

***CITY OF EAST PROVIDENCE, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS***

*For the Fiscal Year Ended
October 31, 2009*

CITY OF EAST PROVIDENCE, RHODE ISLAND

PRINCIPAL OFFICIALS

CITY COUNCIL

Joseph Larisa, Mayor

Robert Cusack, Assistant Mayor

Brian Coogan

Bruce DiTraglia

Valerie Perry

CITY OFFICIALS

City Manager – Richard Brown

Finance Director - James F. McDonald

City Solicitor – James Briden

Personnel Director - vacant

City Clerk – Kim Casci

Chief of Police – Joseph Tavares

Fire Chief – Joseph Klucznik

Public Works Director - Stephen Coutu

Planning Director - Jeanne M. Boyle

Library Director - Eileen Socha

Acting Recreation Director – Alba Curti

Canvassing Clerk - vacant

THE CITY OF EAST PROVIDENCE, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS For the Fiscal Year Ended October 31, 2009

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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditors' Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of and for the year ended October 31, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of East Providence, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of October 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2010 on our consideration of the City of East Providence, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and supplementary pension and other post employment benefit information on pages 3 through 12 and 58 through 65 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Providence, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, other supplementary information and the schedule of expenditures of federal awards are presented for purposes of additional analysis and as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and are not a required part of the basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Bacm & Company, d.d.C

Warwick, Rhode Island
May 10, 2010

CITY OF EAST PROVIDENCE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of East Providence provides this Management's Discussion and Analysis of the City of East Providence's Annual Financial Report for the readers of the City's financial statements. This narrative overview and analysis of the financial statements of the City of East Providence is for fiscal year ended October 31, 2009.

Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the City's financial position. These tables will reflect governmental activities, business-type activities and total activities for the 2008 and 2009 fiscal years.

FINANCIAL HIGHLIGHTS

The City Charter requires that any unreserved fund balance, i.e., surplus, be carried forward to the next fiscal year as a revenue source. The surplus from the fiscal year 2009 was projected to be \$2,777,200. The City's total General Fund fund balance as of October 31, 2009 was \$3,206,938.

The School Department reported a deficit of \$956,635 which included receiving an additional \$572,002 of meals tax revenue designated by the City Council, increasing their accumulated deficit to \$6,191,830.

As a result of the School Department's cumulative deficit, all of the City's fund balance is reported as reserved for the School Unrestricted Fund deficit. The net deficit position of the City will need to be addressed as part of the fiscal year 2011 budget. This jeopardizes the financial stability of the entire City.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's annual audit report. The financial section of this report consists of **four** parts — management's discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information that includes combining statements for non-major governmental funds and other fiduciary funds.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall status.
- The remaining statements are fund-financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government wide statements.

The *governmental fund* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.

Proprietary fund statements offer short and long term financial information about the activities the Government operates like businesses, such as the sewer system.

Figure A- 2

Major Features of the City of East Providence's Government-Wide and Fund Financial Statements

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire and DPW.	Activities the City operates similar to private businesses such as the water and sewer system.	Instances in which the City is the trustee or agent for someone else's resources.
Required Financial Statements	Statement of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Net Assets. Statement of Cash Flows	Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
Accounting Basis And Measurement	Accrual accounting and economic resources Focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus •	Accrual accounting and economic resources focus
Type of Assets/ Liability Information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's *net assets* and how they have changed. Net assets — the difference between the City's assets and liabilities — is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into three categories.

- *Governmental activities* — Most of the City's basic services are included here, such as the police, fire, library, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-Type activities* - The City charges fees to customers to cover the costs of certain services it provides. The City water and waste water system are included here.
- *Component units* — The City does not have any entities that are deemed to be component units. The government-wide financial statements are reported on pages 13 and 14.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. See figure A-2 for further explanation.

Governmental funds — Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirement.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities.

The City maintains 92 governmental funds; two are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The City's two major governmental funds are:

1. General Fund
2. School Unrestricted Fund

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary Funds — The City maintains two enterprise funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and wastewater operations.

The basic proprietary fund financial statements can be found on pages 19 through 22 of this report.

Fiduciary Funds — Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 23 and 24 of this report.

Notes to the financial statements — The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Information — In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, which include reconciliation between the statutory revenues and expenditures for budgetary purposes and the revenues and expenditures for the General Fund and School Unrestricted Fund as presented in the governmental fund financial statements. Required supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled \$47,318,776 at the close of the most recent fiscal year.

The largest portion of the City's net assets (136%) reflects its investment in capital such as land, building, equipment, and infrastructure, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of East Providence Net Assets (\$000's)

	October 31, 2008			October 31, 2009		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Current Assets	\$45,998	\$ 4,292	\$50,290	\$45,229	\$15,016	\$60,245
Capital Assets	61,460	32,297	93,757	60,940	31,069	92,009
Other Assets	372	-0-	372	1,750	100	1,850
Total Assets	107,830	36,589	144,419	107,919	46,185	154,104
Current Liabilities	25,166	2,685	27,851	25,522	2,772	28,294
Long-Term Liabilities	61,348	3,743	65,091	65,089	13,402	78,491
Total Liabilities	86,514	6,428	92,942	90,611	16,174	106,785
Net Assets:						
Invested in Capital						
Net of Related Debt	34,825	28,302	63,127	37,171	27,006	64,177
Restricted	3,592	323	3,915	3,414	1,120	4,534
Unrestricted	(17,101)	1,536	(15,565)	(23,277)	1,885	(21,392)
Total Net Assets	\$21,316	\$30,161	\$51,477	\$17,308	\$30,011	\$47,319

An additional portion of the City's net assets (9.6 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of unrestricted net assets (45.2%) may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net assets.

Changes in Net Assets

The government's net assets decreased by \$4,158,413 in the current fiscal year.

City of East Providence Changes in Net Assets

	For Fiscal Year Ended October 31, 2008			For Fiscal Year Ended October 31, 2009		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Program Revenues						
Charges for Services	\$6,898,977	\$12,357,906	\$19,256,883	\$6,961,869	\$12,824,058	\$19,785,927
Operating Grants & Contributions	38,434,774		38,434,774	39,237,565		39,237,565
Capital Grants & Contributions	1,532,049	143,176	1,675,225	760,624		760,624
General Revenues						
Property Taxes	81,242,790		81,242,790	83,506,473		83,506,473
State Aid & Grants	9,828,219		9,828,219	8,618,316		8,618,316
Other Revenues	642,932	25,316	668,248	87,680	2,214	89,894
Total Revenues	<u>138,579,741</u>	<u>12,526,398</u>	<u>151,106,139</u>	<u>139,172,527</u>	<u>12,826,272</u>	<u>151,998,799</u>
Expenses						
General Government	8,690,611		8,690,611	10,696,674		10,696,674
Public Safety	31,569,615		31,569,615	32,898,532		32,898,532
Public Works	7,374,311		7,374,311	7,734,480		7,734,480
Public Library	2,585,888		2,585,888	2,524,777		2,524,777
Parks & Recreation	3,500,600		3,500,600	3,175,391		3,175,391
Sanitation	2,856,141		2,856,141	2,920,746		2,920,746
Public Health	360,116		360,116	421,189		421,189
Interest on long-term debt	1,905,178		1,905,178	1,767,453		1,767,453
Education	85,942,966		85,942,966	81,041,537		81,041,537
Water		6,315,765	6,315,765		5,644,801	5,644,801
WPC		7,645,725	7,645,725		7,331,632	7,331,632
Total Expenses	<u>144,785,426</u>	<u>13,961,490</u>	<u>158,746,916</u>	<u>143,180,779</u>	<u>12,976,433</u>	<u>156,157,212</u>
Change in Net Assets						
Before Transfers	(6,205,685)	(1,435,092)	(7,640,777)	(4,008,252)	(150,161)	(4,158,413)
Transfers	(102,003)	102,003				
Change in Net Assets	<u>(6,307,688)</u>	<u>(1,333,089)</u>	<u>(7,640,777)</u>	<u>(4,008,252)</u>	<u>(150,161)</u>	<u>(4,158,413)</u>
Net Assets - beginning	27,624,035	31,493,931	59,117,966	21,316,347	30,160,842	51,477,189
Net Assets - ending	\$21,316,347	\$30,160,842	\$51,477,189	\$17,308,095	\$30,010,681	\$47,318,776

Governmental activities – Governmental activities decreased the City's net assets by \$4,008,252.

Business-type activities – Business-type activities decreased the City's net assets by \$150,161.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,452,328 a decrease of \$1,761,851 in comparison with the prior year.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the general fund was \$3,206,938 which is reserved and it is not available for new spending because it has already been committed.

The fund balance in the City's general fund decreased by \$361,004 during the current fiscal year.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the water fund at the end of the year amounted to \$3,763,882. In the wastewater fund, unrestricted net assets amounted to (\$1,879,554), a decrease of \$121,143. The accumulated deficit in wastewater was caused by a number of years of under funding. In April 2003, the City Council took action that resulted in significantly higher rates being charged. The goal is to eliminate this deficit within four (4) years. Major non-budgeted repairs in two recent years have delayed this elimination.

General Fund Budgetary Highlights

The budget passed in October 2008. Property tax revenue exceeded budget estimates substantially. No Department expenditures were materially over budget with the exception of the School Department.

Capital Assets and Debt Administration

Capital Assets — The City's investment in capital assets for its governmental and business-type activities as of October 31, 2009 amounted to \$92,008,719 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads and construction in progress.

City of East Providence
Capital Assets (Net of Accumulated Depreciation)

	October 31, 2008			October 31, 2009		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Land & land improvements	\$ 7,409,701	\$ 3,536,549	\$ 10,946,250	\$ 7,541,701	\$ 3,536,549	\$ 11,078,250
Buildings & improvement	58,008,790	19,196,796	77,205,586	59,650,067	19,196,796	78,846,863
Infrastructure	43,375,168	42,963,679	86,338,847	43,583,413	42,963,679	86,547,092
Vehicles	13,273,279	1,445,321	14,718,600	13,273,279	1,566,410	14,839,689
Machinery & Equipment	10,677,985	5,827,902	16,505,887	11,523,329	5,827,902	17,351,231
Construction in Progress	821,689	-0-	821,689	790,589	-0-	790,589
Subtotal	133,566,612	72,970,247	206,536,859	136,362,378	73,091,336	209,453,714
Less: Accumulated Depreciation	(72,106,585)	(40,672,713)	(112,779,298)	(75,422,680)	(42,022,315)	(117,444,995)
Total	\$61,460,027	\$32,297,534	\$93,757,561	\$60,939,698	\$31,069,021	\$92,008,719

Additional information on the City's capital assets can be found in the notes to the financial statements of this report.

Long-term debt — At the end of the fiscal year, the City had total debt outstanding of \$22,130,000. General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens.

City of East Providence
General Obligation and Capital Leases

	October 31, 2008			October 31, 2009		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
General Obligation Bonds	\$21,979,800	\$2,640,200	\$ 24,620,000	\$19,688,300	\$2,441,700	\$22,130,000
Capital leases	5,176,531	-0-	5,176,531	3,901,772	-0-	3,901,772
Loans Payable	3,170,000	1,355,000	4,525,000	3,020,000	10,990,000	14,010,000
Total	\$30,326,331	\$3,995,200	\$34, 321, 531	\$26,610,072	\$13, 431,700	\$40,041,772

The City retired bond debt of \$2,490,000 during the current fiscal year. The City has an Baa (insured) rating from Moody's Investors Service.

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. The current debt limitation for the City is \$136,120,467.

Additional information on the City's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City of East Providence is 14.5 percent. This compares favorably to the State's average unemployment rate of 13.2 percent and the national average of 10.4 percent. Per capita and median family income remains some of the highest in the State and favorable nationally.

	Per Capita	Median Family
East Providence	\$19,527	\$48,463
Rhode Island	\$21,688	\$52,781
United States	\$21,587	\$50,046

The following factors were considered in preparing the City's budget for the 2009-10 fiscal year:

The general fund will decrease spending by \$1,592,622 or 3.03%. The school operating costs will increase by \$500,000 or 0.67%

The City's tax rate will increase from \$15.43 to \$15.91 (3.5%) for fiscal year ended October 2010.

The water rates increased to \$2.85 hcf effective November 1, 2008 and the waste water rates increased to \$4.46 hcf effective November 1, 2009. The City of East Providence faces the same facts and conditions of most other communities in Rhode Island and across the country. The general economic downturn has affected the ability to raise revenue and control expenses in these poor economic times. In addition, the decisions relative to how the School Department's accumulative deficit is addressed will be a determining factor in the economic stability.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, 145 Taunton Avenue, East Providence, RI 02914.

