

City of Providence

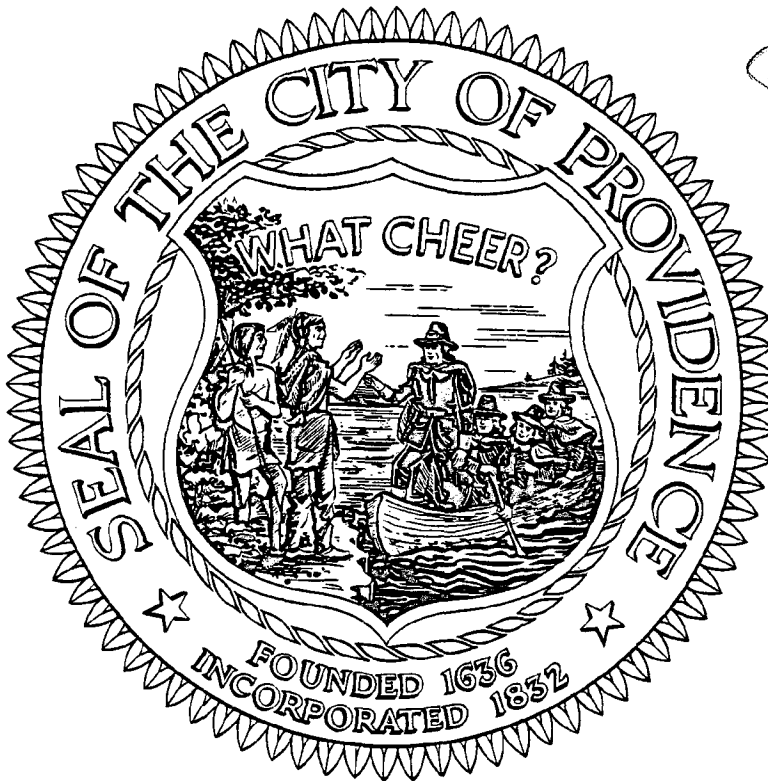
Annual Financial Report
June 30, 1983

IN CITY COUNCIL

MAY 17 1984

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

Robert M. Menlowe CLERK



City of Providence

Annual Financial Report
June 30, 1983

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*The attached is for
Your Files*

David V. Devault
Senior Manager



**PEAT
MARWICK**

Peat, Marwick, Mitchell & Co.
40 Westminster Street
Providence, RI 02903
401-421-6600



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
40 Westminster Street
Providence, Rhode Island 02903

March 20, 1984

PRIVATE

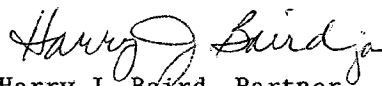
Ms. Rose M. Mendonca
City Clerk
City Hall
Providence, Rhode Island

Dear Ms. Mendonca:

Enclosed are twenty-five (25) copies each of the Annual Financial Report and management letter of the City of Providence, Rhode Island for the year ended June 30, 1983.

Very truly yours,

PEAT, MARWICK, MITCHELL & CO.


Harry J. Baird, Partner

HJB:mer

Enc. 50



Peat, Marwick, Mitchell & Co.
Certified Public Accountants
40 Westminster Street
Providence, Rhode Island 02903

February 3, 1984

CONFIDENTIAL

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

Gentlemen:

We have examined the combined financial statements of the City of Providence for the year ended June 30, 1983, and have issued our report thereon dated November 8, 1983. As a part of our examination, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. We did not review the systems of internal control of the Providence Water Supply Board, The Providence Civic Center Authority and the Mayor's Office of Community Development whose financial statements were examined by other auditors. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the City's combined financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole. We have not reviewed the system of internal control subsequent to November 8, 1983.

The management of the City of Providence is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.



Honorable Mayor and
Members of the City Council
City of Providence, Rhode Island
February 3, 1984
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Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the City of Providence taken as a whole.

Our study and evaluation disclosed the following conditions in the system of internal accounting control of the City of Providence in effect at June 30, 1983, which, in our opinion, result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the combined financial statements may occur and not be detected within a timely period.

BANK ACCOUNTS

Although measurable progress has been made in the past year concerning the bank account reconciliation function, certain improvements in procedures would result in an enhanced reconciliation function. Specifically, the outstanding check lists should be monitored closely for accuracy as errors can occur due to improper coding and lack of review. The City should consider working closely with the various banking depositories to develop the types of information that are necessary to monitor the outstanding check position. In addition, all variances noted in each monthly investigation should be investigated fully and resolved throughout the year. These comments apply to all City bank accounts.

ELECTRONIC DATA PROCESSING (EDP)

During the course of our examination we reviewed the control environment of the EDP area. This review encompassed organization and administration controls, systems development and maintenance controls, systems software and hardware controls, as well as access and procedural controls. As a result of this review we noted the following items where the effectiveness of internal controls could be improved.

Disaster Plan

At the current time a formalized documented "disaster plan" is being developed for the Data Processing Center. This is important because the City has come to rely heavily on the computer system for assistance and support in day to day operations. Consequently, a major failure or disaster (fire, vandalism, etc.) in the computer system could have adverse effects on the City's operations.



Honorable Mayor and
Members of the City Council
City of Providence, Rhode Island
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The development of a disaster plan with detailed instructions of procedures to be followed and all pertinent information (names, phone numbers, location of backup files, location of alternative facilities, etc.) would greatly increase the ability to resume normal operations with minimal loss and expense to the City in a disaster. We concur with the need to develop such a plan and recommend that it be completed as soon as is practicable.

Efficiency

Many of the applications currently being processed by the City still use keypunch cards for master and transaction files including the outstanding check lists. This manner of processing is inefficient and increases the risk of erroneous data files. The use of more advanced techniques in the processing systems would decrease the potential for loss of information, as well as increase the efficiency of operations. It is our understanding that the City has been automating such systems and is making progress towards completion of this project. We concur with the need to complete the project and urge that such efforts continue.

System Security

The computer facility currently uses a console log that describes all applications which are run during a specific period. We have been informed that the log is reviewed by an appropriate member of the EDP staff in order to determine if files are being deleted or changed by the use of utility programs, however, this review is not documented. A documented review of this log would give the City assurance that no duplicate runs are being performed and that scheduled jobs are being run at proper times.

CONTROL OVER CHECKS

Control over unissued blank checks needs to be improved. At the present time, blank checks are not stored in a secure manner. It is recommended that unissued checks be maintained in a locked, secure area and that responsibility for control over these checks be assigned to a specific person or department.

The following matters, which are not considered to be material weaknesses are conditions for which corrective action by management may be practical in the circumstances.



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

It was noted that when an adjustment is made on an NCR tape due to a teller input error in the Tax Collector's office, the correction is not always supported by documented approval of an appropriate official of supervisory capacity.

We recommend that all teller adjustments or corrections be approved by an appropriate supervisor and that such approval be documented by initial or signature. This procedure will provide stronger control over the teller's daily reconciliation process.

MAXIMIZING REVENUES

The City may wish to consider reviewing its procedures regarding collection efforts concerning certain revenue sources including municipal dock fees and other rents. Consideration should be given to generating periodic aged details of accounts, developing specific collection policies and procedures and providing for periodic reporting to management so that the progress of collection efforts can be monitored. The subsidiary ledger balance of such accounts should be integrated with and periodically reconciled to the general ledger of the General Fund.

LEASES AND CONTRACTS

As noted during our previous examination, the City should maintain a comprehensive, organized file of all leases, contracts and other agreements into which it has entered. Such a file should include both those leases in which the City is the lessor as well as the lessee. City ordinances require that all lease agreements must be submitted to the Controller's office. The Controller's office does maintain some leases and agreements but the file is incomplete. It is recommended that a complete file be established and the copies of all future contracts be sent to the Controller. A complete file would result in better information being available to management.

ACCOUNTING POLICIES AND RECORDS

Accounting Procedures Manual

The City should continue developing an accounting procedures manual to codify the many and diverse accounting procedures. The manual can be used to set forth job descriptions, lines of authority and supervision for all departments, report formats, account codes and descriptions, and similar descriptive materials.



Honorable Mayor and
Members of the City Council
City of Providence, Rhode Island
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The following recommendations are intended to assist the City in its ongoing development of accounting procedures and policies.

Retirement System - Investment Subledger

The City currently has no detailed subsidiary ledger for the investments of the Employee Retirement System (ERS). The City should develop and maintain a detailed ledger of the carrying value of all ERS assets. Purchases and sales of such assets would then be posted to the subsidiary ledger throughout the year. This ledger should also be reconciled to the various trustee statements on a regular basis.

Water Supply Board (WSB) Interfund Account

The City needs to develop reconciliation procedures for the interfund account between the General Fund and the WSB. The procedures should include a timely reconciliation of the interfund account between the General Fund and the WSB. In addition, WSB expenditure and revenue accounts should be eliminated from the general ledger of the General Fund.

Revolving Funds

Many of the City's "Revolving Funds" were created in prior years for purposes which are no longer necessary or apparent. Consequently, some of these funds may not be required at the present time. A review of these funds should be performed to determine those which are necessary. Those which are not should be closed out. In addition, interfund transactions between revolving funds and other funds should be clearly identified on the accounting system.

