	627,588	287,462	500	877,147	6,745,245
Fund balances:						
Reserved for benefits	80,580,450					80,580,450
Reserved for designated purposes		2,104,107	179,976	4,358,646		4,358,646
Unreserved		2,104,107	179,976	4,358,646	-	87,223,179
Total fund balances	80,580,450	2,104,107	179,976	4,358,646		87,223,179
Total liabilities and fund balances	\$ 85,532,998	2,731,695	467,438	4,359,146	877,147	93,968,424

*Market value: \$62,246,901

CITY OF PROVIDENCE, RHODE ISLAND

Fiduciary Fund Types - Agency Funds

Combining Schedule of Cash Receipts and Disbursements

Year ended June 30, 1981

	Cash balances, Jun. 30, 1980	Receipts	Total available	Disbursements	Cash balances, Jun. 30, 1981
Deposit and Refund Account	\$ 17,845	2,035,793	2,053,638	1,987,303	66,335
Employees' Defense Savings Account	15,997	103,846	119,843	105,295	14,548
Employees' Retirement System, State of Rhode Island	1,989	2,026,918	2,028,907	2,027,311	1,596
Employees' Retirement System, Rhode Island					
Income Tax Withholding Pension Payments	(27,960)	382,094	354,134	354,134	
Employees Withholding Tax Deductions	1,396	13,957,127	13,958,523	14,557,828	(599,305)
Hospital Service Corporation of Rhode Island	31,495	377,732	409,227	375,821	33,406
Local No. 799, International Association of Firefighters	6	88,805	88,811	88,805	6
Local No. 958, American Federation of Teachers	12,613	309,490	322,103	309,539	12,564
Local No. 1033, Public Employees Union	543	331,015	331,558	330,789	769
Payroll Deductions, Insurance Companies	3,650	1,041,230	1,044,880	1,005,583	39,297
Payroll Deductions and Withholdings, Other	5,316	29,036	34,352	29,062	5,290
Providence Municipal Employees Credit Union	4,692	2,478,384	2,483,076	2,478,384	4,692
Providence Permanent Fireman's Relief Association	73	326,417	326,490	326,417	73
Providence Teachers' Credit Union	(18,509)	2,348,733	2,330,224	2,348,856	(18,632)
Reserve for Social Security Taxes	1,398,266	9,032,352	10,430,618	9,789,855	640,763
Rhode Island Income Tax Withholding	28,036	2,603,180	2,631,216	2,631,267	(51)
State of Rhode Island Real Estate Conveyance Tax	42,312	226,667	268,979	210,183	58,796
State Sales Tax, Water	16,230	83,337	99,567	83,150	16,417
Tax Sheltered Annuities	580	166,368	166,948	166,368	580
Other	(383)	124,139	123,756	123,755	1
Total Agency Funds	\$ 1,534,187	38,072,663	39,606,850	39,329,705	277,145

CITY OF PROVIDENCE, RHODE ISLAND

Long-term Debt Group of Accounts

Schedule of Notes Payable

June 30, 1981

	<u>Maturity date</u>	<u>Interest rate</u>	<u>Amount</u>
Construction:			
Additional Municipal Docking Facilities	7/22/81	10.95%	\$ 1,750,000
Public Works Sewage Treatment and Sludge Incinerator - Phase II	7/22/81	10.95	4,000,000
Schools:			
School Modernization and Construction V	7/22/81	10.95	200,000
Area development:			
Slum Clearance and Redevelopment V	7/22/81	10.95	<u>7,568,000</u>
Total notes payable			\$ <u>13,518,000</u>
Notes held by the following banks:			
Industrial National Bank of Rhode Island			6,093,000
Rhode Island Hospital Trust National Bank			2,870,000
Citizens Trust Company			1,125,000
Old Stone Bank			2,930,000
Columbus National Bank			<u>500,000</u>
Total notes payable			\$ <u>13,518,000</u>

CITY OF PROVIDENCE, RHODE ISLAND

Long-term Debt Group of Accounts

Schedule of Bonds Outstanding

June 30, 1981

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
Bonds payable, serially:					
Bridge Replacement and Reconstruction	3.60-3.80%	5/1/67	5/1/91	\$ 1,200,000	600,000
Highways:					
Reconstruction - 1959	3.80	12/1/59	12/1/81	1,000,000	50,000
Reconstruction - 1963	3.125	9/1/63	9/1/83	600,000	90,000
Huntington Avenue Bonds	3.80	12/1/59	12/1/81	1,000,000	50,000
Construction Bonds of 1964	3.25-3.40	10/1/64	10/1/84	500,000	100,000
Loan of 1964 (1970 Series)	6.30-6.60	6/15/70	6/15/90	500,000	225,000
Total highways				3,600,000	515,000
Municipal Dock Improvements and Extension	3.125	9/1/63	9/1/87	2,000,000	700,000
Recreational Facilities:					
Recreational Facilities Bonds of 1958	3.25	4/1/58	4/1/82	1,000,000	50,000
Recreational Facilities Series III	3.10	3/1/62	3/1/82	750,000	40,000
Recreational Facilities Series IV	3.25-3.40	10/1/64	10/1/84	1,000,000	200,000
Recreational Loan V	4.50	2/1/71	2/1/91	2,000,000	1,000,000
Total Recreational Facilities				4,750,000	1,290,000
Public Welfare Building Bonds	3.90-4.60	6/1/68	6/1/88	1,500,000	525,000
Redevelopment:					
Redevelopment and Slum Clearance Bonds II	3.30	3/1/61	3/1/84	2,500,000	375,000
Redevelopment and Slum Clearance Bonds III	3.30	3/1/61	3/1/84	2,500,000	375,000
Redevelopment and Slum Clearance Bonds IV	3.10	3/1/62	3/1/82	1,000,000	50,000
Redevelopment and Slum Clearance Bonds V	3.125	9/1/63	9/1/87	4,000,000	1,400,000
Redevelopment and Slum Clearance Bonds VI	3.25-3.40	10/1/64	10/1/88	2,000,000	800,000
Slum Clearance and Redevelopment IV (1970 Series)	6.30-6.60	6/15/70	6/15/90	5,000,000	2,250,000
Total Redevelopment Bonds				17,000,000	5,250,000
Hurricane Barrier:					
Hurricane Barrier Bond Series I	3.25-3.40	10/1/64	10/1/88	3,000,000	1,200,000
Hurricane Barrier Bond Series II	3.60-3.75	5/1/67	5/1/87	600,000	180,000
Total Hurricane Barrier				3,600,000	1,380,000