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

- Governmental Funds**
- Proprietary Funds**
- Fiduciary Funds**

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Statement of Net Assets

October 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,014,340	\$ 2,006,760	\$ 5,021,100
Restricted cash and cash equivalents	-	630,931	630,931
Investments	14,566,334	-	14,566,334
Accrued interest receivable	492,266	-	492,266
Real estate and personal property tax receivable (net)	18,172,903	-	18,172,903
Water and sewer use receivable	-	4,036,240	4,036,240
Due from federal and state government	2,777,737	9,269,070	12,046,807
Internal balances	1,231,400	(1,231,400)	-
Prepaid expenses	164,596	-	164,596
Inventories	95,421	304,207	399,628
Other receivables	4,714,238	-	4,714,238
Total current assets	<u>45,229,235</u>	<u>15,015,808</u>	<u>60,245,043</u>
Noncurrent assets:			
Capital assets: (Note 2)			
Land	4,076,963	3,328,334	7,405,297
Depreciable buildings, property, equipment, infrastructure (net)	56,072,146	27,740,687	83,812,833
Construction in progress	790,589	-	790,589
Total capital assets, net	<u>60,939,698</u>	<u>31,069,021</u>	<u>92,008,719</u>
Net other post employment benefit asset	1,402,957	-	1,402,957
Other assets	347,478	100,000	447,478
Total noncurrent assets	<u>62,690,133</u>	<u>31,169,021</u>	<u>93,859,154</u>
Total assets	<u>107,919,368</u>	<u>46,184,829</u>	<u>154,104,197</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	15,162,653	1,254,417	16,417,070
Accrued interest payable	474,625	72,984	547,609
Revenue anticipation note payable	-	600,000	600,000
Bond anticipation note payable	2,000,000	-	2,000,000
Unearned revenues	4,324,829	479,708	4,804,537
Long-term debt - due within one year (Note 6)	3,560,548	364,500	3,925,048
Total current liabilities	<u>25,522,655</u>	<u>2,771,609</u>	<u>28,294,264</u>
Noncurrent Liabilities:			
Long-term debt - due in more than one year (Note 6)	23,052,835	13,067,200	36,120,035
Compensated absences payable	4,219,233	335,339	4,554,572
Net other post employment benefit obligation	2,395,890	-	2,395,890
Net pension obligation	35,420,660	-	35,420,660
Total noncurrent liabilities	<u>65,088,618</u>	<u>13,402,539</u>	<u>78,491,157</u>
Total liabilities	<u>90,611,273</u>	<u>16,174,148</u>	<u>106,785,421</u>
Net Assets:			
Invested in capital assets, net of related debt	37,170,768	27,006,390	64,177,158
Restricted for:			
Capital projects	50,293	-	50,293
Specific projects and programs	3,258,492	-	3,258,492
Permanent funds	105,665	-	105,665
Improvements	-	489,032	489,032
Debt service payments	-	630,931	630,931
Unrestricted	<u>(23,277,123)</u>	<u>1,884,328</u>	<u>(21,392,795)</u>
Total net assets	<u>\$17,308,095</u>	<u>\$30,010,681</u>	<u>\$47,318,776</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended October 31, 2009

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Assets</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Governmental Activities:							
General government	\$ 10,696,674	\$ 1,382,483	\$ 1,546,798	\$ -	\$ (7,767,393)	\$ -	\$ (7,767,393)
Public safety	32,898,532	2,252,439	1,153,535	-	(29,492,558)	-	(29,492,558)
Public works	7,734,480	17,094	44,622	-	(7,672,764)	-	(7,672,764)
Parks and recreation	3,175,391	202,714	141,169	416,288	(2,415,220)	-	(2,415,220)
Public health and welfare	421,189	34,472	339,232	144,336	96,851	-	96,851
Sanitation	2,920,746	56,156	-	-	(2,864,590)	-	(2,864,590)
Public libraries	2,524,777	47,884	616,797	-	(1,860,096)	-	(1,860,096)
Education	81,041,537	2,968,627	34,149,952	200,000	(43,722,958)	-	(43,722,958)
Interest on long-term debt	1,767,453	-	1,245,460	-	(521,993)	-	(521,993)
Total governmental activities	143,180,779	6,961,869	39,237,565	760,624	(96,220,721)	-	(96,220,721)
Business-Type Activities:							
Water	5,644,801	5,693,024	-	-	-	48,223	48,223
Water pollution control	7,331,632	7,131,034	-	-	-	(200,598)	(200,598)
Total business-type activities	12,976,433	12,824,058	-	-	-	(152,375)	(152,375)
Total	\$ 156,157,212	\$ 19,785,927	\$ 39,237,565	\$ 760,624	(96,220,721)	(152,375)	(96,373,096)
General Revenues:							
Taxes:							
					83,506,473	-	83,506,473
					8,618,316	-	8,618,316
					69,697	2,214	71,911
					17,983	-	17,983
					<u>92,212,469</u>	<u>2,214</u>	<u>92,214,683</u>
					<i>Change in net assets</i>	(4,008,252)	(4,158,413)
					<i>Net assets - beginning of year</i>	21,316,347	51,477,189
					<u><i>Net assets - end of year</i></u>	<u>\$ 17,308,095</u>	<u>\$ 47,318,776</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

**Balance Sheet
Governmental Funds
October 31, 2009**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 1,530,281	\$ -	\$ 1,679,077	\$ 3,209,358
Investments	9,061,723	-	5,504,611	14,566,334
Real estate and personal property tax receivable	19,972,903	-	-	19,972,903
Due from federal and state governments	-	28,090	2,749,647	2,777,737
Due from other funds	1,798,074	6,656,716	222,462	8,677,252
Other receivables	137,558	542,438	3,872,042	4,552,038
Prepaid expenditures	8,113	149,294	7,189	164,596
Inventory	95,421	-	-	95,421
Tax title property	326,891	-	-	326,891
Total assets	<u>\$32,930,964</u>	<u>\$ 7,376,538</u>	<u>\$ 14,035,028</u>	<u>\$ 54,342,530</u>
Liabilities and Fund Balances				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ 195,018	\$ 195,018
Accounts payable and accrued expenditures	3,022,090	9,260,200	2,350,514	14,632,804
Due to state government	-	-	14,525	14,525
Due to other funds	6,381,548	64,828	987,276	7,433,652
Bond anticipation note payable	-	-	2,000,000	2,000,000
Deferred revenues:				
Uncollected property taxes	19,794,320	-	-	19,794,320
Other	199,177	4,233,340	3,872,042	8,304,559
Other liabilities	326,891	10,000	178,433	515,324
Total liabilities	<u>29,724,026</u>	<u>13,568,368</u>	<u>9,597,808</u>	<u>52,890,202</u>
Fund Balances (deficits):				
Reserved for:				
Encumbrances	169,188	-	-	169,188
Inventory and prepaid expenditures	103,534	149,294	-	252,828
Equipment replacement and capital projects	50,819	-	-	50,819
Permanent funds	-	-	105,665	105,665
School Unrestricted Fund deficit	6,191,830	-	-	6,191,830
Unreserved:				
Undesignated	(3,308,433)	(6,341,124)	-	(9,649,557)
Unreserved, reported in:				
Special revenue funds	-	-	3,983,815	3,983,815
Capital project funds	-	-	347,740	347,740
Total fund balances (deficits)	<u>3,206,938</u>	<u>(6,191,830)</u>	<u>4,437,220</u>	<u>1,452,328</u>
Total liabilities and fund balances	<u>\$32,930,964</u>	<u>\$ 7,376,538</u>	<u>\$ 14,035,028</u>	<u>\$ 54,342,530</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
October 31, 2009

Total Fund Balances - Total Governmental Funds	\$ 1,452,328
 <i>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (Note 2)	60,939,698
Accrued interest receivable on property taxes is reported as revenue in Government-Wide financial statements in the period earned. In Governmental Funds financial statements, interest on property taxes is reported when received.	492,266
Other receivables are not available to pay for current period expenditures and, therefore, are deferred in Governmental Funds financial statements.	4,022,042
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred revenue (a liability) in Governmental Funds financial statements.	18,102,008
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(474,625)
Long-term liabilities (including bonds payable, capital leases, compensated absences, loan payable, net pension and OPEB obligations) are due and not payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. (Note 6)	(68,649,166)
The net other post employment benefit asset is not available to pay for current period expenditures and, therefore, is not reported in the Governmental Funds financial statements.	1,402,957
Bond issue costs are reported as expenditures in the Governmental Funds financial statements. The cost and related accumulated amortization is reflected as an other asset on the Government-Wide financial statements.	<u>20,587</u>
 Net Assets - Governmental Activities	 <u><u>\$ 17,308,095</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended October 31, 2009

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General property taxes	\$82,679,031	\$ -	\$ -	\$ 82,679,031
Federal and state aid and grants	8,862,714	27,109,208	12,159,290	48,131,212
Charges for services	1,982,444	2,195,000	2,838,664	7,016,108
Fines and penalties	46,613	-	13,905	60,518
Investment and interest income	589,811	-	41,305	631,116
Contributions and private grants	-	-	144,809	144,809
Other revenue	-	97,221	202,441	299,662
Total revenues	<u>94,160,613</u>	<u>29,401,429</u>	<u>15,400,414</u>	<u>138,962,456</u>
Expenditures:				
<i>Current:</i>				
General government	5,162,617	-	1,651,130	6,813,747
Public safety	25,523,564	-	2,170,479	27,694,043
Public works	6,686,570	-	171,157	6,857,727
Parks and recreation	2,659,779	-	918,470	3,578,249
Public health and welfare	-	-	398,556	398,556
Sanitation	2,824,531	-	52,203	2,876,734
Public libraries	2,328,406	-	429,735	2,758,141
Education	-	74,173,664	8,805,350	82,979,014
Miscellaneous	3,046,235	-	-	3,046,235
Debt Service	3,822,432	-	223,713	4,046,145
Total expenditures	<u>52,054,134</u>	<u>74,173,664</u>	<u>14,820,793</u>	<u>141,048,591</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>42,106,479</u>	<u>(44,772,235)</u>	<u>579,621</u>	<u>(2,086,135)</u>
Other financing sources (uses):				
Proceeds from capital leases	-	324,284	-	324,284
Transfers from other funds	1,280,963	43,491,316	541,255	45,313,534
Transfers to other funds	(43,748,446)	-	(1,565,088)	(45,313,534)
Total other financing sources (uses)	<u>(42,467,483)</u>	<u>43,815,600</u>	<u>(1,023,833)</u>	<u>324,284</u>
Net change in fund balances	(361,004)	(956,635)	(444,212)	(1,761,851)
Fund balances (deficits), beginning of year	<u>3,567,942</u>	<u>(5,235,195)</u>	<u>4,881,432</u>	<u>3,214,179</u>
Fund balances (deficits), end of year	<u>\$ 3,206,938</u>	<u>\$(6,191,830)</u>	<u>\$ 4,437,220</u>	<u>\$ 1,452,328</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended October 31, 2009

Net Changes in Fund Balances - Total Governmental Funds	\$(1,761,851)
 <i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of the assets is allocated over the estimated useful life as depreciation expense. This is the amount of capital assets recorded in the current period.	2,795,764
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements.	(3,316,095)
Long-term compensated absences, net pension obligations, and net other post employment benefit (OPEB) obligations are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, the change in compensated absences, net pension obligations and net OPEB obligations are not reported as expenditures in Governmental Funds financial statements.	(5,685,492)
Bond, capital lease and loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond, capital lease and loan principal are an expenditure in Government Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Assets.	
This amount represents debt proceeds.	(324,284)
This amount represents long-term debt payments.	4,040,543
Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year.	12,316
Bonds issued at a premium provide current financial resources to Governmental Funds, but increase the long-term liabilities in the Statement of Net Assets. Bond issuance costs are expenditures to Governmental Funds, but are deferred assets in the Statement of Net Assets.	(34,551)
Revenues in the Statement of Activities that are not available in Governmental Funds are not reported as revenue in the Governmental Funds.	216,024
The Community Development loans are reported as expenditures in the Governmental Funds financial statements, but are only reported as an increase to accounts receivable in the Government-Wide Statement of Net Assets.	225,327
The repayment of the Community Development loans are reported as revenue in the Governmental fund financial statements, but are only reported as a decrease to accounts receivable in the Government-Wide Statement of net assets.	(175,953)
Change in Net Assets - Governmental Activities	<u><u>\$(4,008,252)</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Statement of Net Assets

Proprietary Funds

October 31, 2009

	<i>Enterprise Funds</i>		
	<i>Water Fund</i>	<i>WPC</i>	<i>Totals</i>
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,658,381	\$ 348,379	\$ 2,006,760
Restricted cash and cash equivalents	-	630,931	630,931
Accounts receivable	3,925,155	111,085	4,036,240
Due from state government	-	9,269,070	9,269,070
Due from other funds	1,011,000	1,893,262	2,904,262
Inventory	304,207	-	304,207
Total current assets	6,898,743	12,252,727	19,151,470
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets			
Land	1,909,975	1,418,359	3,328,334
Depreciable capital assets			
Land improvements	83,806	124,409	208,215
Buildings, pumps and tanks	2,097,453	17,099,343	19,196,796
Infrastructure	21,126,623	21,837,056	42,963,679
Machinery and equipment	1,793,531	4,034,371	5,827,902
Vehicles	1,083,628	482,782	1,566,410
Less: accumulated depreciation	(14,502,576)	(27,519,739)	(42,022,315)
Other assets	-	100,000	100,000
Total noncurrent assets	13,592,440	17,576,581	31,169,021
Total assets	20,491,183	29,829,308	50,320,491
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	584,344	670,073	1,254,417
Accrued interest payable	-	72,984	72,984
Due to other funds	1,914,320	2,221,342	4,135,662
Unearned revenue	469,043	10,665	479,708
Revenue anticipation notes payable	-	600,000	600,000
Current portion of long term debt	-	364,500	364,500
Total current liabilities	2,967,707	3,939,564	6,907,271
Noncurrent liabilities:			
Accrued compensated absences	167,154	168,185	335,339
Bonds and loan payable	-	13,067,200	13,067,200
Total noncurrent liabilities	167,154	13,235,385	13,402,539
Total liabilities	3,134,861	17,174,949	20,309,810
Net assets			
Investment in capital assets, net of related debt	13,592,440	13,413,950	27,006,390
Restricted for improvements	-	489,032	489,032
Restricted for debt service payments	-	630,931	630,931
Unrestricted	3,763,882	(1,879,554)	1,884,328
Total net assets	\$ 17,356,322	\$ 12,654,359	\$ 30,010,681

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended October 31, 2009

	<i>Enterprise Funds</i>		
	<i>Water Fund</i>	<i>WPC</i>	<i>Totals</i>
Operating revenues			
Water sales	\$ 5,600,775	\$ -	\$ 5,600,775
Sewer use fees	-	5,211,180	5,211,180
Other revenues	92,249	1,919,854	2,012,103
Total operating revenues	<u>5,693,024</u>	<u>7,131,034</u>	<u>12,824,058</u>
Operating expenses			
Salaries and benefits	1,865,544	1,809,110	3,674,654
Repair and maintenance	205,008	317,959	522,967
Water purchases	2,154,871	-	2,154,871
Operations	470,645	4,109,067	4,579,712
Depreciation expense	440,023	909,579	1,349,602
Other	505,266	-	505,266
Total operating expenses	<u>5,641,357</u>	<u>7,145,715</u>	<u>12,787,072</u>
Operating income (loss)	<u>51,667</u>	<u>(14,681)</u>	<u>36,986</u>
Nonoperating revenues (expenses)			
Interest income	2,206	8	2,214
Interest expense	(3,444)	(185,917)	(189,361)
Total nonoperating revenues (expenses)	<u>(1,238)</u>	<u>(185,909)</u>	<u>(187,147)</u>
Income (loss) before transfers	50,429	(200,590)	(150,161)
Transfers in	300,000	-	300,000
Transfers out	-	(300,000)	(300,000)
Change in net assets	350,429	(500,590)	(150,161)
Total net assets - beginning of year	<u>17,005,893</u>	<u>13,154,949</u>	<u>30,160,842</u>
Total net assets - end of year	<u><u>\$ 17,356,322</u></u>	<u><u>\$ 12,654,359</u></u>	<u><u>\$ 30,010,681</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended October 31, 2009