Miscellaneous Accounts Receivable

Miscellaneous accounts receivable are maintained on the general ledger for accounts in which there has been no activity for several years.

We recommend that the City develop policies and procedures in order to write-off uncollectible accounts that have been fully reserved and are carried on the general ledger.



Honorable Mayor and
Members of the City Council
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Accounting Records

As was noted in the previous year, accounting records are not always maintained in a secure manner. To adequately safeguard the accounting records, it is recommended that all important records be maintained in locked, fireproof cabinets. Such a precaution will protect the City from disruption of normal procedures in the event of a disaster and preclude access to the records by unauthorized persons.

ESTABLISH FIXED ASSETS RECORDS AND CONTROLS

The City presently does not have comprehensive fixed asset records. Sound financial administration in safeguarding the City's investment in fixed assets is of utmost importance in the exercise of stewardship responsibilities. These responsibilities can be effectively discharged only through adequate fixed assets accounting. Preparation and maintenance of fixed asset records and accounts will provide several benefits:

- . Fixed assets can be inventoried periodically to ensure that they are properly controlled.
- . Responsibility for custody and effective use of fixed assets can be clearly established.
- . Information regarding sources of supply, prices, and useful lives will be readily available. If information regarding maintenance costs is also included in the subsidiary ledgers, ratios of cumulative maintenance costs to original costs can be developed.
- . Records will be readily available to substantiate the amount of grants used to finance expenditures for fixed assets. Furthermore, the determination of costs for building or equipment use is facilitated. The latter is important to obtain reimbursement for the use of buildings and equipment in Federal and state aid programs.
- . Information is readily available both to determine insurance needs and to substantiate losses recoverable from insurance.
- . Information is available for the preparation of a Statement of General Fixed Assets.

We understand that the City has taken certain steps to accomplish the establishment of comprehensive fixed asset records and we urge that the task be completed as soon as possible. We shall be pleased to provide further guidance and assistance in this area.



Honorable Mayor and
Members of the City Council
City of Providence, Rhode Island
February 3, 1984

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* * * * *

This report is intended solely for the use of management and should not be used for any other purpose.

The comments contained in this letter were considered in determining the nature, timing, and extent of audit tests to be applied in our examination of the City's combined financial statements, and do not modify our report dated November 8, 1983 on such financial statements. In addition, our comments and recommendations concerning the system of internal control of the City's School Department are communicated under separate cover.

We wish to take this opportunity to thank officials and employees of the City for the help and cooperation which our staff received during the course of the examination.

Should you have any questions concerning the matters presented herein, we shall be pleased to discuss them with you at your convenience.

Very truly yours,

Peat, Marwick, Mitchell & Co.

CITY OF PROVIDENCE, RHODE ISLAND

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Peat, Marwick, Mitchell & Co.
Certified Public Accountants
40 Westminster Street
Providence, Rhode Island 02903

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, 1983 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. We did not examine the financial statements of the City's enterprise funds (the Providence Civic Center Authority and the Providence Water Supply Board) nor did we examine those special revenue funds administered by the Mayor's Office of Community Development which statements reflect total assets and revenues constituting 18% and 11%, respectively, of total combined special revenue fund amounts. These enterprise fund and special revenue fund statements were examined by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for these funds is based solely upon the reports of the other auditors.

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

As described more fully in Note 1, the Providence Water Supply Board recognizes vacation and sick pay when paid rather than on an accrual basis as required under generally accepted accounting principles for enterprise funds. The effect of this practice on the financial statements is not known and the report of other auditors on such financial statements has been qualified accordingly.

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

The City is defendant in several claims and legal actions as described in Note 13. 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. Additionally, as described in Note 13, the financial statements of certain special revenue funds contain expenditure amounts which have been questioned by other auditors as to their allowability under the applicable grant agreements. The final determination as to whether such costs are allowable will be made by the Federal grantor agency and the report of other auditors on such financial statements has been qualified accordingly. As described in Note 13, the Providence Civic Center Authority is contesting an assessment for which no provision has been made in its financial statements. The ultimate liability for this assessment is not determinable and the report of other auditors has been qualified accordingly.

In our opinion, based upon our examination and the reports of other auditors, except that the omission of the financial statement referred to in the second paragraph results in an incomplete presentation, except for the effects of the matters discussed in the third and fourth paragraphs, and subject to the effects on the combined financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainties discussed in the preceding paragraph been known, the aforementioned combined financial statements present fairly the financial position of the City of Providence, Rhode Island at June 30, 1983, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the changes, with which we concur, in the method of accounting for property tax revenues and presentation of the financial statements as discussed in Note 8.

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 schedules and financial information included in Schedules 1 through 9 are presented for purposes of additional analysis and are not a required part of the basic combined financial statements and accordingly our opinion does not relate to the fairness of the financial position and results of operations of such funds. Such information has been subjected to the auditing procedures applied in the examination of the basic combined financial statements and, in our opinion based upon our examination and the reports of other auditors, except for the effects on Schedule 2 of the matter discussed in the fourth paragraph and subject to the effects on Schedule 2 of such adjustments, if any, as might have been required had the outcome of the uncertainties discussed in the second preceding paragraph been known, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

November 8, 1983 except as to Note 14
which is as of December 27, 1983

CITY OF PROVIDENCE, RHODE ISLAND
Combined Balance Sheet - All Fund Types and Account Group
June 30, 1983

Assets and other Debits	Governmental Fund Types			Proprietary Fund Types		Fiduciary	Account Group General Long- term Debt	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise (note 9)	Internal Service	Fund Types Trust and Agency		
Cash and cash equivalents	\$ 4,812,275	870,183	2,752,906	46,585	49,935	14,044,461		22,576,345
Due from:								
Other funds (note 5)	2,517,650	88,662	76,946	88,662	60,792	4,656,670		7,489,382
Other governments (note 3)	3,428,265	1,954,929						5,383,194
Accounts receivable (net where applicable of allowances for estimated uncollectible amounts of \$20,350,100):								
Taxes	10,356,196			1,826,282	45,000	511,824		12,739,302
Other		5,531,030	238,000					5,769,030
Investments		1,600,000				90,260,136		91,860,136
Loans receivable		76,431				4,277,235		4,353,666
Inventory, at cost				610,671				610,671
Prepaid expenses				105,236				105,236
Property, plant and equipment (net of accumulated deprecia- tion) (Note 4)				63,751,040				63,751,040
Restricted assets				628,250				628,250
Amount to be provided for retire- ment of debt							81,926,670	81,926,670
Other assets	9,845	415,784				139,120		564,749
Total assets and other debits	\$ <u>21,124,231</u>	<u>10,537,019</u>	<u>3,067,852</u>	<u>67,056,726</u>	<u>155,727</u>	<u>113,889,446</u>	<u>81,926,670</u>	<u>297,757,671</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

Liabilities	Governmental Fund Types			Proprietary Fund Types		Fiduciary	Account Group	Total
	General	Special Revenue	Capital Projects	Enterprise (note 9)	Internal Service	Fund Types Trust and Agency	General Long-term Debt	(Memorandum Only)
Bank overdrafts	\$	935,211						935,211
Accounts payable	17,902,899	1,480,542	208,415	78,533	22,076	1,485,656		21,178,121
Notes payable (note 6)				196,000			1,895,000	2,091,000
Due to other funds (note 5)	88,662	1,913,087	98,125	655,892		76,946	4,656,670	7,489,382
Due to other governments (note 3)		4,683,055						4,683,055
Deferred revenues	9,419,992	521,972	190,477	152,788		5,168,494		15,453,723
Bonds payable (note 7)				9,940,000			75,375,000	85,315,000
Other liabilities		520,168		133,875				654,043
Total liabilities	27,411,553	10,054,035	497,017	11,157,088	22,076	6,731,096	81,926,670	137,799,535
<u>Fund Equity</u>								
Contributed capital (note 11)				60,377,169				60,377,169
Retained earnings (deficit)				(4,477,531)	133,651			(4,343,880)
Fund balance (deficit)								
(note 10):								
Reserved	4,802,352	1,334,841				104,817,313		110,954,506
Unreserved	(11,089,674)	(851,857)	2,570,835			2,341,037		(7,029,659)
Total fund equity	(6,287,322)	482,984	2,570,835	55,899,638	133,651	107,158,350	-	159,958,136
Commitments and contingent liabilities (notes 12 and 13).								
Total liabilities and fund equity	\$ 21,124,231	10,537,019	3,067,852	67,056,726	155,727	113,889,446	81,926,670	297,757,671