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Long-term Debt Group of Accounts

Schedule of Bonds Outstanding, Continued

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
Sanitation Building and Equipment Bonds	3.60-3.75	5/1/67	5/1/87	\$ 400,000	120,000
General Obligation - Public Improvement Bonds	7.70-10.00	9/1/80	9/1/2000	10,500,000	10,500,000
General Obligation - Public Improvement Bonds	4.75-7.25	5/1/79	5/1/99	15,000,000	14,250,000
Total Public Improvement Bonds				25,500,000	24,750,000
Schools:					
School Athletic Fields - Series III	4.50-4.60	6/1/68	6/1/90	500,000	230,000
School Bonds of 1958	3.25	4/1/58	4/1/82	1,600,000	80,000
School Bonds of 1959	3.80	12/1/59	12/1/81	1,250,000	63,000
School Bonds of 1961	3.10	3/1/62	3/1/86	2,000,000	500,000
School Bonds of 1966	3.60-3.80	5/1/67	5/1/91	1,750,000	850,000
School Bonds of 1968	3.90-4.60	6/1/68	6/1/88	6,000,000	2,100,000
School Bonds of 1971 Series I	4.50	2/1/71	2/1/91	1,500,000	750,000
School Bonds of 1971 Series II	4.50	2/1/71	2/1/91	2,400,000	1,200,000
School Modernization Bonds Series II (1959)	3.80	12/1/59	12/1/81	1,000,000	50,000
School Modernization Bonds Series IV	3.10	3/1/62	3/1/82	1,000,000	50,000
School Modernization Bonds Series V	3.60-3.80	5/1/67	5/1/91	1,500,000	750,000
Classical High School Bonds	6.30-6.60	6/15/70	6/15/90	1,000,000	450,000
School Modernization and Construction Bonds Series II	5.00	2/15/74	2/15/94	3,000,000	1,950,000
School Modernization and Construction Bonds Series III	5.00	2/15/74	2/15/94	3,000,000	1,950,000
School for Handicapped Children	5.00	2/15/74	2/15/94	2,500,000	1,625,000
Total Schools				30,000,000	12,598,000
Sewers:					
Sewer Construction Bonds of 1963	3.125	9/1/63	9/1/83	500,000	75,000
Sewer Construction Bonds of 1964	3.25-3.40	10/1/64	10/1/84	300,000	60,000
Sewer Construction Bonds of 1966	3.60-3.75	5/1/67	5/1/87	300,000	90,000
Sewer Construction Bonds of 1980	7.70-10.00	9/1/80	9/1/2000	8,500,000	8,500,000
Total sewers				9,600,000	8,725,000

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Long-term Debt Group of Accounts

Schedule of Bonds Outstanding, Continued

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
Sludge Incinerator Bonds	3.60-3.75%	5/1/67	5/1/87	\$ 1,000,000	300,000
Sewerage Treatment Bonds - Series II (1959)	3.80	12/1/59	12/1/81	300,000	15,000
Off-Street Parking Facilities - Series I	3.10	3/1/62	3/1/82	1,000,000	50,000
Civic Center Bonds	4.50-4.75				
	5.00-5.25	2/1/72	2/1/92	13,000,000	7,150,000
Total bonds, exclusive of water bonds				114,450,000	63,968,000
Bonds payable, water:					
Water Distribution Reservoir	3.25	12/1/62	12/1/92	2,050,000	1,015,000
Water Purification Works Improvements I	3.25	12/1/62	12/1/92	1,100,000	570,000
Water Bonds of 1971	5.00-6.00	6/1/71	6/1/2001	11,000,000	9,110,000
Total Water Bonds				14,150,000	10,695,000
Total Bonds Issued and Outstanding				\$ 128,600,000	74,663,000

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Property Taxes Receivable

June 30, 1981

<u>Year of Assessment</u>	<u>Amount Receivable June 30, 1981</u>
1980	\$ 17,763,684
1979	2,590,081
1978	2,013,018
1977	1,323,938
1976	1,118,145
1975	1,003,085
1974	902,778
1973	1,019,208
1972	612,100
1971	775,644
1970	735,088
1969	352,352
1968	327,829
1967	316,157
1966	<u>439,913</u>
	31,293,020
Less allowance for estimated uncollectible amounts	<u>15,161,393</u>
Net property taxes receivable	\$ <u>16,131,627</u>