	<i>Enterprise Funds</i>		
	<u>Water Fund</u>	<u>WPC</u>	<u>Totals</u>
<i>Cash flows from operating activities</i>			
Receipts from customers and users	\$ 5,440,175	\$ 5,211,180	\$ 10,651,355
Other operating revenue receipts	106,859	1,888,187	1,995,046
Payments to suppliers for goods and services	(3,253,309)	(4,366,580)	(7,619,889)
Payments to employees	(1,848,354)	(1,809,628)	(3,657,982)
 <i>Net cash provided by operating activities</i>	 <u>445,371</u>	 <u>923,159</u>	 <u>1,368,530</u>
 <i>Cash flows from noncapital financing activities</i>			
Interfund transactions	(28,765)	87,520	58,755
Proceeds from revenue anticipation note	-	600,000	600,000
Payment of revenue anticipation note	-	(600,000)	(600,000)
Transfers from other funds	300,000	-	300,000
Transfers to other funds	-	(300,000)	(300,000)
 <i>Net cash provided by (used for) noncapital related financing activities</i>	 <u>271,235</u>	 <u>(212,480)</u>	 <u>58,755</u>
 <i>Cash flows from capital and related financing activities</i>			
Loan proceeds	-	630,930	630,930
Principal paid on capital debt	(200,000)	(363,500)	(563,500)
Interest paid on capital debt	(3,444)	(188,125)	(191,569)
Acquisition of capital assets	(121,089)	-	(121,089)
 <i>Net cash provided by (used for) capital and related financing activities</i>	 <u>(324,533)</u>	 <u>79,305</u>	 <u>(245,228)</u>
 <i>Cash flows from investing activities</i>			
Investment income	2,206	8	2,214
 <i>Net cash provided by investing activities</i>	 <u>2,206</u>	 <u>8</u>	 <u>2,214</u>
 <i>Net increase in cash and cash equivalents</i>	 394,279	 789,992	 1,184,271
 <i>Cash and cash equivalents, beginning of year</i>	 <u>1,264,102</u>	 <u>189,318</u>	 <u>1,453,420</u>
 <i>Cash and cash equivalents, end of year</i>	 <u>\$ 1,658,381</u>	 <u>\$ 979,310</u>	 <u>\$ 2,637,691</u>
 <i>Noncash capital and related financing activities:</i>			
Increase in due from state government	\$ -	\$ 9,269,070	\$ 9,269,070
Increase in other assets	-	100,000	100,000
Increase in loans payable	-	9,369,070	9,369,070

(Continued)

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended October 31, 2009

	<i>Enterprise Funds</i>		
	<u>Water Fund</u>	<u>WPC</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 51,667	\$ (14,681)	\$ 36,986
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	440,023	909,579	1,349,602
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(211,823)	(31,417)	(243,240)
(Increase) decrease in inventory	(86,098)	-	(86,098)
Increase (decrease) in accounts payable and accrued expenses	166,441	55,551	221,992
Increase (decrease) in accrued compensated absences	19,328	4,378	23,706
Increase (decrease) in unearned revenue	65,833	(251)	65,582
Net cash provided by operating activities	<u>\$ 445,371</u>	<u>\$ 923,159</u>	<u>\$ 1,368,530</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Statement of Fiduciary Net Assets

Fiduciary Funds

October 31, 2009

	<i>Pension Trust Fund</i>	<i>Agency Funds</i>
	<u> </u>	<u> </u>
<i>Assets</i>		
Cash and cash equivalents	\$ 1,727,162	\$ 312,274
Investments:		
Equities	8,763,625	-
Mutual funds - equity	16,703,650	-
Mutual funds - fixed income	18,408,141	-
Treasury obligations funds	-	359,424
Quality trust liquidating trust	770,462	-
International equity group trust	10,751,768	-
<i>Total investments</i>	<u>55,397,646</u>	<u>359,424</u>
Accrued interest receivable	28,404	-
City contribution receivable	111,711	-
Member contributions receivable	74,474	-
Other receivables	20,625	-
<i>Total assets</i>	<u>57,360,022</u>	<u>671,698</u>
<i>Liabilities</i>		
Accounts payable and accrued expenses	44,449	471
Due to other funds	-	12,200
Deposits held in custody for others	-	659,027
<i>Total liabilities</i>	<u>44,449</u>	<u>671,698</u>
<i>Net Assets</i>		
Held in trust for pension benefits	<u>\$ 57,315,573</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended October 31, 2009

	<u><i>Pension Trust Fund</i></u>
<i>Additions</i>	
Contributions:	
Employer	\$ 1,567,216
Plan member	1,053,195
Total contributions	<u>2,620,411</u>
Investment income:	
Interest and dividend income	1,084,394
Net appreciation (depreciation) in fair value of investments	6,750,476
Less: investment expense	<u>(249,326)</u>
Net investment income	<u>7,585,544</u>
Other revenue	<u>58,456</u>
<i>Total additions</i>	<u>10,264,411</u>
<i>Deductions</i>	
Benefits	7,490,300
Administrative and other expense	15,999
<i>Total deductions</i>	<u>7,506,299</u>
<i>Change in net assets</i>	2,758,112
<i>Net assets - beginning of year</i>	<u>54,557,461</u>
<i>Net assets - end of year</i>	<u><u>\$57,315,573</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

The financial statements of the City of East Providence, Rhode Island have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the City applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units.” A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The City of East Providence does not have any component units.

B. BASIS OF PRESENTATION AND ACCOUNTING

The accounts of the City are organized based on funds, 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 equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds to demonstrate legal compliance and to aid management by segregating transactions related to specific City functions or activities.

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary Activities of the City are not included in these statements.

These statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all the City’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services; 2) operating grants and contributions; and 3) capital grants and contributions.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

The City's policy is to first apply restricted resources and then unrestricted resources when expenses are incurred for purposes for which both restricted and unrestricted net assets are available.

Certain eliminations have been made as prescribed by GASB Statement No. 34 for interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the Governmental Activities and the Business-Type Activities, which are presented as internal balances and eliminated in the total column.

The City applies to the Business-Type Activities and Enterprise Funds all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statements of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Major Governmental Funds:

General Fund – The General Fund is used to account for resources devoted to financing the general services that the City performs for its citizens.

School Unrestricted Fund – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the School Department.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Major Enterprise Funds:

WPC Fund – The Water Pollution Control Fund is used to account for the sewer use fees and the expenses associated with providing wastewater services to City residents.

Water Fund – The Water Fund is used to account for water use fees and the expenses associated with providing water services to City residents.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The City’s Fiduciary Funds are a Pension Trust Fund and Agency Funds. Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Agency Funds are purely custodial and do not involve measurement of results of operations.

Pension Trust Fund – This fund accounts for pension benefits provided to City Police Officers and Firefighters. The principal revenue source for this fund is employer and employee contributions.

Agency Funds – These funds account for assets held by the City as agent for various student groups, funds held in probate and funds held in escrow for other parties.

C. CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

D. INVESTMENTS

Investments are recorded at fair value. Unrealized gains and losses from changes in fair value are recognized as investment income.

E. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

Accounts receivable and taxes receivable, are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables.

Property taxes that were levied on June 12, 2009 of the current year and other delinquent balances are recorded as receivables.

F. UNBILLED SERVICES RECEIVABLE

WPC and water revenue is recorded when earned. Residential customers are billed quarterly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

G. INVENTORY

Inventory is maintained on a perpetual system and is stated at cost (first in, first out method of inventory valuation). Inventory is generally recorded as expenditures/expenses when consumed.

H. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported in the Government-Wide Statement of Net Assets, but are not reported in the Governmental Fund Financial Statements.

All capital assets are capitalized at historical or estimated historical cost. Donated capital assets are recorded at the fair market values as of the date received. The City follows the policy of not capitalizing assets with a cost of less than \$10,000 and a useful life of less than 1 year.

Depreciation is calculated on the straight-line basis over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Land improvements	20 years
Infrastructure	10-65 years
Buildings & construction	25-50 years
Pumps & tanks	40 years
Machinery & equipment	5-30 years
Vehicles	8 years

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

I. BOND PREMIUMS AND DEBT ISSUANCE COSTS

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an “expenditure” and bond premiums are reflected as an “other financing source”.

In the Government-Wide Statements, bond premiums and debt issuance costs are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds payable whereas debt issuance costs are recorded as other assets.

J. DEFERRED REVENUE

In the Governmental Fund Financial Statements, deferred revenue represents funds received in advance of being owed or receivables that will be collected and included in revenues of future fiscal years.

In the General Fund, deferred revenues relate to uncollected property tax receivables which were assessed as of December 31, 2008, billed on June 12, 2009, and payable on July 1, 2009 (with provisions for quarterly payments), plus delinquent balances less property tax amounts due as of the balance sheet date and received sixty days thereafter.

K. PROPERTY TAXES

The City is permitted by State Law to levy property taxes. The City’s fiscal 2008-2009 property taxes were levied on June 12, 2009 on assessed valuation as of December 31, 2008. Taxes were due July 1, 2009 or may be paid quarterly, without penalty, at the taxpayer’s option. Failure to mail payments by due dates will result in lien on taxpayer’s property.

A 12% penalty is imposed for all taxes in an overdue status.

The City offers a 3% discount to taxpayers who pay their assessment in full on or before the due date of the first quarterly installment.

Property tax revenue is recognized in accordance with Section P70 “**Property Taxes**” of the Codification of Governmental Accounting and Reporting Standards which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

L. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, City employees are granted vacation and sick leave in varying amounts based on length of service. They are allowed to accumulate the vacation and sick leave in accordance with the limits of the contracts. This time will be paid upon separation from City service.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

The entire compensated absence liability is reported on the Government-Wide Financial Statements. For Governmental Fund Financial Statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources (i.e. upon an employee's resignation or retirement). The balance of the liability not paid with expendable available financial resources is not recorded in the Governmental Fund Financial Statements.

M. ACCRUED LIABILITIES AND LONG-TERM DEBT

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims, judgments and compensated absences paid from governmental funds are reported as a liability in the Fund Financial Statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the Fund Financial Statements until due.

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

NOTE 2 - CAPITAL ASSETS

Capital asset activity for the year ended October 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Nondepreciable assets:				
Land	\$ 3,944,963	\$ 132,000	\$ -	\$ 4,076,963
Construction in progress	821,689	1,314,252	1,345,352	790,589
	<u>4,766,652</u>	<u>1,446,252</u>	<u>1,345,352</u>	<u>4,867,552</u>
Depreciable assets:				
Land improvements	3,464,738	-	-	3,464,738
Buildings & construction	58,008,790	1,641,277	-	59,650,067
Infrastructure	43,375,168	208,245	-	43,583,413
Machinery & equipment	10,677,985	845,344	-	11,523,329
Vehicles	13,273,279	-	-	13,273,279
Total Capital Assets	<u>133,566,612</u>	<u>4,141,118</u>	<u>1,345,352</u>	<u>136,362,378</u>
Less accumulated depreciation for:				
Land improvements	2,647,535	124,600	-	2,772,135
Buildings & construction	23,822,545	1,112,786	-	24,935,331
Infrastructure	29,260,557	711,028	-	29,971,585
Machinery & equipment	6,138,510	526,807	-	6,665,317
Vehicles	10,237,438	840,874	-	11,078,312
Total Accumulated Depreciation	<u>72,106,585</u>	<u>3,316,095</u>	<u>-</u>	<u>75,422,680</u>
Governmental Activities Capital Assets, Net	<u>\$ 61,460,027</u>	<u>\$ 825,023</u>	<u>\$ 1,345,352</u>	<u>\$ 60,939,698</u>
Business-Type Activities:				
Non-depreciable assets:				
Land	\$ 3,328,334	\$ -	\$ -	\$ 3,328,334
	<u>3,328,334</u>	<u>-</u>	<u>-</u>	<u>3,328,334</u>
Depreciable assets:				
Land improvements	208,215	-	-	208,215
Infrastructure	42,963,679	-	-	42,963,679
Buildings, pumps & tanks	19,196,796	-	-	19,196,796
Machinery & equipment	5,827,902	-	-	5,827,902
Vehicles	1,445,321	121,089	-	1,566,410
Total Capital Assets	<u>72,970,247</u>	<u>121,089</u>	<u>-</u>	<u>73,091,336</u>
Less accumulated depreciation for:				
Land improvements	155,740	10,411	-	166,151
Infrastructure	23,441,467	637,205	-	24,078,672
Buildings, pumps & tanks	13,092,135	461,157	-	13,553,292
Machinery & equipment	2,685,212	192,054	-	2,877,266
Vehicles	1,298,159	48,775	-	1,346,934
Total Accumulated Depreciation	<u>40,672,713</u>	<u>1,349,602</u>	<u>-</u>	<u>42,022,315</u>
Business-Type Activities Capital Assets, Net	<u>\$ 32,297,534</u>	<u>\$ (1,228,513)</u>	<u>\$ -</u>	<u>\$ 31,069,021</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

Depreciation expense was charged to governmental functions as follows:

General government	\$ 65,271
Public safety	1,044,669
Public works	957,916
Public libraries	95,505
Parks and recreation	323,681
Sanitation	4,774
Education	824,279
Total Depreciation Expense	<u>\$3,316,095</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN – The City's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$136,120,467. As of October 31, 2009, the City's debt subject to legal debt margin is \$22,130,000 and the City is under the debt limit by \$113,990,467.

B. DEFICIT FUND BALANCE IN FUND FINANCIAL STATEMENTS – Pursuant to Rhode Island General Law 16-2-18, a School Department is not permitted to incur a deficit. For the fiscal year ended October 31, 2009, the School Unrestricted Fund had a cumulative deficit of (\$6,191,830).