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, 1983

	Governmental Fund Types			Fiduciary Fund Types Expendable Trust	Total (Memorandum Only)
	General	Special Revenue	Capital Projects		
Revenues:					
Taxes (note 2)	\$ 91,716,779				91,716,779
Charges for services	3,808,309	9,315,281			13,123,590
Shared state taxes	2,968,507				2,968,507
Federal and state grants and reimbursements	14,287,708	48,849,348	1,136,955		64,274,011
Licenses	881,026				881,026
Investment income	2,878,359			126,832	3,005,191
Fines and forfeitures	2,341,665				2,341,665
Miscellaneous	11,344	418,136	6,056	1,333,865	1,769,401
Total revenues	118,893,697	58,582,765	1,143,011	1,460,697	180,080,170
Other financing sources:					
Operating transfers:					
From Special Revenue Funds	978,645				978,645
From General Fund		32,870,117			32,870,117
From Fiduciary Fund types			101,603		101,603
From Proprietary Fund types	896,053			396,311	1,292,364
Debt issuance proceeds			24,395,000		24,395,000
Total revenues and other financing sources	120,768,395	91,452,882	25,639,614	1,857,008	239,717,899
Expenditures:					
Personal services	32,070,561	46,821,616		337,890	79,230,067
Services other than personal	14,798,132	8,637,282		329,317	23,764,731
Materials and supplies	4,412,062	3,440,782		999,257	8,852,101
Special items	29,340,670	10,730,663		55,566	40,126,899
Equipment outlay	1,318,565	527,888		48,503	1,894,956
Intergovernmental charges		8,247,718			8,247,718
Project expenditures		19,177,088	1,106,976		20,284,064
Structures and improvements	7,560		4,163,266	3,635	4,174,461
Debt service	4,902,800		12,873,000		17,775,800
Total expenditures	86,850,350	97,583,037	18,143,242	1,774,168	204,350,797
Other uses:					
Operating transfers:					
To Special Revenue Funds	32,870,117				32,870,117
To General Fund		978,645			978,645
To Capital Projects Fund				101,603	101,603
Total expenditures and other uses	119,720,467	98,561,682	18,143,242	1,875,771	238,301,162
Revenues and other financing sources over (under) expenditures and other uses	1,047,928	(7,108,800)	7,496,372	(18,763)	1,416,737
Fund balance (deficit) at beginning of year, as restated (note 8)	(7,335,250)	7,591,784	(4,925,537)	2,359,800	(2,309,203)
Fund balance (deficit) at end of year	\$ (6,287,322)	482,984	2,570,835	2,341,037	(892,466)

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 Special Revenue Funds (Note 1e)

Year ended June 30, 1983

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes (note 2)	\$ 89,284,925	91,716,779	2,431,854				89,284,925	91,716,779	2,431,854
Charges for services	4,554,339	4,704,362	150,023	132,250	107,065	(25,185)	4,686,589	4,811,427	124,838
Shared state taxes	3,189,414	2,968,507	(220,907)				3,189,414	2,968,507	(220,907)
Federal and state grants and reimbursements	13,301,119	14,287,708	986,589	30,962,476	31,136,743	174,267	44,263,595	45,424,451	1,160,856
Licenses	881,613	881,026	(587)				881,613	881,026	(587)
Investment income	2,320,000	2,878,359	558,359				2,320,000	2,878,359	558,359
Fines and forfeitures	2,647,040	2,341,665	(305,375)				2,647,040	2,341,665	(305,375)
Miscellaneous	29,475	11,344	(18,131)				29,475	11,344	(18,131)
Total revenues	116,207,925	119,789,750	3,581,825	31,094,726	31,243,808	149,082	147,302,651	151,033,558	3,730,907
Other financing sources:									
Transfer from special revenue sewer fund	978,645	978,645	-				978,645	978,645	-
Transfer from general fund				33,478,110	32,870,117	(607,993)	33,478,110	32,870,117	(607,993)
Total other financing sources	978,645	978,645	-	33,478,110	32,870,117	(607,993)	34,456,755	33,848,762	(607,993)
Total revenues and other financing sources	117,186,570	120,768,395	3,581,825	64,572,836	64,113,925	(458,911)	181,759,406	184,882,320	3,122,914

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

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

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures:									
Personal services	\$ 30,719,127	32,070,561	(1,351,434)	43,928,583	43,923,412	5,171	74,647,710	75,993,973	(1,346,263)
Services other than personal	13,451,249	14,798,132	(1,346,883)	6,991,942	6,834,676	157,266	20,443,191	21,632,808	(1,189,617)
Materials and supplies	3,664,909	4,412,062	(747,153)	3,072,204	3,140,239	(68,035)	6,737,113	7,552,301	(815,188)
Special items	29,265,919	29,340,670	(74,751)	10,242,162	9,887,080	355,082	39,508,081	39,227,750	280,331
Equipment outlay	1,689,647	1,318,565	371,082	337,945	328,518	9,427	2,027,592	1,647,083	380,509
Structures and improve- ments	13,000	7,560	5,440				13,000	7,560	5,440
Debt service	4,902,800	4,902,800					4,902,800	4,902,800	
Total expenditures	83,706,651	86,850,350	(3,143,699)	64,572,836	64,113,925	458,911	148,279,487	150,964,275	(2,684,788)
Other uses:									
Transfers to special revenue school fund	33,478,110	32,870,117	607,993				33,478,110	32,870,117	607,993
Total expenditures and other uses	117,184,761	119,720,467	(2,535,706)	64,572,836	64,113,925	458,911	181,757,597	183,834,392	(2,076,795)
Revenues and other sources over expenditures and other uses	\$ 1,809	1,047,928	1,046,119	-	-	-	1,809	1,047,928	1,046,119

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

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

Year ended June 30, 1983

	<u>Proprietary Fund Type</u>		<u>Fiduciary Fund Types</u>		<u>Total</u>
	<u>Enterprise</u>	<u>Internal</u>	<u>Retirement</u>	<u>Nonexpendable</u>	<u>(Memorandum</u>
	<u>(note 9)</u>	<u>Service</u>	<u>System</u>	<u>Trusts</u>	<u>(only)</u>
Operating revenues:					
Employee contributions	\$		3,533,359		3,533,359
Employer contributions			11,195,664		11,195,664
Miscellaneous			334,287	1,143	335,430
Revenue from other funds		262,526			262,526
Arena rent	957,013				957,013
Concession income	250,119				250,119
Other	83,984				83,984
Metered sales	8,924,227				8,924,227
Public fire protection	550,325				550,325
Miscellaneous service charges	191,552				191,552
Total operating revenues	10,957,220	262,526	15,063,310	1,143	26,284,199
Operating expenses:					
Personnel	1,226,768	99,964			1,326,732
Services other than personnel	463,583	79,626		214,263	757,472
Materials and supplies		20,299			20,299
Retiree benefits			12,252,803		12,252,803
Miscellaneous	295,136	4,157	107,612		406,905
Event expenses	239,398				239,398
Reimbursements by promoters	(815,214)				(815,214)
Water expenses	3,043,423				3,043,423
Administrative and general	2,132,120				2,132,120
Property taxes	1,600,265				1,600,265
Depreciation	1,278,138				1,278,138
Total operating expenses	9,463,617	204,046	12,360,415	214,263	22,242,341
Operating income (loss)	1,493,603	58,480	2,702,895	(213,120)	4,041,858
Nonoperating revenues (expenses):					
Investment income	30,293		8,201,933	263,700	8,495,926
Interest on member loans			253,302		253,302
Rental income	4,988				4,988
Other revenue	162,928				162,928
Interest expense	(593,970)				(593,970)
Total nonoperating revenues (expenses)	(395,761)	-	8,455,235	263,700	8,323,174
Income before operating transfer	1,097,842	58,480	11,158,130	50,580	12,365,032
Transfer out	(1,292,364)				(1,292,364)
Net income (loss)	(194,522)	58,480	11,158,130	50,580	11,072,668
Retained earnings (deficit) fund balance at beginning of year	(4,283,009)	75,171	89,381,591	4,227,012	89,400,765
Retained earnings (deficit) fund balance at end of year	\$ (4,477,531)	133,651	100,539,721	4,277,592	100,473,433

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Changes in Financial Position -
Proprietary Fund Types and Similar Trust Funds

Year ended June 30, 1983

	Proprietary Fund Types		Fiduciary Fund Types		Total
	Enterprise	Internal	Retirement	Nonexpendable	(Memorandum
	(note 9)	Service	System	Trusts	Only)
Sources of funds:					
Net income (loss)	\$ (194,522)	58,480	11,158,130	50,580	11,072,668
Add depreciation expense	1,278,138				1,278,138
Less discount accretion which does not provide cash			(91,598)		(91,598)
Funds provided by operations	1,083,616	58,480	11,066,532	50,580	12,259,208
Contributions	46,425,755				46,425,755
Bond proceeds	9,535,000				9,535,000
Loan payments			1,625,805		1,625,805
Decrease in amounts due from other funds	248,971	5,762	581,866		836,599
Decrease in long-term debts	393,102				393,102
Total sources of funds	57,686,444	64,242	13,274,203	50,580	71,075,469
Uses of funds:					
Increase in fixed assets	55,106,306				55,106,306
Increase in restricted assets	75,593				75,593
Increase in accounts receivable	1,749,738	34,486			1,784,224
Decrease in accounts payable	66,900	21,310			88,210
Loans to members			2,026,319		2,026,319
Increase in amount due from other funds				175,726	175,726
Increase in investments			8,709,699		8,709,699
Increase in inventory	558,494				558,494
Other, net	137,834				137,834
Total uses of funds	57,694,865	55,796	10,736,018	175,726	68,662,405
Net increase (decrease) in cash	(8,421)	8,446	2,538,185	(125,146)	2,413,064
Cash balance at beginning of year	55,006	41,489	8,809,565	290,733	9,196,793
Cash balance at end of year	\$ 46,585	49,935	11,347,750	165,587	11,609,857

See accompanying notes to combined financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements

June 30, 1983

(1) Summary of Significant Accounting Policies

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

The accounting policies of the City of Providence, Rhode Island conform to generally accepted accounting principles as applicable to governmental units except that provisions for retirement benefits are not based on normal costs, the Providence Water Supply Board proprietary fund does not record compensated absences on an accrual basis, and the combined financial statements do not include 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/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the combined financial statements. The following fund types and account group are used by the City.

Governmental Fund Types

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

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for expenditures for the acquisition or construction of major capital facilities.

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

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

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

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

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 7).

(b) Basis of Accounting

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

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

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

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

(c) Encumbrances

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

(d) Investments

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

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(e) Budgetary Data

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

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

The Council may alter the proposed expenditures but may not cause an excess of appropriations over expected revenues submitted by the Mayor.
- (ii) The final budget is legally enacted through passage of an ordinance.
- (iii) The Mayor is authorized to make minor transfers of budgeted amounts between departments. Significant budget revisions or transfers must be approved by the City Council.

The actual amounts included in the Combined Statement of Revenues and Expenditures - Budget and Actual (Exhibit C) are presented in accordance with generally accepted accounting principles which is the method employed in preparation of the budget. Included in General Fund charges for services on Exhibit C is \$896,053 of transfers from the Water Supply Board enterprise fund which has been presented in this manner to conform with the budget format. The Special Revenue Fund amounts presented in Exhibit C include those of the Federal Revenue Sharing Fund, the Unrestricted School Fund and certain Restricted School Funds.

(f) Vacations and Sick Leave

- (i) Governmental Funds - City employees are granted vacation and sick leave in varying amounts based on length of service. There is currently no estimate available of the amount of accumulated and unpaid vacation and sick leave at June 30, 1983. The City will however be required to record such amounts under generally accepted accounting principles which will become effective at June 30, 1984.
- (ii) Proprietary Funds - The Providence Water Supply Board has not recorded a liability for accrued vacations and sick leave. The effects of this departure from generally accepted accounting principles have not been determined.

(g) Amounts to be Provided

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

(h) Inventory and Supplies

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

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(i) Property, Plant and Equipment - Enterprise Funds

Property, plant and equipment owned by the enterprise funds is stated at cost. Assets acquired by the Providence Water Supply Board through contributions are recorded at contributor's reported cost. Depreciation has been provided over the estimated useful lives using the straight-line method.

(j) Combined Total Data

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

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

The taxable assessments, tax rate and gross levy of the 1981 tax levy are as follows (in thousands):

	Taxable assessment	Exemptions	Net taxable assessment	Rate per \$1,000	Gross levy
Real property	\$ 1,029,141	27,444	1,001,697	67.61	67,725
Tangible property	218,231	63	218,168	67.61	14,750
Equipment	4,313		4,313	71.65	309
Motor vehicles	<u>181,397</u>	<u>3,222</u>	<u>178,175</u>	<u>67.61</u>	<u>12,046</u>
	<u>\$ 1,433,082</u>	<u>30,729</u>	<u>1,402,353</u>		<u>94,830</u>

Taxes on the gross levy were due in equal quarterly installments in July and October 1982 and January and April 1983.

For the year ended June 30, 1983, the City has recognized property tax revenues in accordance with Interpretation 3 of Statement 1 of Governmental Accounting and Financial Reporting Principles, retroactively adopted as of the beginning of the fiscal year. Under Interpretation 3, only those property tax payments due as of the end of the fiscal year and received within 60 days thereafter are recognized as revenue.

All unpaid property taxes as of the end of the fiscal year are recorded as receivables. Those not collected within 60 days are recorded as deferred revenue if the eventual collection appears likely or are reserved by an allowance for doubtful accounts if the eventual collection appears unlikely.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(b) Sewer Use Fee

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

Sewer use fees are recorded as receivables, net of estimated uncollectibles. Net receivables which are not considered to be available to meet current obligations are reflected as deferred revenues.

(3) Intergovernmental Accounts

Due to and from other governments consists of the following amounts at June 30, 1983:

	<u>Due from</u>	<u>Due to</u>
General Fund:		
State of Rhode Island	\$ <u>3,428,265</u>	<u>-</u>
Special Revenue Funds:		
Federal Government	<u>1,761,536</u>	<u>46,045</u>
State of Rhode Island	<u>1,767,807</u>	<u>4,637,010</u>
Less allowance for estimated uncollectible amounts	<u>1,574,414</u>	<u>-</u>
	<u>193,393</u>	<u>4,637,010</u>
Other local governments	<u>662,979</u>	<u>-</u>
Less allowance for estimated uncollectible amount	<u>662,979</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>1,954,929</u>	<u>4,683,055</u>
	\$ <u>5,383,194</u>	<u>4,683,055</u>

Pursuant to the transfer of the City's Sewage Treatment Facility described in Note 2(b), the City and the Narragansett Bay Water Quality District Commission agreed to enter into a subsequent agreement whereby the Commission would pay the City an amount in lieu of property taxes. Because this subsequent agreement has not been finalized, the payment has not been determined and no amount has been recorded at June 30, 1983.

(4) Property, Plant and Equipment

The following is a summary of the property, plant and equipment of the City's enterprise funds at June 30, 1983:

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

	Providence Civic Center Authority	Providence Water Supply Board	Total
Land	\$	4,207,504	4,207,504
Utility Plant		72,901,983	72,901,983
Buildings and improvements	13,848,418		13,848,418
Furnishings and equipment	892,507		892,507
Total	14,740,925	77,109,487	91,850,412
Less accumulated depreciation	5,313,234	22,786,138	28,099,372
Net property, plant and equipment	\$ <u>9,427,691</u>	<u>54,323,349</u>	<u>63,751,040</u>

(5) Interfund Accounts

At June 30, 1983, amounts due to and from other funds resulting from various interfund activities were as follows:

	Due from other funds	Due to other funds
General Fund:		
Proprietary Fund Types	\$ 655,892	
Special Revenue Fund	1,763,633	88,662
Capital Projects Fund	98,125	
Total General Fund	<u>2,517,650</u>	<u>88,662</u>
Capital Projects Fund:		
Fiduciary Fund Types	76,946	-
General Fund		98,125
Total Capital Projects	<u>76,946</u>	<u>98,125</u>
Long-term Debt Group of Accounts:		
Fiduciary Funds - Retirement System (note 7)	-	4,656,670
Fiduciary Fund Types:		
Capital Projects Fund	-	76,946
Long-term Debt Group of Accounts (note 7)	4,656,670	-
Total Fiduciary Fund Types	<u>4,656,670</u>	<u>76,946</u>
Special Revenue Funds:		
General Fund	88,662	1,763,633
Proprietary Fund		149,454
Total Special Revenue Funds	<u>88,662</u>	<u>1,913,087</u>
Proprietary Funds:		
General Fund		655,892
Special Revenue Fund	149,454	
	<u>\$ 7,489,382</u>	<u>7,489,382</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(6) Notes Payable

Long-term Debt Group - Bond anticipation notes payable at June 30, 1983 totaling \$1,895,000 were due on December 15, 1983 with interest at the rate of 7.5%.

Proprietary Funds - Notes payable to bank amounting to \$196,000 were due on August 30, 1983 with interest at the rate of 6%.

(7) Long-term Debt

The following is a summary of bond transactions of the City for the year ended June 30, 1983 (in thousands):

	General Obligation	Proprietary Fund - Providence Water Supply Board	Total
Bonds payable at June 30, 1982	\$ 68,470	-	68,470
Transfer to Providence Water Supply Board.	(10,325)	10,325	-
Debt issued	22,500	-	22,500
Debt retired	(5,270)	(385)	(5,655)
Bonds payable at June 30, 1983	\$ <u>75,375</u>	<u>9,940</u>	<u>85,315</u>

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

The annual requirements to amortize long-term debt outstanding as of June 30, 1983 are as follows (in thousands):

Year ending June 30	Principal	Interest	Total
1984	\$ 6,605	5,448	12,053
1985	6,435	5,038	11,473
1986	6,485	4,628	11,113
1987	6,540	4,207	10,747
1988	6,610	3,792	10,402
1989	5,995	3,420	9,415
1990	5,970	3,000	8,970
1991	5,860	2,599	8,459
1992	5,635	2,198	7,833
1993	5,285	1,788	7,073
1994	5,465	1,376	6,841
1995	5,420	927	6,347

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Year ending June 30	Principal	Interest	Total
1996	\$ 2,205	642	2,847
1997	2,240	517	2,757
1998	2,270	392	2,662
1999	2,305	265	2,570
2000	2,345	142	2,487
2001	<u>1,645</u>	<u>42</u>	<u>1,687</u>
Total	\$ <u>85,315</u>	<u>40,421</u>	<u>125,736</u>

Included in the long-term debt group of accounts are \$10,609,600 in General Obligation Bonds for which the Narragansett Bay Water Quality District Commission has agreed to assume debt service pursuant to an agreement whereby the City's Sewerage Treatment Facility was transferred to the Commission in 1982. Under the agreement, the Commission will reimburse the City for all principal and interest due on the debt when due. The City, however, remains ultimately responsible for the timely payment of the issues.