The following Nonmajor Governmental Funds also had a cumulative deficit as of October 31, 2009:

Special Revenue Funds:

Fire Decon Grant	\$ (204)
Fire UASI	(275)
Municipal Court	(52,279)
Rose Larisa Memorial Park	(1,941)
Stormwater Management Phase II	(17,100)
School Lunch	(125,969)
Senior Center Programs	(3,474)

Capital Project Funds:

Hull Street Renovations	\$ (19,820)
Open Space	(6,599)
2007 BAN Public Works	(1,309,022)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

NOTE 4 – CASH DEPOSITS

DEPOSITS – are in various financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and Statement of Net Assets as "Cash and Cash Equivalents and Cash Overdraft".

	<i>Carrying Amount</i>
Total Deposits	\$10,179,392
Add: Petty cash	3,460
Add: Investments classified as cash equivalents	2,627,672
Less: Cash classified as investments	(5,119,057)
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	\$ 7,691,467

CUSTODIAL CREDIT RISK – Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below. As of October 31, 2009, \$4,757,512 of the City's bank balance of \$10,952,706 was exposed to custodial credit risk as follows:

	<i>Bank Balance</i>
Insured (Federal depository insurance funds)	\$ 6,195,194
Collateralized with securities held by pledging financial institution or its agent, in the City's name	4,757,512
Uninsured and uncollateralized	-
<i>Total</i>	\$10,952,706

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At October 31, 2009 the City's uninsured or uncollateralized deposits with an institution was \$0.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

NOTE 5 – INVESTMENTS

The City invests in various types of investments, which are stated at fair value. The City Council has control over the type of investments made, but gives the Finance Director and Treasurer the authority to make investments with their approval. The Finance Director and Treasurer are not limited by the City Charter or by legal or contractual provision for the type of investments made.

<i>Investment Type</i>	<i>Fair Value</i>	<i>Investment Maturity (in years)</i>	
		<i>6 to 10</i>	<i>10 to 15</i>
Debt Securities:			
Pension Trust Fund -			
Bond Fund	\$ 6,021,450	\$ -	\$ 6,021,450
Fixed Income Mutual Funds	12,386,691	6,108,589	6,278,102
Total debt securities	18,408,141	\$ 6,108,589	\$ 12,299,552
 Other Investments:			
Pension Trust Fund -			
Quality Trust Liquidating Trust	770,462		
Equity Mutual Funds	16,703,650		
International Equity Group Trust	10,751,768		
Equity Securities	8,763,625		
Columbia Treasury Money Market Fund	1,727,162		
Other Funds -			
Fidelity Governmental Fund	630,931		
Treasury Obligations Fund	7,509,859		
U.S. Treasury Money Market Funds	2,515,344		
MBIA RI Investment Pool	379		
Columbia Treasury Money Market Fund	50,698		
Total other investments	49,423,878		
 Total investments	 67,832,019		
Less: Investments classified as cash equivalents	(2,627,672)		
Add: Cash classified as investments	5,119,057		
Total Investments Reported in the Financial Statements	\$ 70,323,404		

The investment maturities for the Bond Fund and the Fixed Income Mutual Funds have been presented based on the weighted average maturity of the fund.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

Credit Risk

The City has no investment policy that would further limit its investment choices beyond those limited by Rhode Island General Laws. Rhode Island General Laws permit the City's Pension Trust Fund to invest in certificates of deposit, savings accounts, money market accounts, obligations of the United States Government or certain obligations thereof, commercial paper with a rating of P-1, A-1 or higher as approved by the Fund's Board of Trustees, and investment grade debentures with a rating of AAA or AA by Standard & Poor's Rating Services and Aaa or Aa by Moody's Investor Service, Inc.

No credit risk disclosures are required under GASB Statement No. 40 relating to the investments in U.S. Treasury and U.S. Agency obligations.

The City's investments in debt securities, whose ratings are required to be disclosed in accordance with GASB No. 40, were rated as follows at October 31, 2009.

<u><i>Credit Rating</i></u>	<u><i>Bond Fund</i></u>	<u><i>Fixed Income Mutual Funds</i></u>	<u><i>Total Fair Value</i></u>
Aa1/AA+	\$ 6,021,450	\$ -	\$ 6,021,450
AA	-	6,108,589	6,108,589
Baa1	-	6,278,102	6,278,102
	<u>\$ 6,021,450</u>	<u>\$ 12,386,691</u>	<u>\$ 18,408,141</u>

The credit rating of the Bond Fund and Fixed Income Mutual Funds are based on the average credit rating of the funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal policy which addresses custodial credit risk.

Except for investments in mutual funds, money market funds and the MBIA RI investment pool, all of the City's investments were subject to custodial credit risk at October 31, 2009, as the investments are uninsured and held by the counterparty or the counterparty's trust department, but not in the City's name. Investments in mutual funds, money market funds and the MBIA RI investment pool are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

Concentrations of Credit Risk

The City places no limit on the amount of investment with any one issuer.

Investments in bond and equity mutual funds are not exposed to concentrations of credit risk, as they are considered to be diversified by nature. In addition, no individual holdings of equity securities exceeded 5% of total investments, and investments in U.S. Treasury obligations are not considered to be exposed to concentrations of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have a formal policy to limit foreign currency risk.

As of October 31, 2009, the International Equity Group Trust had 87.90% of its assets in international investments and the Quality Trust Liquidating Trust had 42.87% of its assets in international investments.

NOTE 6

A. LONG-TERM LIABILITIES

Long-term liability activity for the governmental activities for the year ended October 31, 2009 was as follows:

	<i><u>Beginning Balance</u></i>	<i><u>Additions</u></i>	<i><u>Reductions</u></i>	<i><u>Ending Balance</u></i>	<i><u>Within One Year</u></i>
Governmental Activities					
Bonds, capital leases, & loans payable:					
General obligation bonds	\$ 21,979,800	\$ -	\$ 2,291,500	\$ 19,688,300	\$ 2,266,500
Capital leases payable	5,176,531	324,284	1,599,043	3,901,772	1,085,737
Loans payable	3,170,000	-	150,000	3,020,000	205,000
Plus: amortized premium on bonds	9,934	-	6,623	3,311	3,311
Total bonds, capital leases, and loans payable	<u>30,336,265</u>	<u>324,284</u>	<u>4,047,166</u>	<u>26,613,383</u>	<u>3,560,548</u>
Other liabilities:					
Compensated absences	4,192,559	122,090	95,416	4,219,233	-
Net pension obligation	30,754,775	4,665,885	-	35,420,660	-
Net other postemployment benefit obligation	-	2,395,890	-	2,395,890	-
Total other liabilities	<u>34,947,334</u>	<u>7,183,865</u>	<u>95,416</u>	<u>42,035,783</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u><u>\$ 65,283,599</u></u>	<u><u>\$ 7,508,149</u></u>	<u><u>\$ 4,142,582</u></u>	<u><u>\$ 68,649,166</u></u>	<u><u>\$ 3,560,548</u></u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

The General Fund, School Unrestricted Fund, CDBG Activities Fund and Rescue Service Fees Fund make payments on the bonds, loans, and capital leases payable that pertain to the City's Governmental Activities. The compensated absences liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The net pension obligation attributable to the Governmental Activities will be liquidated by the General Fund.

Long-term liability activity for the business-type activities for the year ended October 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities					
Bonds and loans payable:					
General obligation bonds -WPC	\$2,640,200	\$ -	\$198,500	\$ 2,441,700	\$198,500
Loan payable - Water	200,000	-	200,000	-	-
Loan payable - WPC	<u>1,155,000</u>	<u>10,000,000</u>	<u>165,000</u>	<u>10,990,000</u>	<u>166,000</u>
Total bonds and loans payable	<u>3,995,200</u>	<u>10,000,000</u>	<u>563,500</u>	<u>13,431,700</u>	<u>364,500</u>
Other liabilities:					
Compensated absences	<u>311,633</u>	<u>23,706</u>	<u>-</u>	<u>335,339</u>	<u>-</u>
Total other liabilities	<u>311,633</u>	<u>23,706</u>	<u>-</u>	<u>335,339</u>	<u>-</u>
Business-Type Activities					
Long-Term Liabilities	<u>\$4,306,833</u>	<u>\$ 10,023,706</u>	<u>\$563,500</u>	<u>\$ 13,767,039</u>	<u>\$364,500</u>

B. GENERAL OBLIGATION BONDS

The debt service requirements for the City's general obligation bonds at October 31, 2009 were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds</u>		<u>Business-Type Activities General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,266,500	\$ 856,307	\$198,500	\$125,051
2011	1,471,500	774,290	198,500	115,349
2012	1,471,500	713,843	198,500	105,545
2013	1,466,500	652,085	198,500	95,640
2014	1,466,500	588,841	198,500	85,634
2015-2019	7,332,500	1,970,991	992,500	274,545
2020-2024	<u>4,213,300</u>	<u>497,819</u>	<u>456,700</u>	<u>63,748</u>
	<u>\$19,688,300</u>	<u>\$6,054,176</u>	<u>\$2,441,700</u>	<u>\$865,512</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

C. SCHEDULE OF BONDS PAYABLE

<i>Purpose</i>	<i>Original Issue Amount</i>	<i>Date Issued</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Outstanding 11/1/2008</i>	<i>New Issues</i>	<i>Maturities During Year</i>	<i>Outstanding 10/31/09</i>
<i>Governmental Activities</i>								
<i>Bonds Payable:</i>								
General obligation refunding	\$ 5,065,000	3/10/2005	3%	5/15/2010	\$ 1,615,000	\$ -	\$ 820,000	\$ 795,000
General obligation school	5,095,000	6/15/1999	4.25-6%	6/15/2019	2,880,000	-	265,000	2,615,000
General obligation	9,000,000	5/15/2003	2.25-4.75%	5/15/2023	6,750,000	-	450,000	6,300,000
General obligation	2,575,800	5/15/2000	5.5-6.5%	5/15/2020	1,515,800	-	132,500	1,383,300
General obligation	5,130,000	5/15/2001	4-5%	5/15/2021	3,315,000	-	255,000	3,060,000
General obligation	7,380,000	5/15/2004	3.75-5%	5/15/2024	5,904,000	-	369,000	5,535,000
<i>Total governmental activities bonds payable</i>					<u>21,979,800</u>	<u>-</u>	<u>2,291,500</u>	<u>19,688,300</u>
<i>Business-Type Activities</i>								
<i>Bonds Payable:</i>								
General obligation sewer	2,284,200	5/15/2000	5.5-6.5%	5/15/2020	1,344,200	-	117,500	1,226,700
General obligation sewer	1,620,000	5/15/2004	3.75-5%	5/15/2024	1,296,000	-	81,000	1,215,000
<i>Total business-type activities bonds payable</i>					<u>2,640,200</u>	<u>-</u>	<u>198,500</u>	<u>2,441,700</u>
<i>Total bonds payable</i>					<u>\$ 24,620,000</u>	<u>\$ -</u>	<u>\$ 2,490,000</u>	<u>\$ 22,130,000</u>

D. CAPITAL LEASE COMMITMENTS

<i>Governmental Activities Capital Leases Payable</i>	
<u><i>Fiscal Year</i></u>	<u><i>Total</i></u>
2010	\$1,230,962
2011	1,018,820
2012	733,855
2013	488,446
2014	340,027
2015-2017	519,269
Total minimum lease payments	<u>4,331,379</u>
Less: amount representing interest cost	(429,607)
Present value of minimum lease payments	<u>\$3,901,772</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
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E. LOANS PAYABLE

The following schedule summarizes the City's loans payable:

<u>Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Interest Rate</u>
Governmental Activities				
HUD Section 108 Loan	8/7/2003	8/1/2023	\$3,000,000	1.21-5.69%
RIHBEC School Loan	10/27/2005	10/27/2012	\$525,000	4.583%
Business –Type Activities				
RI Clean Water Loan	5/3/2004	9/1/2009	\$1,001,000	2.184%
RI Clean Water Loan	3/10/1993	9/1/2015	\$3,300,000	2.99893%
RI Clean Water Loan	10/6/2009	9/1/2030	\$10,000,000	2.59-4.43%

The debt service through maturity for the above loans is as follows:

<u>Fiscal Year</u>	<u>Governmental Activities Loans Payable</u>		<u>Business-Type Activities Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 205,000	\$ 157,076	\$ 166,000	\$ 78,705
2011	205,000	148,222	511,000	333,784
2012	210,000	139,006	521,000	356,708
2013	125,000	129,285	532,000	341,776
2014	175,000	123,247	544,000	325,876
2015-2019	1,045,000	477,860	2,275,000	1,392,607
2020-2024	1,055,000	150,028	2,567,000	999,687
2025-2029	-	-	3,159,000	496,275
2030	-	-	715,000	26,893
	<u>\$3,020,000</u>	<u>\$1,324,724</u>	<u>\$10,990,000</u>	<u>\$4,352,311</u>

The RI Clean Water Loans in the Business-Type Activities are revenue loans. The revenue loans are secured by the revenues derived from the operation of the City's water pollution control system.

NOTE 7 – SHORT-TERM DEBT

The City issued the following short-term notes during fiscal year 2009:

- A. Bond Anticipation Notes** – Bond anticipation notes in the amount of \$2,000,000 were issued on May 27, 2009 with an interest rate of 2.9% and mature on May 26, 2010. The proceeds were deposited to the 2007 BAN Public Works Fund.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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B. Tax Anticipation Notes – Tax anticipation notes in the amount of \$25,000,000 were issued on December 18, 2008 and matured on July 8, 2009 with an interest rate of 2.98%. The proceeds were deposited into the General Fund.

C. Revenue Anticipation Notes – Revenue anticipation notes in the amount of \$600,000 were issued on May 28, 2009 with an interest rate of 3.4% and mature on May 26, 2010. The proceeds were deposited into the WPC Fund.