In addition to the long-term debt amounts presented above, the City has agreed to contribute an unpaid contribution to the Employees' Retirement System appropriated in a prior year over a twenty-year period beginning in 1982 with interest at 8½%. The current balance of the obligation is presented as an amount due to the Retirement System in the Long-term Debt Group as well as a reservation of the fund balance of the General Fund (Note 10). A corresponding receivable amount is recorded on the Retirement System Fund with an offset included in deferred revenue. Following is a summary of activity with regard to the City's commitment for future pension contributions during 1983:

Balance at June 30, 1982	\$ 4,765,813
Payments made during fiscal year 1983	<u>109,143</u>
Balance at June 30, 1983	\$ <u>4,656,670</u>

(8) Changes in Financial Presentation

In 1983, in accordance with Statement 3 of Governmental Accounting and Financial Reporting Principles, the City has included for the first time, the financial statements of certain Federal programs, the Water Supply Board, the Providence Civic Center and the Internal Service Funds in its combined financial statements. At July 1, 1982, the City contributed the existing fixed assets related to water operations to the Water Supply Board and it began to operate as a separate fund. Prior to that date, the operations of the Water Supply Board were recorded in the General Fund. Certain Federal programs, the Providence Civic Center and the Internal Service Funds were not included in the City's combined financial statements prior to 1983.

As more fully described in Note 2, the City has recognized property tax revenues in accordance with Interpretation 3, retroactively adopted as of the beginning of the fiscal year.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Following is a summary of the effects of these changes to beginning fund balances:

General Fund:

Fund balance at June 30, 1982, as previously reported	\$ 2,517,690
Decrease in fund balance resulting from change in revenue recognition method	(9,852,940)
Fund deficit at June 30, 1982, as restated	\$ <u>(7,335,250)</u>

Special Revenue Funds:

Fund balance at June 30, 1982, as previously reported	-
Increase in fund balance resulting from inclusion of additional funds	7,591,784
Fund balance at June 30, 1982, as restated	\$ <u>7,591,784</u>

In addition, a fiduciary fund with a fund balance of \$125,829 at June 30, 1982 has been reclassified from nonexpendable to expendable fiduciary funds to more properly reflect the nature of the fund.

(9) Segment Information for Enterprise Funds

The City maintains two Enterprise Funds, the Providence Civic Center Authority and the Providence Water Supply Board. Segment information for the year ended June 30, 1983 is as follows:

	<u>Water Supply Board</u>	<u>Providence Civic Center Authority</u>	<u>Total enterprise funds</u>
Operating revenues	\$ 9,666,104	1,291,116	10,957,220
Depreciation	750,614	527,524	1,278,138
Operating income (loss)	2,139,682	(646,079)	1,493,603
Transfers out	(1,292,364)	-	(1,292,364)
Net income (loss)	439,696	(634,218)	(194,522)
Due to City of Providence General Fund	(326,204)	(329,688)	(655,892)
Bonds and other long-term liabilities payable from operating revenues	9,535,000	-	9,535,000
Total equity	<u>46,624,636</u>	<u>9,275,002</u>	<u>55,899,638</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Providence Water Supply Board

The Providence Water Supply Board was created in 1940 by Chapter 832 of the Public Laws of the State of Rhode Island. The Providence Water Supply Board is governed by the City Council of the City of Providence and accordingly, conducts business in the capacity of an agent of the City Council. The Providence Water Supply Board is subject to the regulations of the Public Utilities Commission of the State of Rhode Island.

The State of Rhode Island Public Utilities Commission mandated on June 18, 1981 that the Providence Water Supply Board segregate its accounting system from the City's General Fund and implement an enterprise fund accounting system whereby the Board will operate in a manner similar to private enterprises. The City has established the Providence Water Supply Board on an enterprise fund accounting system as of July 1, 1982.

Providence Civic Center Authority

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

Under Sec. 10(b) of the Act, the Authority is required to pay annually all excess revenues, as defined in the Act, to the City. Because of original capital funding deficiencies and capital additions since operations began in 1972 no payments have been required under this provision of the Act. The Center and all funds and assets of the Authority shall become the property of the City upon the payment and retirement of all bonds issued by the City to fund the Authority. The bonds are scheduled for payment and retirement in 1992.

The Civic Center's balance due to the City represents a 5% ticket surcharge enacted by the Rhode Island General Assembly. This surcharge was created to assist the Authority in the completion of the construction of the premises and also to generate funds sufficient to operate the premises without a deficit. Consequently, the Authority will deduct from the surcharge an amount equal to principal and interest on long and short-term borrowings and also an amount equal to the prior year's deficit (if any) and any capital purchases made during the current year. Such deductions have been added to contributed capital. All remaining funds are to be remitted to the City.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

Restricted Assets

Restricted assets of the enterprise funds consisted of cash and investments maintained for the following reasons as of June 30, 1983:

Water Supply Board:

Depreciation and extension fund restricted for maintenance and expansion of utility plant as well as for insurance purposes as mandated by the Public Utilities Commission	\$ <u>156,961</u>
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Civic Center:

Collections from advance ticket sales and promoters' deposits	141,601
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Obligation to City of Providence	<u>329,688</u>
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	<u>471,289</u>
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Total restricted assets	\$ <u>628,250</u>
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(10) Fund Balances

Reservations of fund balance at June 30, 1983 were as follows:

General Fund:

Reserved for encumbrances	\$ 145,682
Reserved for future pension contributions	<u>4,656,670</u>
	\$ <u><u>4,802,352</u></u>

Fiduciary Fund Types:

Reserved for payment of retirement benefits	100,539,721
Reserved for designated purposes	<u>4,277,592</u>

	\$ <u>104,817,313</u>
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Special Revenue Funds:

Reserved for designated purposes	\$ <u><u>1,334,841</u></u>
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The General Fund and the Special Revenue Sewer Fund have fund deficits of \$6,278,322 and \$865,178, respectively, at June 30, 1983. It is the intent of City officials to eliminate the General Fund deficit over the next five years through annual budget appropriations for this purpose. It is the intent of City officials to eliminate the Sewer Fund deficit through improved collections of sewer use fees.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(11) Contributed Capital

The contributed capital accounts are utilized to record the value of assets contributed to the Proprietary Funds. The following is a summary of changes in contributed capital accounts during the year ended June 30, 1983:

	Providence Civic Center Authority	Providence Water Supply Board	Total
Balance at June 30, 1982	\$ 13,951,414		13,951,414
Contributions from the City of Providence (note 9)	240,815		240,815
Contributions from capitalization		46,184,940	46,184,940
Balance at June 30, 1983	\$ <u>14,192,229</u>	<u>46,184,940</u>	<u>60,377,169</u>

(12) Pension Plans

The City has a contributory pension plan covering most 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. 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 for amortization of prior service cost and interest on the unfunded past service liability. Since the City has not had an actuarial valuation of its plan since June 30, 1981, the effect of the 70% funding policy on pension cost in 1983 is not determinable.

The following is a summary of recommended and actual contributions made during the year ended June 30, 1983:

Recommended contributions	\$ <u>11,158,199</u>
Actual contributions:	
General Fund	9,509,000
School Department	1,356,000
Providence Water Supply Board	<u>331,000</u>
	\$ <u>11,196,000</u>

As of June 30, 1981, the date of the latest actuarial report, the unfunded past service liability amounted to approximately \$117,000,000.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

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

Actuarial present value of accumulated plan benefits as of June 30, 1981:	
Vested	\$ 157,100,000
Nonvested	<u>4,700,000</u>
Total	\$ <u>161,800,000</u>
Net assets available for benefits as of June 30, 1981	
	\$ <u>79,200,000</u>

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

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 \$1,086,616 during the year ended June 30, 1983.

Teachers in the City's public schools participate in the Employees' Retirement System of the State of Rhode Island. The teachers contribute 6.5% of their salary and the remainder of the cost is divided evenly between the City and the State. The City makes annual contributions to the plan equal to the amount of pension expense. The system's statutory funding schedule requires partial funding of current costs and interest on the unfunded prior service cost in increasing amounts until June 30, 1985. After June 30, 1985, the rates will provide for full funding of normal costs, amortization of the unfunded liability and interest on any unfunded liability. The contribution to the pension plan for the year ended June 30, 1983 was approximately \$2,221,000 and is included in the School Special Revenue Fund. At the current time information relating to the City's portion of accumulated plan benefits and plan net assets is not available. School Fund pension expense for other pension plans amounted to approximately \$146,000 during the year ended June 30, 1983.

The Providence Civic Center Authority has established a noncontributory, defined contribution plan for all management employees. The contribution for the year ended June 30, 1983 was \$12,198 and was based on a percentage of salaries paid. The Authority's policy is to fund all retirement costs accrued.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Combined Financial Statements, Continued

(13) Commitments and Contingent Liabilities

The City is a defendant in several pending and existing lawsuits, claims, and grievances for which the City Solicitor is unable to determine the extent of the liability to the City. No provision has been made in the accompanying financial statements for any liability which may occur as a result of such cases.

The City participates in a number of Federally-assisted grant programs, including the Federal Revenue Sharing, Community Development Block Grant, and various education programs. 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, 1983 have not yet been completed, however, a compliance audit of certain special revenue funds has identified approximately \$1,500,000 of 1983 expenditures which have been questioned as to their allowability under the specific grant agreements. The amount, if any, of expenditures which may actually be disallowed by the Federal granting agencies cannot be determined at this time.

The Providence Civic Center Authority is contesting a \$78,000 assessment from the Rhode Island Department of Employment Security for reimbursement from the Authority for unemployment benefits paid to individuals who were alleged employees of the Authority and who received unemployment benefits during 1975 and 1976. The Authority has raised several defenses and has instituted an action, in the Superior Court, to declare these taxes unconstitutional. No provision has been made in the financial statements for this assessment. Counsel for the Authority believes that the action is meritorious and should result in an abatement of the greater portion of the taxes claimed.

The City follows the policy of self-insuring its real estate property against possible casualty losses caused by fire. As of June 30, 1983, the total amount available for this purpose totaled \$112,000 and is carried in the Fiduciary Fund Types.

(14) Other Matters

The financial statements of the City's enterprise funds (the Providence Civic Center Authority and the Providence Water Supply Board) as well as certain special revenue grant programs administered by the Mayor's Office of Community Development (MOCD) have been examined by auditors other than Peat, Marwick, Mitchell & Co., whose report dated November 8, 1983 is included with the accompanying combined financial statements. The reports of the auditors of the Civic Center and the MOCD funds are dated prior to November 8, 1983, while the report of the Water Supply Board auditors is dated December 27, 1983.

In September 1983, sale of the Valley View Housing Project (a general fixed asset of the City) was consummated for approximately \$2,400,000. Proceeds from the sale, net of certain related costs will be used to reduce the City debt or to finance capital improvements of the City.

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Revenues and Other Financing Sources -
Budget and Actual

Year ended June 30, 1983

	<u>Budget</u>	<u>Actual</u>	Actual over (under) <u>budget</u>
Revenues:			
Property taxes	\$ 89,284,925	91,716,779	2,431,854
Shared State taxes	3,189,414	2,968,507	(220,907)
Business and nonbusiness licenses	881,613	881,026	(587)
Fines, forfeits and escheats	2,647,040	2,341,665	(305,375)
Grants-in-aid (State of Rhode Island):			
General Public Assistance	9,645,100	10,278,938	633,838
Payment of school debt		352,751	352,751
In lieu of machinery, equipment, inventory and intangible taxes	3,656,019	3,656,019	
Rents and interest	2,320,000	2,878,359	558,359
General departments	4,554,339	4,704,362	150,023
Miscellaneous	29,475	11,344	(18,131)
Total revenues	116,207,925	119,789,750	3,581,825
Other financing sources:			
Transfer from special revenue sewer use fund	978,645	978,645	-
Total revenues and other financing sources	\$ <u>117,186,570</u>	<u>120,768,395</u>	<u>3,581,825</u>

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Budget and Actual

Year ended June 30, 1983

<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	\$ 177,287	30,687	207,974	212,218	(4,244)
City Clerk	145,987	5,000	150,987	138,297	12,690
Probate Court	84,639		84,639	83,814	825
Providence Municipal Court	223,646		223,646	211,800	11,846
Mayor's Office	348,626	12,750	361,376	354,489	6,887
Law Department	841,033	(200,000)	641,033	2,392,721	(1,751,688)
City Sargeant	15,188		15,188	15,283	(95)
Contingencies	50,000		50,000	102,995	(52,995)
Total Executive, Legislative, and Judicial activities	<u>1,886,406</u>	<u>(151,563)</u>	<u>1,734,843</u>	<u>3,511,617</u>	<u>(1,776,774)</u>
Finance Administration:					
Finance Director	202,839		202,839	184,222	18,617
City Controller	425,660		425,660	473,659	(47,999)
Employees' Retirement Office	134,645		134,645	177,805	(43,160)
Data Processing	800,000	(50,000)	750,000	749,892	108
City Collector	582,214		582,214	635,788	(53,574)
City Assessor	433,182		433,182	411,997	21,185
Treasury Department	109,067		109,067	110,417	(1,350)
Board of Tax Assessments Review	10,025		10,025	10,564	(539)
Personnel	258,038	(154,155)	103,883	92,902	10,981
Labor lawyer	70,000		70,000	81,776	(11,776)
Emergency temporary and seasonal employees	90,000		90,000	78,742	11,258
Payment to Employees Retirement System (including interest)	9,921,724		9,921,724	9,818,543	103,181
Elected officials	95,304		95,304	95,304	
Police pensions	76,800		76,800	66,270	10,530
Fire pensions	122,000		122,000	105,211	16,789
Laborers International legal fee	260,582		260,582	241,374	19,208
Payment to Laborers International pension fund	852,786		852,786	915,134	(62,348)
Public employees health services	46,370		46,370	74,505	(28,135)
Retirement of serial bonds	4,902,800		4,902,800	4,902,800	
Interest on bonded debt	5,434,079	(330,000)	5,104,079	4,036,503	1,067,576
FICA	953,026	15,000	968,026	938,290	29,736
Medical insurance	3,457,243	15,000	3,472,243	3,502,924	(30,681)
Unemployment compensation	500,000	(110,000)	390,000	161,842	228,158
Reserve for anticipated tax abatements	320,000		320,000	264,153	55,847
Total Finance Administration	<u>30,058,384</u>	<u>(614,155)</u>	<u>29,444,229</u>	<u>28,130,617</u>	<u>1,313,612</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Public Safety:					
Commissioner of Public Safety	\$ 145,371		145,371	147,773	(2,402)
Police Department (excluding Federal Revenue Sharing amounts)	9,491,791	(50,000)	9,441,791	10,025,024	(583,233)
Fire Department (excluding Federal Revenue Sharing amounts)	10,445,344		10,445,344	10,522,254	(76,910)
Department of Communications	1,193,321	(48,000)	1,145,321	1,064,016	81,305
Traffic Engineering Department	483,612	48,000	531,612	540,839	(9,227)
Total Public Safety	21,759,439	(50,000)	21,709,439	22,299,906	(590,467)
Building Inspection Department:					
Building Inspection Administration	273,598		273,598	255,019	18,579
Structures and Zoning Division	156,092		156,092	147,629	8,463
Plumbing, Drainage, and Gas Piping Division	83,256		83,256	83,563	(307)
Electrical Installations Division	76,743		76,743	75,954	789
Mechanical Equipment and Installations Division	80,054		80,054	77,609	2,445
Zoning Board of Review	61,155		61,155	65,316	(4,161)
Housing Board of Review	8,265		8,265	5,533	2,732
Building Board of Review	16,956		16,956	18,484	(1,528)
Building Inspection Code Enforcement	222,251		222,251	237,531	(15,280)
Building Inspection Prosecution	164,092		164,092	152,191	11,901
Division of Utilities and Standards				18,678	(18,678)
Total Building Codes and Inspection	1,142,462	-	1,142,462	1,137,507	4,955
Public Works activities:					
Public Works Administration	226,166		226,166	221,230	4,936
Engineering and Sanitation	263,928		263,928	382,956	(119,028)
Street Cleaning Section	461,379		461,379	478,578	(17,199)
Sewage Disposal and Pumping				20,818	(20,818)
Waste Collection and Processing	2,025,277		2,025,277	1,989,914	35,363
Highway and Environmental Control	1,877,328	480,000	2,357,328	3,116,744	(759,416)
Bridge Maintenance Section	138,204		138,204	156,854	(18,650)
Snow Removal	500,000	100,000	600,000	1,257,591	(657,591)
Sewer Construction and Maintenance	598,707		598,707	601,031	(2,324)
Street Lighting Division	1,500,000		1,500,000	1,356,639	143,361
Municipal Dock Section	805,917		805,917	658,911	147,006
Public Buildings	1,041,261		1,041,261	1,221,024	(179,763)
Garage Maintenance and Equipment Repair	222,233		222,233	267,095	(44,862)
Total Public Works activities	9,660,400	580,000	10,240,400	11,729,385	(1,488,985)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Recreation activities:					
Recreation Department	\$ 224,918		224,918	243,447	(18,529)
Junior Police Camp	22,000		22,000	29,435	(7,435)
Recreation - seasonal	<u>312,770</u>	<u>80,000</u>	<u>392,770</u>	<u>392,270</u>	<u>500</u>
Total recreation activities	<u>559,688</u>	<u>80,000</u>	<u>639,688</u>	<u>665,152</u>	<u>(25,464)</u>
Public Lands and Parks:					
Development and Environmental Services	359,631		359,631	397,910	(38,279)
Zoological services	538,261		538,261	560,645	(22,384)
Grounds maintenance services	1,904,329	150,000	2,054,329	2,185,466	(131,137)
Programming services	188,834		188,834	208,509	(19,675)
Office of the Superintendent of Parks	<u>97,678</u>		<u>97,678</u>	<u>106,809</u>	<u>(9,131)</u>
Total Public Lands and Parks	<u>3,088,733</u>	<u>150,000</u>	<u>3,238,733</u>	<u>3,459,339</u>	<u>(220,606)</u>
Education:					
Local appropriation to School Department	<u>33,478,110</u>		<u>33,478,110</u>	<u>32,870,117</u>	<u>607,993</u>
Other departments:					
Public Property	1,683,043	(100,000)	1,583,043	1,659,382	(76,339)
Recorder of Deeds	160,178		160,178	182,992	(22,814)
Weights and Measures	33,237		33,237	22,507	10,730
Vital Statistics	83,169		83,169	79,777	3,392
Board of Canvassers	351,351		351,351	350,152	1,199
Bureau of Licenses	111,829		111,829	121,649	(9,820)
Providence Human Relations	95,591		95,591	83,190	12,401
Civil Defense Preparedness	73,308		73,308	73,127	181
Planning and Urban Development	882,570		882,570	876,403	6,167
Administration to City Council	81,887		81,887	71,674	10,213
Providence Review Commission	<u>9,150</u>		<u>9,150</u>	<u>4,939</u>	<u>4,211</u>
Total other departments	<u>3,565,313</u>	<u>(100,000)</u>	<u>3,465,313</u>	<u>3,525,792</u>	<u>(60,479)</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Welfare activities:					
General Public Assistance administration	\$ 739,100		739,100	821,006	(81,906)
General Public Assistance	9,216,000		9,216,000	9,953,454	(737,454)
Total welfare activities	9,955,100	-	9,955,100	10,774,460	(819,360)
Appropriations reserve	595,660	(63,437)	532,223	-	532,223
Miscellaneous activities:					
Board of Tenants Affairs	2,500		2,500	655	1,845
Community Mental Health Centers	225,000		225,000	225,000	
Demolition of abandoned property	150,000		150,000	140,316	9,684
Providence Housing Authority	10,000		10,000	6,955	3,045
League of Cities and Towns	26,641		26,641	26,641	
Workers compensation (Insurance Fund)		154,155	154,155	190,564	(36,409)
Total miscellaneous activities	414,141	154,155	568,296	590,131	(21,835)
Grants:					
Providence Public Library	900,000	15,000	915,000	915,000	
Other	114,975		114,975	105,599	9,376
Total grants	1,014,975	15,000	1,029,975	1,020,599	9,376
Public celebrations	5,950		5,950	5,845	105
Total expenditures	\$ 117,184,761	-	117,184,761	119,720,467	(2,535,706)