The following schedule summarizes the City’s short-term debt activity for the year:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>
Governmental Activities:				
Bond anticipation notes	\$2,000,000	\$ 2,000,000	\$ 2,000,000	\$2,000,000
Tax anticipation notes	--	25,000,000	25,000,000	--
Governmental Activities Short-Term Debt	<u>\$2,000,000</u>	<u>\$27,000,000</u>	<u>\$27,000,000</u>	<u>\$2,000,000</u>
Business-Type Activities:				
Revenue anticipation notes	\$600,000	\$600,000	\$600,000	\$600,000
Business-Type Activities Short-Term Debt	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$600,000</u>	<u>\$600,000</u>

NOTE 8 – OPERATING LEASES

The City has entered into operating leases for equipment. As of October 31, 2009, future minimum rental commitments under operating leases are as follows:

<u><i>Fiscal Year Ended October 31,</i></u>	
2010	\$60,693
2011	52,615
2012	9,081
Future minimum rental commitments	<u>\$122,389</u>

Rental expenditures related to operating leases were approximately \$83,583 in fiscal year 2009.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
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NOTE 9 – INTERFUND BALANCES

The City reports interfund balances between many of its funds. The totals of all balances agree with the sum of interfund balances presented in the fund statements.

	<i>Due To</i>					<i>Total</i>
	<i>General Fund</i>	<i>Unrestricted Fund</i>	<i>Other Governmental Funds</i>	<i>Water Fund</i>	<i>WPC Fund</i>	
<i>Due From</i>						
General Fund	\$ -	\$ 6,331,262	\$ 50,286	\$ -	\$ -	\$ 6,381,548
School Unrestricted Fund	48,386	-	16,442	-	-	64,828
Other Governmental Funds	506,088	325,454	155,734	-	-	987,276
Water Fund	21,058	-	-	-	1,893,262	1,914,320
WPC Fund	1,210,342	-	-	1,011,000	-	2,221,342
Agency Funds	12,200	-	-	-	-	12,200
Total	\$ 1,798,074	\$ 6,656,716	\$ 222,462	\$ 1,011,000	\$ 1,893,262	\$ 11,581,514

The balances primarily result from the time lag between the dates the 1) transactions are recorded in the accounting system and 2) payments between funds are made.

NOTE 10 – INTERFUND TRANSFERS

	<i>Transfer To</i>				<i>Total</i>
	<i>General Fund</i>	<i>Unrestricted Fund</i>	<i>Other Governmental Funds</i>	<i>Water Fund</i>	
<i>Transfer From</i>					
General Fund	\$ -	\$43,491,316	\$ 257,130	\$ -	\$ 43,748,446
Other Governmental Funds	1,280,963	-	284,125	-	1,565,088
WPC Fund	-	-	-	300,000	300,000
Total	\$ 1,280,963	\$43,491,316	\$ 541,255	\$ 300,000	\$ 45,613,534

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them. For example, the \$43,491,316 is the School appropriation that is budgeted in the General Fund as a revenue source to be transferred to the School Unrestricted fund and expended.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Financial Statements
October 31, 2009

NOTE 11 – NET ASSETS/FUND BALANCES

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt; restricted; and unrestricted.

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Assets – This category presents external restrictions imposed by grantors, laws and regulations and enabling legislation.

Unrestricted Net Assets – This category represents net assets of the City, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. At October 31, 2009, reservations and designations of fund balance are described below:

Reserve for encumbrances – to reserve for purchase commitments which have not lapsed at year-end, but do not constitute an expenditure or liability.

Reserve for inventory and prepaid expenditures – to reserve funds for those assets that are not an available financial resource for the current year, but will be consumed in the subsequent year.

Reserve for equipment replacement and capital projects – to reserve monies for future equipment replacement purchases and capital projects.

Reserve for permanent funds – to reserve funds held in accordance with the terms of trust agreements.

Reserve for School Unrestricted Fund deficit – to reserve those assets that are not an available financial resource for appropriation in the subsequent fiscal year.

NOTE 12 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The City disaggregates significant components of receivables in the financial statements. Receivable balances determined to be immaterial are reported as other receivables, except for loans receivable of \$3,872,042 which are included in other receivables as of October 31, 2009. The City expects to collect all receivables within the subsequent year except for loans receivable in the Community Development

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Activities Fund. These loans receivable are payable over a number of years based on the individual loan agreements. As of October 31, 2009, the City's property taxes receivable is net of an allowance for uncollectible accounts of \$1,800,000.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at October 31, 2009, were as follows:

	<u>Vendors</u>	<u>Salaries & Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,209,956	\$ 1,812,134	\$ 326,891	\$ 3,348,981
School Unrestricted Fund	8,737,890	522,310	10,000	9,270,200
Other Governmental Funds	2,323,172	-	220,300	2,543,472
	<u>\$ 12,271,018</u>	<u>\$ 2,334,444</u>	<u>\$ 557,191</u>	<u>\$ 15,162,653</u>
Business-Type Activities:				
Water Fund	\$ 493,851	\$ 90,493	\$ -	\$ 584,344
Water Pollution Control Fund	598,859	71,214	-	670,073
	<u>\$ 1,092,710</u>	<u>\$ 161,707</u>	<u>\$ -</u>	<u>\$ 1,254,417</u>

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City of East Providence administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 17. The plan provides medical, dental, and life insurance for eligible retirees and their dependents through the City's group health and life insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the City and the respective unions. The plan does not issue a publicly available financial report. The City implemented GASB Statement No. 45 in fiscal year 2009 on a prospective basis.

The following groups of retirees receiving a pension from the City's Police and Fire Pension Plan, the Employees' Retirement System, or the Municipal Employees' Retirement System are eligible for post employment benefits:

- Police and Fire – retirees with at least 10 years of service are eligible at age 60; retirees with at least 20 years of service are eligible at any age
- Teachers with 10 or more years of service as of June 30, 2005 (Schedule A) – retirees with at least 10 years of creditable service are eligible at age 60; retirees with at least 28 years of creditable service are eligible at any age

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- Teachers with less than 10 years of service as of June 30, 2005 (Schedule B) – retirees with at least 10 years creditable service are eligible at age 65; retirees with at least 20 years of creditable service are eligible at age 62; retirees with at least 29 years of creditable service are eligible at age 62
- General Employees – retirees with at least 10 years of service are eligible at age 58; retirees with at least 20 years of service are eligible at age 50; retirees with at least 30 years of service are eligible at any age
- Disability – employees on service-related disability are eligible at any age; employees on non-service related disability are eligible with 10 years of service for police and fire or 5 years of service for general employees and teachers
- Pre-Retirement Death – police and fire – service-related – surviving spouse eligible at any age; police and fire – non-service related – surviving spouse eligible after 3 years of service; general employees and teachers – surviving spouse is eligible
- Post-Retirement Death – surviving spouse eligible

Police, Fire and City General Employees – Medical and prescription drug benefits and group life insurance of \$5,000 are provided to eligible retirees until age 65 or 3 years after retirement, whichever is later. Disabled police and firefighters receive benefits for life. Medical and prescription drug benefits are payable to a spouse until age 65 or 3 years after retirement, whichever is later. Retirees do not contribute to post employment benefits.

Teachers and School General Employees – Medical and prescription drug benefits, dental benefits, and group life insurance of \$25,000 are provided to eligible retirees. Medical, prescription drug, and dental benefits cease upon attainment of age 65. Life insurance benefits cease upon attainment of age 70 (teachers, teachers assistants, principals and administrators), age 75 (custodians), or age 80 (secretaries). Benefits are payable to a spouse until attainment of age 65. Benefits are fully paid for the retiree to age 65. Benefits to spouses are paid as follows:

- Teachers – Spouses receive fully paid coverage for 2 years following retirement. After that point, spouses can continue coverage by paying retiree contributions based on date of retirement
- Teacher Assistants – Spouses receive fully paid coverage for 1 year following retirement
- Principals, Administrators, Custodians, and Secretaries – Spouses receive fully paid coverage until retiree's age 65

Funding Policy

Contribution requirements are negotiated between the City and the respective unions. The City is required to contribute the cost of medical and life insurance benefits. For the year ended October 31, 2009, the plan operated on a pay-as-you-go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended October 31, 2009, the City contributed \$2,510,526 to the plan and the School Department contributed \$3,448,122.

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Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost for the plan is calculated based on the annual required contribution (ARC) for the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation:

	<i>City</i>	<i>School</i>
Annual required contribution (ARC)	\$4,906,416	\$2,045,165
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost	4,906,416	2,045,165
Contributions made	(2,510,526)	(3,448,122)
Increase (decrease) in net OPEB obligation	2,395,890	(1,402,957)
Net OPEB obligation (asset), beginning of year	-	-
Net OPEB obligation (asset), end of year	\$2,395,890	\$(1,402,957)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal 2009 are as follows:

	<i>Fiscal Year Ended</i>	<i>Annual OPEB Cost</i>	<i>Percentage of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i>
City	10/31/09	\$4,906,416	51.2%	\$ 2,395,890
School	10/31/09	\$2,045,165	168.6%	\$(1,402,957)

Funded Status and Funding Progress

The funded status of the City's plan as of October 31, 2009, the most recent actuarial valuation, is as follows:

	<i>City</i>	<i>School</i>
Actuarial Accrued Liability (AAL)	\$78,291,702	\$27,709,764
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$78,291,702	\$27,709,764
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%	0%
Annual Covered Payroll (Active Plan Members)	N/A	N/A
UAAL as a Percentage of Covered Payroll	N/A	N/A

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The annual required contribution for fiscal 2009 was determined as part of the October 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. Under this funding method, the recommended annual contributions consist of two pieces: normal cost plus a payment towards the unfunded accrued liability. The accrued liability is determined directly as the present value of benefits accrued to date, where the accrued benefit for each member is the pro-rata portion (based on service to date) of the projected benefit payable at death, disability, retirement or termination. The normal cost is similarly determined as the present value of the portion of the projected benefit attributable to the current year. The actuarial assumptions included: a) investment rate of return -5%, assuming pay-as-you-go basis for City and 8%, prefunded scenario for School; b) medical/drug cost trend rate -9% decreasing by 0.75% for 5 years and by 0.50% for 1 year to an ultimate level of 5% per year; c) dental trend rate (School only) -5%; and d) administrative expense trend rate (School only) -4%. The unfunded actuarial accrued liability as of October 31, 2009 is being amortized using level percent 30-year open amortization (payments increasing at 4.5%).

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are formulated about the future.

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NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. LITIGATION

On January 5, 2009 the East Providence School Committee implemented rollbacks in compensation for its certified teachers, members of the East Providence Education Association (“Union”), pursuant to RI General Laws 16-2-9(d), to avoid a deficit in fiscal year 2009. This action resulted in the Union filing unfair labor practice charges, and a complaint by the Rhode Island Labor Relations Board against the School Committee. The Union also filed for arbitration challenging several aspects of the Committee’s actions and issued a complaint with the Rhode Island Department of Labor and Training.

The RI Labor Relations Board ruled in August 2009 that no further action would take place pending the outcome of the litigation in Superior Court described below. The parties to the arbitration proceedings also agreed to hold any further action until the Superior Court issued a decision in the litigation described below.

The School Committee filed a complaint on March 12, 2009, seeking declaratory relief pursuant to RI General Law 9-30-1 asking the RI Superior Court to construe relevant provisions of the applicable RI General Laws with respect to the School Committee’s action to avoid a deficit by implementation of the rollbacks. The Superior Court ruled in favor of the School Committee on March 15, 2010.

At this time, the City is unable to determine the possible outcome of the arbitration challenging specific aspects of the rollback in compensation or the complaints filed with the RI Labor Relations Board or the RI Department of Labor and Training.

During the ordinary course of its operations, the City is also a party to various claims, legal actions and complaints. In the opinion of the City's management and legal counsel, the potential outcome and liability, if any, associated with these claims cannot be determined at this time.

B. FEDERALLY ASSISTED PROGRAMS - COMPLIANCE AUDITS

The City and School Department participate in a number of federally assisted programs. The audits of these programs through the year ended October 31, 2009 were performed in connection with the accompanying financial statements under the Single Audit concept and the auditor's reports thereon are presented in the Single Audit Section. The amount, if any, of expenditures, which may be disallowed, will not be material to the financial position of the City except as follows.

In December 2009 the RI Department of Education completed an audit of the William Perkins Career and Technical grant funds expended by the East Providence Career and Technical Center. The audit objective was to determine if the East Providence School Department had systems that complied with the program and financial standards required by recipients of federal funds under the Education Department General Administrative Requirements (ED GAR) 34 CFR Part 80 “Uniform Administrative Requirements for Grants and Cooperative Agreements”, and the Office of Management and Budget (OMB) Circular A-87 Allowable Costs. The audit resulted in questioned cost findings of approximately \$320,000. At this time the City is unable to determine the amount of questioned costs, if any, that will be required to be repaid to the federal funding agency.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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NOTE 15 – RISK MANAGEMENT

The City of East Providence is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement, which outlines the rights and responsibilities of both the Trust and the City. The agreement states that for premiums paid by the City, the Trust will assume financial responsibility for the City's losses up to the maximum amount of insurance purchased, minus the City's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism, which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the City is insured for various amounts depending on the type of coverage provided. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. The City self-insures for workers' compensation claims and used Beacon Mutual as its third-party administrator.

NOTE 16 – SUBSEQUENT EVENTS

- A. On December 16, 2009 the City issued \$28,000,000 in General Obligation Tax Anticipation Notes. The notes bear interest of 1.79% and mature on July 15, 2010.
- B. On November 19, 2009 the City issued \$6,000,000 in Water Revenue Loans. The loans bear interest of 2.09 - 4.76% and mature September 1, 2010 – September 1, 2030.
- C. On February 12, 2010 the City issued \$561,206 in Water Revenue Loans. The loans bear interest of 1.05 - 3.61% and mature September 1, 2010 – September 1, 2030.
- D. On April 11, 2010 the City entered into a design, build and operate services contract with United Water Environmental Services Inc. for its wastewater system. The initial term of the agreement is 10 years with an option to extend for an additional 10 years. The fixed design/build prices are as follows: plant \$20,884,861 and collection system \$24,730,993. The agreement also provides for the payment of monthly fees to United Water for the operation of the system which have fixed and variable components.

NOTE 17 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

All City of East Providence certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("ERS"), a cost-sharing multiple-employer defined benefit plan administered by the State of Rhode Island. The payroll for employees covered by the ERS for the year ended October 31, 2009 was \$33,244,920, which consisted of \$2,110,949 for employees charged to federal programs and \$31,133,971 for all other employees.

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The State of Rhode Island issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for the ERS. That report may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, RI.