CITY OF PROVIDENCE, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 1983

<u>Assets</u>	<u>Total All Funds</u>	<u>School Fund</u>	<u>Other Educational Funds</u>	<u>Revenue Sharing Fund</u>	<u>Mayor's Office of Community Development</u>	<u>CETA</u>	<u>Miscellaneous Grants</u>	<u>Sewer Fund</u>
Cash	\$ 870,183		265,048		121,497	123,085	15,472	345,081
Accounts receivable (net where applicable of allowance for uncollectible amounts of \$667,197)	5,531,030	27,211			1,606,252	114,273	2,511	3,780,783
Due from:								
Other funds	88,662							88,662
Other governments	1,954,929		657,822	1,155,069	142,038			
Loans receivable (net of allowance for uncollectible amounts of \$557,898)	76,431				76,431			
Investments	1,600,000	1,500,000	100,000					
Other assets	415,784	413,788				1,996		
Total assets	\$ 10,537,019	1,940,999	1,022,870	1,155,069	1,946,218	239,354	17,983	4,214,526
<u>Liabilities</u>								
Bank overdraft	\$ 935,211	899,592	35,619					
Accounts payable	1,480,542	430,189	377,774		539,700	131,382	1,497	
Due to:								
Other funds	1,913,087	607,993	61,363	1,155,069				88,662
Other governments	4,683,055	63	134,326				2,624	4,546,042
Deferred revenues	521,972				76,431		541	445,000
Other liabilities	520,168	3,162	413,788			103,218		
Total liabilities	10,054,035	1,940,999	1,022,870	1,155,069	616,131	234,600	4,662	5,079,704
<u>Fund Balances</u>								
Fund balance (deficit):								
Reserved	1,334,841				1,330,087	4,754		
Unreserved	(851,857)						13,321	(865,178)
Total liabilities and fund balances	\$ 10,537,019	1,940,999	1,022,870	1,155,069	1,946,218	239,354	17,983	4,214,526

CITY OF PROVIDENCE, RHODE ISLAND

Special Revenue Funds

Combining Schedule of Revenues and Expenditures

Year ended June 30, 1983

	Total All Funds	School Fund	Other Educational Funds	Revenue Sharing Fund	Mayor's Office of Community Development	CETA	Miscellaneous Grants	Sewer Fund
Revenues:								
Federal and state grants	\$ 48,849,348	25,770,643	5,938,965	4,610,539	9,531,709	2,997,492		9,208,216
Charges for services	9,315,281	107,065						
Miscellaneous	418,136		1,750		144,234		272,152	
Total revenues	58,582,765	25,877,708	5,940,715	4,610,539	9,675,943	2,997,492	272,152	9,208,216
Other financing sources:								
Transfer from General Fund	32,870,117	32,870,117						
Total revenues and other financing sources	91,452,882	58,747,825	5,940,715	4,610,539	9,675,943	2,997,492	272,152	9,208,216
Expenditures:								
Personnel services	46,821,616	38,813,312	3,397,765	4,610,539				
Services other than personnel	8,637,282	6,786,334	1,850,948					
Materials and supplies	3,440,782	3,140,239	290,556					9,987
Special items	10,730,663	9,679,422	214,197					837,044
Equipment outlay	527,888	328,518	187,249				12,121	
Intergovernmental charges	8,247,718							8,247,718
Project expenditures	19,177,088				15,923,948	2,992,738	260,402	
Total expenditures	97,583,037	58,747,825	5,940,715	4,610,539	15,923,948	2,992,738	272,523	9,094,749
Other uses:								
Transfer to General Fund	978,645							978,645
Total expenditures and other uses	98,561,682	58,747,825	5,940,715	4,610,539	15,923,948	2,992,738	272,523	10,073,394
Revenues over (under) expenditures and other uses	(7,108,800)				(6,248,005)	4,754	(371)	(865,178)
Fund balances at beginning of year	7,591,784				7,578,092		13,692	
Fund balances (deficit) at end of year	\$ 482,984	-	-	-	1,330,087	4,754	13,321	(865,178)

CITY OF PROVIDENCE, RHODE ISLAND

Combining Schedule of Revenues and Expenditures -
Budget and Actual

Year ended June 30, 1983

	Federal Revenue Sharing			School Funds			Totals		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Charges for services	\$			132,250	107,065	(25,185)	132,250	107,065	(25,185)
Federal and state grants	4,647,380	4,610,539	(36,841)	26,315,096	26,526,204	211,108	30,962,476	31,136,743	174,267
Total revenues	4,647,380	4,610,539	(36,841)	26,447,346	26,633,269	185,923	31,094,726	31,243,808	149,082
Other financing sources:									
Transfers from General Fund				33,478,110	32,870,117	(607,993)	33,478,110	32,870,117	(607,993)
Total revenues and other financing sources	4,647,380	4,610,539	(36,841)	59,925,456	59,503,386	(422,070)	64,572,836	64,113,925	(458,911)
Expenditures:									
Personal services	4,647,380	4,610,539	36,841	39,281,203	39,312,873	(31,670)	43,928,583	43,923,412	5,171
Services other than personal				6,991,942	6,834,676	157,266	6,991,942	6,834,676	157,266
Materials and supplies				3,072,204	3,140,239	(68,035)	3,072,204	3,140,239	(68,035)
Special items				10,242,162	9,887,080	355,082	10,242,162	9,887,080	355,082
Equipment outlay				337,945	328,518	9,427	337,945	328,518	9,427
Total expenditures	4,647,380	4,610,539	36,841	59,925,456	59,503,386	422,070	64,572,836	64,113,925	458,911
Revenues and other financing sources over expenditures	\$ -	-	-	-	-	-	-	-	-

CITY OF PROVIDENCE, RHODE ISLAND

Fiduciary Fund Types

Combining Balance Sheet

June 30, 1983

Assets	Expendable Trust Funds		Nonexpendable Trust Funds			Total
	Revolving Funds	Other Expendable Trusts	Other	Retirement System	Agency Funds	
Cash	\$ 165,250	882,617	165,587	11,347,750	1,483,257	14,044,461
Due from other funds				4,656,670		4,656,670
Accounts receivable		511,824				511,824
Investments, at carrying value		1,232,895	4,112,505	84,914,736*		90,260,136
Loans receivable				4,277,235		4,277,235
Other assets		139,120				139,120
Total assets	\$ 165,250	2,766,456	4,278,092	105,196,391	1,483,257	113,889,446
<u>Liabilities and Fund Balances</u>						
Accounts payable	\$ 1,899		500		1,483,257	1,485,656
Due to other funds	76,946					76,946
Deferred revenues		511,824		4,656,670		5,168,494
Total liabilities	78,845	511,824	500	4,656,670	1,483,257	6,731,096
Fund balances:						
Reserved for benefits				100,539,721		100,539,721
Reserved for designated purposes			4,277,592			4,277,592
Unreserved	86,405	2,254,632				2,341,037
Total fund balances	86,405	2,254,632	4,277,592	100,539,721	-	107,158,350
Total liabilities and fund balances	\$ 165,250	2,766,456	4,278,092	105,196,391	1,483,257	113,889,446

*Market value: \$91,981,231

CITY OF PROVIDENCE, RHODE ISLAND

Fiduciary Fund Types - Agency Funds

Combining Schedule of Cash Receipts and Disbursements

Year ended June 30, 1983

	Cash balances, Jun. 30, 1982	Receipts	Total available	Disbursements	Cash balances, Jun. 30, 1983
Deposit and Refund Account	\$ (45,634)	1,786,988	1,741,354	1,535,273	206,081
Employees' Defense Savings Account	11,976	123,578	135,554	120,117	15,437
Employees' Retirement System, State of Rhode Island	1,147	2,498,860	2,500,007	2,493,955	6,052
Employees' Retirement System, Rhode Island Income Tax Withholding Pension Payments		470,541	470,541	427,305	43,236
Employees Withholding Tax Deductions	6,695	13,912,913	13,919,608	13,743,040	176,568
Hospital Service Corporation of Rhode Island	12,917	517,930	530,847	510,510	20,337
Local No. 799, International Association of Firefighters	6	105,991	105,997	103,949	2,048
Local No. 958, American Federation of Teachers	16,087	380,958	397,045	380,748	16,297
Local No. 1033, Public Employees Union	663	292,399	293,062	286,298	6,764
Payroll Deductions, Insurance Companies	738	1,331,461	1,332,199	1,317,968	14,231
Payroll Deductions and Withholdings, Other	4,057	18,913	22,970	21,173	1,797
Providence Municipal Employees Credit Union	4,115	2,352,712	2,356,827	2,303,037	53,790
Providence Permanent Fireman's Relief Association	75	318,229	318,304	311,951	6,353
Providence Teachers' Credit Union	(18,664)	2,441,497	2,422,833	2,428,609	(5,776)
Reserve for Social Security Taxes	747,859	6,926,633	7,674,492	6,896,052	778,440
Rhode Island Income Tax Withholding	138	3,581,956	3,582,094	3,530,748	51,346
State of Rhode Island Real Estate Conveyance Tax	48,771	214,988	263,759	203,628	60,131
State Sales Tax, Water	(5,633)	100,431	94,798	104,836	(10,038)
Tax Sheltered Annuities	578	144,279	144,857	144,211	646
Other	28,729	392,161	420,890	381,373	39,517
Total Agency Funds	\$ <u>814,620</u>	<u>37,913,418</u>	<u>38,728,038</u>	<u>37,244,781</u>	<u>1,483,257</u>

CITY OF PROVIDENCE, RHODE ISLAND

Schedule of Long-term Debt

June 30, 1983

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
<u>Long-term Debt Group of Accounts:</u>					
Bonds payable, serially:					
Bridge Replacement and Reconstruction	3.60-3.80%	5/1/67	5/1/91	\$ 1,200,000	480,000
Highways:					
Reconstruction - 1963	3.125	9/1/63	9/1/83	600,000	30,000
Construction Bonds of 1964	3.25-3.40	10/1/64	10/1/84	500,000	50,000
Loan of 1964 (1970 Series)	6.30-6.60	6/15/70	6/15/90	500,000	175,000
Total Highways				2,800,000	735,000
Municipal Dock Improvements and Extension	3.125	9/1/63	9/1/87	2,000,000	500,000
Recreational Facilities:					
Recreational Facilities Series IV	3.25-3.40	10/1/64	10/1/84	1,000,000	100,000
Recreational Loan V	4.50	2/1/71	2/1/91	2,000,000	800,000
Total Recreational Facilities				3,000,000	900,000
Public Welfare Building Bonds	3.90-4.60	6/1/68	6/1/88	1,500,000	375,000
Redevelopment:					
Redevelopment and Slum Clearance Bonds II	3.30	3/1/61	3/1/84	2,500,000	125,000
Redevelopment and Slum Clearance Bonds III	3.30	3/1/61	3/1/84	2,500,000	125,000
Redevelopment and Slum Clearance Bonds V	3.125	9/1/63	9/1/87	4,000,000	1,000,000
Redevelopment and Slum Clearance Bonds VI	3.25-3.40	10/1/64	10/1/88	2,000,000	600,000
Slum Clearance and Redevelopment IV (1970 Series)	6.30-6.60	6/15/70	6/15/90	5,000,000	1,750,000
Total Redevelopment Bonds				16,000,000	3,600,000
Hurricane Barrier:					
Hurricane Barrier Bond Series I	3.25-3.40	10/1/64	10/1/88	3,000,000	900,000
Hurricane Barrier Bond Series II	3.60-3.75	5/1/67	5/1/87	600,000	120,000
Total Hurricane Barrier				3,600,000	1,020,000

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Long-term Debt, 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	80,000
General Obligation - Public Improvement Bonds	7.70-10.00	9/1/80	9/1/2000	10,500,000	9,260,000
General Obligation - Public Improvement Bonds	4.75-7.25	5/1/79	5/1/99	15,000,000	12,750,000
General Obligation - Public Improvement Bonds		9/15/82	9/15/94	22,500,000	22,500,000
Total Public Improvement Bonds				48,000,000	44,510,000
Schools:					
School Athletic Fields - Series III	4.50-4.60	6/1/68	6/1/90	500,000	175,000
School Bonds of 1961	3.10	3/1/62	3/1/86	2,000,000	300,000
School Bonds of 1966	3.60-3.80	5/1/67	5/1/91	1,750,000	680,000
School Bonds of 1968	3.90-4.60	6/1/68	6/1/88	6,000,000	1,500,000
School Bonds of 1971 Series I	4.50	2/1/71	2/1/91	1,500,000	600,000
School Bonds of 1971 Series II	4.50	2/1/71	2/1/91	2,400,000	960,000
School Modernization Bonds Series V	3.60-3.80	5/1/67	5/1/91	1,500,000	600,000
Classical High School Bonds	6.30-6.60	6/15/70	6/15/90	1,000,000	350,000
School Modernization and Construction Bonds Series II	5.00	2/15/74	2/15/94	3,000,000	1,650,000
School Modernization and Construction Bonds Series III	5.00	2/15/74	2/15/94	3,000,000	1,650,000
School for Handicapped Children	5.00	2/15/74	2/15/94	2,500,000	1,375,000
Total Schools				25,150,000	9,840,000
Sewers:					
Sewer Construction Bonds of 1963	3.125	9/1/63	9/1/83	500,000	25,000
Sewer Construction Bonds of 1964	3.25-3.40	10/1/64	10/1/84	300,000	30,000
Sewer Construction Bonds of 1966	3.60-3.75	5/1/67	5/1/87	300,000	60,000
Sewer Construction Bonds of 1980	7.70-10.00	9/1/80	9/1/2000	8,500,000	7,650,000
Total Sewers				9,600,000	7,765,000

(Continued)

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

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
Sludge Incinerator Bonds	3.60-3.75%	5/1/67	5/1/87	\$ <u>1,000,000</u>	<u>200,000</u>
Civic Center Bonds	4.50-4.75				
	5.00-5.25	2/1/72	2/1/92	<u>13,000,000</u>	<u>5,850,000</u>
Total long-term debt group of accounts bonds				\$ <u>103,550,000</u>	<u>75,375,000</u>
<u>Proprietary fund - bonds payable:</u>					
Water Distribution Reservoir	3.25	12/1/62	12/1/92	2,050,000	865,000
Water Purification Works Improvements I	3.25	12/1/62	12/1/92	1,100,000	490,000
Water Bonds of 1971	5.00-6.00	6/1/71	6/1/2001	<u>11,000,000</u>	<u>8,585,000</u>
Total proprietary fund bonds				\$ <u>14,150,000</u>	<u>9,940,000</u>

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Property Taxes Receivable

June 30, 1983

<u>Year of Assessment</u>	<u>Amount Receivable June 30, 1983</u>
1982	\$ 9,984,368
1981	4,499,576
1980	3,530,808
1979	1,448,837
1978	1,533,072
1977	1,166,462
1976	1,043,704
1975	952,349
1974	866,712
1973	989,557
1972	611,870
1971	775,644
1970	735,088
1969	352,352
1968	<u>327,829</u>
	28,818,228
Less allowance for estimated uncollectible amounts	<u>18,462,032</u>
Net property taxes receivable	\$ <u>10,356,196</u>