Plan Description

The following eligibility and benefit provisions are established by Rhode Island General Laws, Title 16, Chapter 16-16, and were amended by the General Assembly in 2005 and 2009. All East Providence School Department certified school personnel are eligible to participate in the System if they are certified by the Board of Regents, engaged in teaching as principal occupation and are regularly employed on at least a half time basis. Superintendents, principals, business agents and other administrators participate as teachers. Employees are vested in their retirement benefits upon completion of 10 years of service.

Schedule A Provisions – Members Vested as of June 30, 2005

Employees who retire at or after age 60 with 10 years of credited service, or after 28 years of credited service regardless of age are entitled to a retirement benefit. The retirement benefit is equal to 1.7% of final average salary for each year of credited service up to 10 years, plus 1.9% of final average salary in excess of 10 years through 20 years, plus 3.0% of final average salary in excess of 20 years up to the 34th year of service, plus 2.0% of final average salary for the 35th year, up to a maximum benefit of 80% of final average salary. Final average salary is the average of the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay. Members receive a 3% compounded increase in their retirement benefit each year, beginning in January of the year in which the member reaches the third anniversary of retirement.

Schedule B Provisions – Members Vested After June 30, 2005

Employees who retire at or after age 65 with 10 years of credited service, or at or after age 59 with 29 years of credited service are entitled to a retirement benefit. In addition, a member may retire with a reduced benefit after attaining age 55 with at least 20 years of service credit. The benefit is calculated in the same manner as the unreduced benefit, but is reduced on an actuarial basis for each year the member's age at retirement is less than 65. The retirement benefit is equal to 1.6% of final average salary for each year of credited service up to 10 years, plus 1.8% of final average salary in excess of 10 years through 20 years, plus 2.0% of final average salary in excess of 20 years through 25 years, plus 2.25% of final average salary in excess of 25 years through 30 years, plus 2.5% of final average salary in excess of 30 years through 37 years of service, plus 2.25% of final average salary for the 38th year, up to a maximum benefit of 75% of final average salary. Final average salary is the average of the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay. Beginning the month after the 3rd anniversary of a member's date of retirement, members receive a cost of living adjustment that depends on the change in the CPI for all Urban Consumers, as published by the Bureau of Labor Statistics. The increase is equal to the year-to-year change in the CPI – U as of the prior September. The increase is limited to 3.0% in any year.

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Plan Changes Enacted into Law by General Assembly in 2009

The following plan changes become effective October 1, 2009. Plan members who are eligible to retire as of September 30, 2009, are not affected by the changes, even if the plan members do not retire. The plan changes are as follows:

Retirement Eligibility

The law establishes a minimum retirement age of 62 for all members, except those Schedule B members who retire with less than 29 years of service; their retirement eligibility still remains 65 years old with a minimum of 10 years of service credit. The law provides a proportional downward adjustment of the minimum retirement age based on the years of service credited to the plan member's account as of September 30, 2009.

Service Credit Accrual Rates

The law freezes service credit earned for members under Schedule A as of September 30, 2009. Future accrual of service credits will be earned under Schedule B.

Final Average Salary

For members not eligible to retire as of September 30, 2009, the final average salary will be based on the 5 consecutive highest years of salary.

Cost of Living Adjustments (COLA)

The law changes the COLA to that provided under Schedule B which is the lower of the Consumer Prime Index (CPI) or 3%, and requires a full 3 year anniversary for receipt.

Service Credit Purchases

Effective for all service credit purchase requests received after June 16, 2009, the cost will be determined at full actuarial value, except purchases of military service and contribution refund paybacks.

Disability Provisions

Effective for applications filed after September 30, 2009, accidental disability will be available at 66 2/3% for members who are permanently and totally disabled as determined by the Retirement Board. If the disability is determined to be partial and the member is able to work in other jobs, the benefit will be limited to 50%.

Funding Policy

Covered employees are required by State Statute to contribute 9.5% of their salary to the plan. The State and the School Department are required to contribute an amount determined annually by the actuary and as provided by State Statute. The split between State and the School Department is specified by State Statute. The contribution requirement for the period November 1, 2008 through October 31, 2009 was 20.07%. The Teachers' Plan cost is paid 60% by the School Department and 40% by the State. However, the State

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will pay the total cost of the contribution deferrals, which was .26% for the period November 1, 2008 through October 31, 2009. This results in a contribution requirement for the School Department of 11.89% and a contribution requirement for the State of 8.18% for the period November 1, 2008 through October 31, 2009.

The State contribution for the cut off year ended October 31, 2009 was \$2,546,759, which represented 7.66% of covered payroll. The payments made by the State to the Employees' Retirement System are considered on behalf of payments and are reported as a revenue and as an expenditure in the financial statements. The contribution requirement for the cut off year ended October 31, 2009 was \$7,111,019, which consisted of \$3,952,964 from the School Department (\$417,252 for federally funded employees and \$3,535,712 for other employees), and \$3,158,055 from employees. These contributions represented 11.9% and 9.5% of covered payroll respectively. The annual required contribution was determined as part of the June 30, 2006 and June 30, 2007 actuarial valuations respectively.

The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented 4.6% of total contributions required of all participating entities.

Trend Information

<i><u>Fiscal Year</u></i>	<i><u>Annual Required Contribution</u></i>	<i><u>Percentage Contributed</u></i>
10/31/07	\$4,144,033	100%
10/31/08	5,043,338	100%
10/31/09	3,952,964	100%

B. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

The City of East Providence participates in the Municipal Employees' Retirement System ("MERS"), an agent multiple-employer defined benefit plan administered by the State of Rhode Island. All City employees except police officers, firefighters and certified school personnel participate in the System.

The payroll for employees covered by the MERS for the year ended October 31, 2009 was \$18,284,427.

The State of Rhode Island's Municipal Employees' Retirement System issues a publicly available annual financial report that includes financial statements and required supplementary information (RSI). That report may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 40 Fountain Street, Providence, Rhode Island.

Plan Description

The following eligibility and benefit provisions are established by Rhode Island General Laws, Title 45, Chapter 19, 19.1, 21, 21.1, 21.2 and 21.3 and may be amended by State Statute. The MERS generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number years

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of total service up to 37.5 years, with a maximum benefit of 75% of final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses or severance pay. Such benefits are available to members at least age 58 with 10 years of service or after 30 years regardless of age. The plan also provides non-service connected disability benefits after 5 years of service, service connected disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits upon the completion of 10 years of service. Members employed by municipalities who elect one of the optional COLA provisions receive an increase equal to 3% of the original retirement benefit each year beginning January 1 following the member's retirement. The City has elected COLA provision B.

Funding Policy

General employees are required by State Statute to contribute 6% of their annual earnings. The contribution rate is increased to 7% with the optional cost-of-living provision. The City is required to contribute based on an actuarially determined amount and as provided by State Statute for each participating municipality. The City's rate for fiscal year 2008-2009 was 16.52% for the period November 1, 2008 through June 30, 2009 and 16.04% for the period July 1, 2009 through October 31, 2009.

Annual Pension Cost

For 2008-2009, the City's annual pension cost of \$2,998,698 for the MERS was equal to the City's required and actual contributions.

Three-Year Trend Information

General Municipal Employees

<u><i>Fiscal Year</i></u>	<u><i>Annual Pension Cost (APC)</i></u>	<u><i>Percentage of APC Contributed</i></u>	<u><i>Net Pension Obligation</i></u>
2007	\$2,509,923	100%	-
2008	2,943,391	100%	-
2009	2,998,698	100%	-

The required contribution was determined as part of the June 30, 2006 and June 30, 2007 actuarial valuations. The actuarial method used is the entry age actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial accrued liability. Significant actuarial assumptions used in the June 30, 2006 and June 30, 2007 valuations include the following:

- 1) Investment return – 8.25%, compounded annually, composed of an assumed 3.0% inflation rate and a 5.25% net real rate of return
- 2) Projected salary increases – a service related component, plus a 4.5% wage inflation assumption (composed of a 3% price inflation assumption and a 1.5% additional general increase)
- 3) Cost of living adjustment – 3%, not compounded

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The actuarial value of assets is based on market value of assets with a five year phase-in of actual investment return in excess of (less than) expected investment income. The MERS' unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of payroll on a closed basis. The remaining amortization period at June 30, 2006 and June 30, 2007 was 23 years and 22 years, respectively.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the general employees plan was 70.2% funded. The actuarial accrued liability for benefits was \$90,948,017, and the actuarial value of assets was \$63,830,490, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,117,527. The covered payroll (annual payroll of active employees covered by the plan) was \$18,754,676, and the ratio of the UAAL to the covered payroll was 144.6%. The June 30, 2008 actuarial valuation used the same methods and assumptions described above under "annual pension cost."

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. POLICE AND FIREFIGHTERS PENSION PLAN

Plan Description

The Police and Firefighters Pension Plan of the City of East Providence (the Plan) is a contributory, single-employer, defined benefit plan that was established on November 1, 1961 under Chapter 357 of the City Ordinances of the City of East Providence, Rhode Island. It is directed and operated by a Board of Trustees consisting of the City Manager, the Director of Finance of the City and one representative each from the Fire Department, Police Department, City Council, Retiree from the Police or Fire Departments, and General Public. Bank of America is trustee of the Plan's investment funds that are managed by Bank of America, Income Research Management, Loomis Sayles, Pimco, Artio Global Investors, LSV Investment Advisors, Edgewood Management and State Street Global Advisors. Bank of America maintains custody of some of these funds and is responsible for the maintenance of the primary accounting functions. For financial reporting purposes, the Police and Firefighters Pension Plan are included as a Pension Trust Fund in the City of East Providence, Rhode Island's financial statements. The City does not issue a separate, publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police and Firefighters Pension Plan.

All members of the Police and Fire Departments of the City of East Providence are covered by this plan. The City's payroll for employees covered by the Plan for the year ended October 31, 2009 was \$13,164,937.

As of October 31, 2008, employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	224
Active plan members	<u>211</u>
	<u>435</u>

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Benefit Provisions

The benefit provisions of the Plan were established and may be amended by City Ordinance and are as follows:

Service Retirement

Participants may take normal retirement at the earlier of attaining age 60 and completing 10 years of credited service or upon completing 20 years of credited service. Annual benefits under the first alternative are based on 2% of salary for each year of credited service to a maximum of 70% of salary. Annual benefits under the second alternative are based on 2 1/2% of salary for each of the first 24 years of credited service, plus 2% of salary for each additional year of credited service for years 25 to 28, plus 1% of salary for years 29 and 30, to a maximum of 70% salary.

Disability Retirement

Active participants that are disabled by a service related act are eligible for disability retirement. Annual benefits are based on 66 2/3% of salary at time of disability plus 10% of salary for each child under age 18 to a maximum of 80% of salary. If a participant is disabled by a nonservice related act and has 10 years of credited service, he or she is also eligible for disability retirement. Under these circumstances, annual benefits are based on 1 3/4% of salary at time of disability for each year of service to date of disability, with a minimum benefit of 25% of salary, and maximum benefit of 50% of salary. If credited service at date of disability is twenty years or more, at age 55 the participant is entitled to a service retirement annuity.

Termination of Service Prior to Retirement

Any member withdrawing from service prior to being eligible for normal service retirement, but having completed at least 10 years of credited service, is entitled to a deferred annual benefit beginning at age 55. Those who terminate service prior to satisfying the vesting requirements will be entitled to a return of their contributions without interest.

Death Benefits

If an active participant dies from an act of duty, the beneficiary will receive the death benefits based on the marital and dependent status at time of death. With a surviving spouse, death benefits will be paid equal to 50% of salary at time of death, plus 10% of salary for each child under age 18 to a maximum of 70% of salary. Without a surviving spouse, death benefits will be paid equal to 15% of salary at time of death for each child under the age of 18 to a maximum of 60% of salary.

If an active participant dies from a nonservice related act and has 3 years of credited service, death benefits will be paid to the surviving spouse upon attaining age 55 equal to 30% of salary increased by 1% for each year of service in excess of 3 years, to a maximum of 50% of salary, plus 10% of salary for each child under age 18 to a maximum of 60%, with benefits to spouse and children under age 18 beginning immediately.

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With respect to a spouse's death benefit, the benefits described above will be paid, or 67.5% of the final pension payment will be paid if this provides a higher benefit payment.

Cost of Living Adjustments

For police officers, participants who retired between November 1, 1982 and November 1, 1984 receive 3% compounded cost of living increases annually, while participants who retired after November 1, 1994, receive 3% compounded cost of living increases annually at or after age 51. After October 1, 1995, an annual 3% compounded cost of living increase is extended to disabled police officers prior to age 51. For firefighters, participants who retired after November 1, 1985 receive 3% compounded cost of living increases annually at or after age 51. Participants who retired after November 1, 1989 receive 3% compounded cost of living increases annually regardless of age.

Funding Policy

The contribution requirements were established and may be amended by City Ordinance. City Ordinance requires that the City contribute the normal cost plus a payment towards the unfunded actuarial accrued liability, which is referred to as the City's customary contribution. During 1992, management of the Plan instructed the actuary to calculate payments on the unfunded accrued liability, which will be sufficient to completely amortize it over periods of 15-30 years, depending on events that caused the unfunded liability. Effective October 31, 2007, a new amortization period of 30 years has been implemented. Police officers and firefighters contribute to the Plan in accordance with their union contracts. Police officers and firefighters currently contribute 8% of compensation to the Plan.

Based on the above, the City's customary contribution requirement for the plan year beginning November 1, 2008 is developed as follows:

	<u><i>Police</i></u>	<u><i>Fire</i></u>	<u><i>Total</i></u>
Normal Cost	\$ 823,384	\$1,010,025	\$1,833,409
Amortization of unfunded actuarial accrued liability	1,150,804	1,384,417	2,535,221
<i>Total City customary contribution</i>	<u><u>\$1,974,188</u></u>	<u><u>\$2,394,442</u></u>	<u><u>\$4,368,630</u></u>

The City made contributions in fiscal year 2009 of \$1,567,216 which is substantially less than the City's customary contribution shown above.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the accounting period in which they are due. Contributions from the City are recognized when due and when the City has made a formal commitment to provide the contributions. Expenses are recognized in the period in which they are incurred. Benefit payments to participants are recorded upon distribution.

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Investment Valuation and Income Recognition

Investments are recorded at fair value as determined by quoted market prices. Short-term investments are reported at amortized cost, which approximates fair value. Purchases and sales of investment securities are accounted for on the trade date. The first-in, first-out method is used for determining the cost of investments in computing the realized gain or loss on sale.

Dividend income is recorded on the ex-dividend date and interest income is recorded as earned on the accrual basis at the stated interest rates of the related debt securities.

Annual Pension Cost & Net Pension Obligation

The City's annual pension cost and net pension obligation calculated in accordance with GASB Statement No. 27 for the Pension Plan for fiscal year 2009 are as follows:

Annual required contribution (ARC)	\$6,256,502
Interest on NPO	2,614,156
Adjustments to ARC	<u>(2,637,557)</u>
Annual pension cost (APC)	6,233,101
Contributions made	<u>(1,567,216)</u>
Increase in net pension obligation	4,665,885
Net pension obligation, beginning of year	<u>30,754,775</u>
Net pension obligation, end of year	<u><u>\$35,420,660</u></u>

Three-Year Trend Information

<i>Fiscal Year</i>	<i>Annual Pension Cost (APC)</i>	<i>Percentage of APC Contributed</i>	<i>Net Pension Obligation</i>
10/31/07	\$4,466,823	33%	\$27,640,926
10/31/08	4,677,951	33%	30,754,775
10/31/09	6,233,101	25%	35,420,660

The City's annual required contribution to the Plan was determined as part of the October 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. Under this method, the actuarial accrued liability which is re-determined for each active participant as of each valuation date represents the present value of benefits earned prior to the valuation date based on service as of the valuation date and projected benefits at expected date of retirement. The unfunded actuarial accrued liability represents the excess of the actuarial accrued liability over the valuation assets. The normal cost represents the actuarial present value of the unit of benefit (based on benefits at expected date of retirement) to be earned in the valuation year by each active participant included in the valuation. When calculating the annual required contribution in accordance with GASB Statement No. 27, the unfunded actuarial accrued liability (UAAL) is amortized on a level percentage of pay basis over a 30-year closed period (level dollar basis in prior valuations).

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Significant actuarial assumptions used in the October 31, 2008 actuarial valuation included:

- a) Interest – 8.5% per annum.
- b) Salary increases – 5% per year.
- c) Cost of living adjustments – 3% per year, compounded, for the appropriate categories of retired members.
- d) Asset value – adjusted value of assets determined by a 5 year average of investment gains (losses) subject to a corridor limitation of 120% of market value. In prior valuations, a 3 year average of investment gains (losses) was used.

Funded Status and Funding Progress

As of October 31, 2009, the most recent actuarial valuation date, the plan was 52% funded. The actuarial accrued liability for benefits was \$120,060,000, and the actuarial value of assets was \$62,970,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$57,090,000. The covered payroll (annual payroll of active employees covered by the plan) was \$12,580,000, and the ratio of the UAAL to the covered payroll was 454%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules - General Fund and School Unrestricted Fund

Schedule of Funding Progress - Pension Plan and Other Post Employment Benefit Plan

Schedule of Annual Required Contributions – Pension Plan

In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.

CITY OF EAST PROVIDENCE, RHODE ISLAND

*Schedule of Revenues and Expenditures - Budget and Actual
General Fund*

For the Fiscal Year Ended October 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Property Taxes	\$78,552,800	\$78,552,800	\$82,679,031	\$ 4,126,231
Interest				
Interest on taxes	500,000	500,000	561,419	61,419
Interest on investments	350,000	350,000	28,392	(321,608)
Total interest	<u>850,000</u>	<u>850,000</u>	<u>589,811</u>	<u>(260,189)</u>
Departmental				
Licenses and permits	1,431,289	1,431,289	1,090,963	(340,326)
Fines and penalties	45,000	45,000	46,613	1,613
Charges for services	755,000	755,000	677,316	(77,684)
Revenue from City agencies	210,000	210,000	214,165	4,165
Total departmental	<u>2,441,289</u>	<u>2,441,289</u>	<u>2,029,057</u>	<u>(412,232)</u>
Intergovernmental	<u>10,261,300</u>	<u>10,261,300</u>	<u>8,862,714</u>	<u>(1,398,586)</u>
Appropriated sale of City property reserve	<u>220,000</u>	<u>220,000</u>	<u>219,000</u>	<u>(1,000)</u>
Appropriated surplus	<u>2,777,200</u>	<u>2,777,200</u>	<u>-</u>	<u>(2,777,200)</u>
Total revenues	<u>95,102,589</u>	<u>95,102,589</u>	<u>94,379,613</u>	<u>(722,976)</u>
Expenditures				
Current:				
General Government:				
City council	45,474	45,474	32,537	12,937
City manager	330,810	330,810	305,906	24,904
City clerk	609,823	609,823	579,637	30,186
Finance director	152,583	152,583	152,284	299
Control and accounts	319,370	319,370	316,548	2,822
Information technology	533,648	533,648	384,600	149,048
Treasury - MIS	145,040	145,040	136,136	8,904
Treasury	610,570	610,570	589,015	21,555
Purchasing	178,374	178,374	176,064	2,310
Assessment	479,346	479,346	520,902	(41,556)
Planning	691,000	691,000	635,317	55,683
Personnel and emergency management	505,128	505,128	491,600	13,528
Affirmative action	108,883	108,883	125,185	(16,302)
Law	434,748	434,748	447,520	(12,772)
Canvassing	259,919	259,919	237,344	22,575
Total general government	<u>5,404,716</u>	<u>5,404,716</u>	<u>5,130,595</u>	<u>274,121</u>
Public Safety:				
Police	12,202,743	12,202,743	12,067,002	135,741
Fire	12,509,250	12,509,250	12,530,423	(21,173)
Building inspection	679,827	679,827	650,285	29,542
Animal control	262,529	262,529	283,999	(21,470)
Total public safety	<u>25,654,349</u>	<u>25,654,349</u>	<u>25,531,709</u>	<u>122,640</u>

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended October 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <i>(Budgetary Basis)</i>	<u>Final Budget</u> <i>Positive</i> <i>(Negative)</i>
Public Works				
Director	209,677	209,677	212,728	(3,051)
Engineering	639,493	639,493	623,863	15,630
Highway	2,799,100	2,799,100	2,850,961	(51,861)
Central garage	827,348	827,348	863,465	(36,117)
Streetlights	600,000	600,000	742,094	(142,094)
Public buildings	1,476,682	1,476,682	1,408,087	68,595
Total public works	<u>6,552,300</u>	<u>6,552,300</u>	<u>6,701,198</u>	<u>(148,898)</u>
Sanitation				
Refuse disposal	2,854,784	2,854,784	2,824,531	30,253
Total sanitation	<u>2,854,784</u>	<u>2,854,784</u>	<u>2,824,531</u>	<u>30,253</u>
Public Libraries	<u>2,344,064</u>	<u>2,344,064</u>	<u>2,328,406</u>	<u>15,658</u>
Parks and Recreation				
Parks	1,471,821	1,471,821	1,254,251	217,570
Recreation	1,115,765	1,115,765	1,023,872	91,893
Senior center	376,043	376,043	381,703	(5,660)
Total parks and recreation	<u>2,963,629</u>	<u>2,963,629</u>	<u>2,659,826</u>	<u>303,803</u>
Miscellaneous	<u>5,147,982</u>	<u>5,147,982</u>	<u>4,904,481</u>	<u>243,501</u>
Contingency	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
Debt Service				
Interest	415,441	415,441	415,448	(7)
Principal	1,554,238	1,554,238	1,554,238	-
Total debt service	<u>1,969,679</u>	<u>1,969,679</u>	<u>1,969,686</u>	<u>(7)</u>
Total expenditures	<u>52,921,503</u>	<u>52,921,503</u>	<u>52,050,432</u>	<u>871,071</u>
Excess of revenues over expenditures before other financing sources and uses	<u>42,181,086</u>	<u>42,181,086</u>	<u>42,329,181</u>	<u>148,095</u>
Other financing sources and uses				
Transfers from other funds:				
Rescue fee	500,000	500,000	500,000	-
Recycling bags	95,000	95,000	95,000	-
Vehicle detail fee	350,000	350,000	416,963	66,963
Library grant in aid	269,000	269,000	269,000	-
Smoke detector	100,000	100,000	-	(100,000)
School unrestricted fund	30,000	30,000	-	(30,000)
Transfers to other funds:				
Capital lease	-	-	(246,020)	(246,020)
System improvement	-	-	(11,110)	(11,110)
School unrestricted fund - City appropriation	(43,025,086)	(43,025,086)	(42,919,314)	105,772
School unrestricted fund - deficit reduction	(500,000)	(500,000)	(572,002)	(72,002)
Total other financing sources and uses	<u>(42,181,086)</u>	<u>(42,181,086)</u>	<u>(42,467,483)</u>	<u>(286,397)</u>
Net change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (138,302)</u>	<u>\$ (138,302)</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF EAST PROVIDENCE, RHODE ISLAND

School Unrestricted Fund

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended October 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ 30,369,145	\$ 30,369,145	\$ 26,854,670	\$ (3,514,475)
Total revenues	<u>30,369,145</u>	<u>30,369,145</u>	<u>26,854,670</u>	<u>(3,514,475)</u>
Expenditures				
Education	73,394,231	73,394,231	71,302,621	2,091,610
Deficit reduction	<u>500,000</u>	<u>500,000</u>	<u>572,002</u>	<u>(72,002)</u>
Total expenditures	<u>73,894,231</u>	<u>73,894,231</u>	<u>71,874,623</u>	<u>2,019,608</u>
Deficiency of revenues under expenditures before other financing sources	<u>(43,525,086)</u>	<u>(43,525,086)</u>	<u>(45,019,953)</u>	<u>(1,494,867)</u>
Other financing sources				
Transfers from General Fund - City appropriation	43,025,086	43,025,086	42,919,314	(105,772)
Transfers from General Fund - deficit reduction	<u>500,000</u>	<u>500,000</u>	<u>572,002</u>	<u>72,002</u>
Total other financing sources	<u>43,525,086</u>	<u>43,525,086</u>	<u>43,491,316</u>	<u>(33,770)</u>
Net change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,528,637)</u>	<u>\$ (1,528,637)</u>

The notes to required supplementary information are an integral part of this schedule.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Required Supplementary Information - Pension Plans and Other Post Employment Benefit Plans

Schedule of Funding Progress (1)

"Unaudited"

	<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded Actuarial Accrued Liability (UAAL)/ (Funding Excess)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>Unfunded Liability/ (Funding Excess) as a Percentage of Covered Payroll</i>
<i>Municipal Employees Retirement System (2)</i>	06/30/2006	\$ 53,564,791	\$ 81,950,057	\$ 28,385,266	65.4%	\$ 17,298,015	164.1%
	06/30/2007	58,865,692	87,210,070	28,344,378	67.5%	18,398,786	154.1%
	06/30/2008	63,830,490	90,948,017	27,117,527	70.2%	18,754,676	144.6%
<i>Police and Firefighters Pension Plan (3)</i>	10/31/2004	\$ 68,960,000	\$ 94,770,000	\$ 25,810,000	72.8%	\$ 11,100,000	232.5%
	10/31/2005	70,750,000	99,590,000	28,840,000	71.0%	11,260,000	256.1%
	10/31/2006	73,760,000	105,480,000	31,720,000	69.9%	11,910,000	266.3%
	10/31/2007	79,300,000	111,250,000	31,950,000	71.3%	13,190,000	242.2%
	10/31/2008	65,470,000	114,670,000	49,200,000	57.1%	12,970,000	379.3%
	10/31/2009	62,970,000	120,060,000	57,090,000	52.4%	12,580,000	453.8%
<i>Other Post Employment Benefit Plan - City (3)</i>	10/31/2009	\$ -	\$ 78,291,702	\$ 78,291,702	0.0%	N/A	N/A
<i>Other Post Employment Benefit Plan - School (3)</i>	10/31/2009	\$ -	\$ 27,709,764	\$ 27,709,764	0.0%	N/A	N/A

(1) The information included in the schedule of funding progress was obtained from the actuarial valuation at the date indicated.

(2) Entry age actuarial cost method.

(3) Projected unit credit actuarial cost method.

CITY OF EAST PROVIDENCE, RHODE ISLAND

*Required Supplementary Information
Police and Firefighters Pension Plan
Schedule of Annual Required Contributions
"Unaudited"*

<u><i>Year Ended October 31,</i></u>	<u><i>Annual Required Contribution</i></u>	<u><i>Percentage Contributed</i></u>
2004	\$3,225,223	23%
2005	3,931,287	20%
2006	4,192,401	23%
2007	4,595,332	33%
2008	4,830,497	32%
2009	6,256,502	25%

- (1) The annual required contribution was obtained from a separate valuation prepared by the actuaries.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Required Supplementary Information
October 31, 2009

NOTE 1 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

The City has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. The City Manager, at least 45 days prior to the beginning of the each budget year, shall submit to the City Council a proposed General Fund budget, including the School Unrestricted Fund. At the City Council meeting at which the budget is submitted, the City Council shall determine a place and time for a public hearing on the budget. After the public hearing, the City Council may insert new items or may increase or decrease the items of the budget, except expenditures fixed by law or prescribed by Charter. Before any additions are made to the budget by the City Council, another public hearing must be scheduled. The budget must be adopted by a favorable vote of at least a majority of all the members of the City Council. The budget must be finally adopted not later than seven (7) days before the end of the current fiscal year. Should the City Council take no final action on or prior to such day, the budget, as submitted, shall be deemed to have been finally adopted by the City Council. The General Fund and School Unrestricted Fund annual operating budget amounts are supported by the revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund and School Unrestricted Fund budgets are in conformance with the legally enacted budgetary basis, which is not in conformance with generally accepted accounting principles (GAAP). The budget to actual presentation in the required supplementary information for these funds is reflected on the budgetary basis.

The City Manager may, at any time, transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, or agency. At the request of the City Manager and within the last three (3) months of the budget year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another. Appropriations that are not expended or encumbered lapse at year-end.

The difference between the budgetary basis and the GAAP basis is explained on the following page.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Required Supplementary Information
October 31, 2009

Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses:

	General Fund	School Unrestricted Fund
<u>Revenues and Other Financing Sources</u>		
Actual amounts (budgetary basis)	\$95,660,576	\$70,345,986
Differences – budget to GAAP:		
The appropriated fund balance is a budgetary revenue but is not a current year revenue for financial reporting purposes.	(219,000)	-
Capital lease proceeds is a financing source for financial reporting purposes, but is not reported as a budgetary financing source.	-	324,284
The pension contributions made to the Employees Retirement System by the State on behalf of the City of East Providence are not reported as a budgetary revenue, but are a current year revenue for financial reporting purposes.	-	2,546,759
	-	2,546,759
<i>Total revenues and other financing sources as reported in statement of revenues, expenditures and changes in fund balances – governmental funds</i>	\$95,441,576	\$73,217,029
	General Fund	School Unrestricted Fund
<u>Expenditures and Other Financing Uses</u>		
Actual amounts (budgetary basis)	\$95,798,878	\$71,874,623
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. To adjust for change in encumbrances.	3,702	-
Capital expenditures financed by capital leases are reported as an expenditure for financial reporting purposes, but are not a budgetary basis expenditure.	-	324,284
The pension contributions made to the Employees Retirement System by the State on behalf of the City of East Providence are not reported as a budgetary expenditure, but are a current year expenditure for financial reporting purposes.	-	2,546,759
The appropriated use of budgeted surplus to reduce the School Unrestricted Fund deficit is a budgetary expenditure but is not a current year expenditure for financial reporting purposes.	-	(572,002)
	-	(572,002)
<i>Total expenditures and other financing uses as reported in statement of revenues, expenditures and changes in fund balances – governmental funds</i>	\$95,802,580	\$74,173,664

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Required Supplementary Information
"Unaudited"

NOTE 2 - SCHEDULE OF FUNDING PROGRESS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>Municipal Employees Retirement System</u>	<u>Police and Firefighters Pension Plan</u>	<u>Other Post Employment Benefit Plan</u>
Valuation date	June 30, 2008	October 31, 2009	October 31, 2009
Actuarial cost method	Entry Age	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll - closed	Level percentage of pay over a closed period	Level percentage over an open period (payments increasing at 4.5%)
Amortization period	30 years from June 30, 1999, or 21 years as of the valuation date	30 years	30 years
Asset valuation method	Market value of assets with a five year phase in of actual investment return in excess of (less than) expected investment income	Adjusted value of assets determined by a five year average of investment gains (losses) subject to a corridor limitation of 120% of market value	Market value
Actuarial assumptions: Investment rate of return	8.25% per annum, compounded annually, composed of an assumed 3% inflation rate and a 5.25% net real rate of return	8.5% per annum	City - 5%, pay-as-you-go scenario School - 8%, pre-funded scenario
Projected salary increases	A 4.5% wage inflation assumption (composed of a 3% price inflation assumption and a 1.5% additional general increase) plus a service- related component	5% per year	Not applicable
Cost-of-living adjustments	3%, not compounded	3%, compounded	Not applicable
Medical/prescription drug trend rate	Not applicable	Not applicable	9% decreasing by 0.75% for 5 years and by 0.5% for 1 year to an ultimate level of 5% per year
Dental trend rate	Not applicable	Not applicable	5% per year (School only)
Administrative expense trend rate	Not applicable	Not applicable	4% per year (School only)
Participant information	Active employees Retirees and beneficiaries	Active employees Retirees and beneficiaries	Active employees Retirees and beneficiaries
	475 340 <u>815</u>	202 232 <u>434</u>	City School <u>436 627</u> 283 385 <u>719 1012</u>

OTHER SUPPLEMENTARY INFORMATION

**The information
provided herein contains
schedules which the City deems
necessary to provide additional disclosures.**

THIS SECTION CONTAINS THE FOLLOWING:

Combining Fund Financial Statements for Nonmajor Governmental Funds

Combining Statement of Net Assets for Agency Funds

Other Supplementary Information

**COMBINING FUND FINANCIAL STATEMENTS -
NONMAJOR GOVERNMENTAL FUNDS**

**THE FOLLOWING FUNDS OF THE CITY
ARE REPORTED IN THIS SECTION:**

**Special Revenue Funds
are used to account for
resources allocated to specific
purposes. A Special Revenue Fund
continues in existence as long as governmental
resources are allocated to its specific purposes.**

School Restricted Fund – This fund was established to account for the receipt and disbursement of State and Federal Grants for education.

School Career Center – This fund was established to account for fees for classes and services provided by the Career Center and the related expenditures.

School Lunch Fund – This fund was established to account for the fees, Federal and State reimbursements, and related expenditures for the School's food service program.

School Technology Improvement – This fund accounts for monies received from NYNEX for use by the School Department for technology improvement.

Animal Shelter – This fund accounts for donations received for the animal shelter.

Assistance to Firefighters – This fund was established to account for receipts from the U.S. Department of Homeland Security for emergency preparedness.

Aqua Fund WPC – This fund accounts for City's chlorometer/dechlorination system project being funded by RIDEM (90%) and the City of East Providence (10%).

Bold Point Park – This fund accounts for an additional coastal zone management project.

Central Park Coalition – This fund accounts for monies received as a State grant for park projects.

CERT – The Community Emergency Response Team fund is to account for donations received to purchase supplies to further the efforts of the CERT volunteers.

Champlin Weaver – This fund accounts for money appropriated by the Champlin Foundation for specific purposes benefiting the City.

Community Development Activities – This fund accounts for the activity of the City's Community Development program, which is administered through the Federal government.

Curbing Replacement – This fund accounts for monies received for curbing assessments to be used for future replacement of curbs.

Cops Program / Burglar Program – This fund accounts for a partnership between the Planning Department and the Police Department to analyze home burglaries and make recommendations for preventative programs.

Crescent Park Carousel – This fund accounts for monies earned through donations and rides to be used for carousel preservation.

Debt Service Reserve East Pointe – This fund accounts for the debt service reserve held for the East Pointe loan.

Emergency Management Program – This fund accounts for contributions from the Federal government for eligible, necessary and essential expenditures for the proper and efficient administration of the Civil Defense Program.

Escrow Pending Forfeiture – This fund accounts for an interest bearing escrow account for all funds held by the Police Department for forfeiture.

Fire Decon Grant – This fund was established to account for Federal monies received for hazmat equipment and training.

Fire Department Boat – This fund accounts for donations to purchase a boat for the Fire Department.

Fire UASI and Fire Port Security – These funds account for Federal homeland security grants to purchase boats.

Forfeited Drugs State Fund – This fund accounts for monies received from the State for drug raids and seizures, which are restricted and to be used only for anti-drug related activities.

Forfeited Drug Monies – This fund accounts for monies received from the Federal government for drug raids and seizures, which are restricted and to be used only for anti-drug related activities.

Friends of Ancient Little Neck Cemetery – This fund accounts for the upkeep of Little Neck Cemetery.

Fuller Library Grant – This fund accounts for the grant received from the State of Rhode Island for books for the visually impaired.

Girl Scout House Refurbishment – This fund accounts for monies received to renovate the Girl Scout House.

Harbormaster – This fund accounts for funds collected through mooring fees which are used to monitor the safety of the harbor.

Historic Properties Commission – This fund accounts for monies received from the East Providence Chamber of Commerce to design, produce and sell at retail a "Historic East Providence" poster.

Historical Records Preservation – This fund accounts for the indexing and summarization of land evidence records and book repairing of historical records.

Homeland Security - Fire – This fund accounts for the Federal homeland security grant for the Fire Department.

Homeland Security - Police – This fund accounts for the Federal homeland security grant for the Police Department.

Homeless Shelter – This fund accounts for donations for the East Providence homeless shelter.

Hunts Mill Reuse – This fund accounts for monies set aside to study alternatives for reusing Hunts Mill.

LEPC/Hazmat – This fund accounts for billing generated monies for Hazmat purpose.

Library Change - This fund accounts for miscellaneous library and staff revenues and expenditures.

Library Donation - This fund accounts for monies donated by library patrons for the upkeep of City libraries.

Library Grant-in-Aid – This fund accounts for funds received from the State for East Providence Public Libraries.

Local Law Enforcement Block Grant – This fund accounts for enhancing security or crime prevention and the hiring and employment of new additional law enforcement officers and support personnel.

Meadowcrest School Playground – This fund accounts for funds to build a playground at Meadowcrest School.

Metropolitan Burglary Network – This fund accounts for a State grant to establish a metropolitan burglary network.

Minimum Property Code Enforcement – This fund accounts for money designated for closing any properties not meeting minimum property code regulations.

Municipal Court – This fund is used to process City ordinance and motor vehicle violations in a timely and judicious manner.

National Youth Sports Coaches Association – This fund accounts for monies reimbursed for coaches who have been certified in safety and sports specific techniques.

Personnel Higher Education – This fund received from the Rhode Island Higher Education Assistance Authority is to match work-study costs for students to work in City departments.

Pierce Stadium – This fund was established to collect deposits for the rental of Pierce Stadium. The deposits will be used for the continued maintenance and service of the stadium.

Planning & Mapping – This fund accounts for monies set aside for the Planning-Mapping Department to purchase computer hardware and software.

Police Vehicle Detail – This fund was established to account for police detail monies to be used for technology items such as computers for the Police Department.

Project DARE – This fund accounts for donations used for a cooperative effort between the East Providence School Department and the East Providence Police Department to prevent drug abuse in children and youths.

Recovery Act Byrne/JAG – This fund accounts for Federal Recovery Act Byrne/JAG grants for the Police Department.

Recreation Center – This fund accounts for monies deposited for the sole purpose of providing supplies and upgrading equipment for the Recreation Center.

Recreation League – This fund accounts for activities of the City's recreation league, including the City's annual golf tournament.

Recycling Bags – This fund accounts for the purchase and subsequent resale of recycling bags.

Rescue Service Fees – This fund accounts for the billing and collection of fees of non-residents and all people on Medicare who require rescue services by the East Providence Fire Department.

Revaluation – This fund accounts for monies designated to fund the next City revaluation.

RI Comprehensive Planning and Use Act – This fund accounts for monies received from the State to carry out activities specified under this act.

Rhode Island Health Coalition – This fund accounts for grants aimed at reducing substance abuse in East Providence.

Riverside Square Improvements – This fund accounts for a State grant for revitalization of Riverside Square.

Rose Larisa Memorial Park – This fund accounts for Federal and State grants to redevelop the park area across from the Carousel.

Senior Center – This fund accounts for monies to be used to transform the Providence Country Day School into a new senior citizens center.

Senior Center Programs – The fund accounts for funds derived from Senior Center sponsored activities.

Smoke Detector Inspection – This fund accounts for fees collected and expenditures paid in conjunction with the Fire Department's Smoke Detector Inspection Program.

Stormwater Management Phase II – The fund accounts for a State grant for the stormwater management plan.

Substance Abuse Donations – This fund accounts for donations from local organizations, businesses and community members. These funds are used to supplement the State grant to provide substance abuse prevention programs for the East Providence community.

Substance Abuse Grants – This fund accounts for the State funded program aimed at reducing substance abuse in East Providence.

Systems Improvement – This fund accounts for a State grant to assist with local law enforcement drug control.

Interoperable Communications – This fund was established to account for the Federal grant for interoperable communications.

Waterfront Commission TIF – This fund was established to account for waterfront TIF fees.

Waterfront Stormwater Study – This fund was established to account for a federal grant for a waterfront stormwater study.

**The Capital Project Funds
were established to
account for all resources used for the acquisition
and/or construction of capital facilities by the City.**

Capital Improvements – This fund accounts for general capital improvements as necessary for the City.

Economic Development Bond – This fund accounts for bonds issued for the purpose of Economic Development.

Hull Street Renovations – This fund accounts for a State grant for improvements to the Hull Street playground.

Open Space – This fund accounts for restoration projects to four recreation areas - Carousel Park, Pierce Memorial Field, Agawam/Dellefemine Park, and Bourne/Bullocks Park. These projects are partially funded by State grants.

Superior Court MP9538 – This fund accounts for money held for unclaimed land settlements.

Vintner Avenue Playground – This fund accounts for monies received from State and local sources for improvements to the Vintner Avenue Playground.

Union Primary Reserve – This fund accounts for rents received which will be used to repair and improve the former Union Primary School.

Stormwater Basin - Routine/Nonroutine – These funds account for deposits received from a developer of a subdivision that can be accessed by the City on an as-needed basis for routine and nonroutine maintenance of the stormwater basin which will be constructed on the subdivision.

Capital Lease Fund – This fund accounts for projects to be financed through the City's master lease agreement.

1999 School Bond Fund – This fund accounts for bonds issued to finance the construction of an addition to the East Providence High School and the construction of improvements and the acquisition of equipment for various schools in the City.

2000 Bond Public Works – This fund accounts for bonds issued for public works facility improvements.

2000 Bond Public Safety – This fund accounts for bonds issued for public safety facility improvements.

1999 Bond Streets & Sidewalks – This fund accounts for bonds issued for street and sidewalk improvements.

1999 Recreation/Library – This fund accounts for bonds issued for recreation and library facility improvements.

2002 Miscellaneous Projects – This fund accounts for bonds issued for miscellaneous City projects.

2007 BAN Public Works – This fund accounts for bond anticipation notes issued for public works projects.

The Permanent Funds
account for all resources that are legally
restricted to the extent that only earnings, and not
principal may be used for purposes that support City programs.

Lakeside Springdale – This fund accounts for funds provided for the perpetual care of City cemeteries.

Little Neck Cemetery – This fund accounts for funds provided for the perpetual care of City cemeteries.

Nancy Miller – This fund accounts for funds provided for the perpetual care of City cemeteries.

George Bucklin – This fund accounts for funds provided for the perpetual care of City cemeteries.

FBO Newman – This fund accounts for funds provided for the perpetual care of City cemeteries.

CITY OF EAST PROVIDENCE, RHODE ISLAND

*Combining Balance Sheet
Nonmajor Governmental Funds
October 31, 2009*

	<i>Special Revenue Funds</i>						
	<i>School Restricted Fund</i>	<i>School Career Center Fund</i>	<i>School Lunch Fund</i>	<i>School Technology Improvement</i>	<i>Animal Shelter</i>	<i>Assistance to Firefighters</i>	<i>Aqua Fund WPC</i>
ASSETS							
Cash	\$ 22,815	\$ 22,313	\$ 57,757	\$ 39	\$ 2,498	\$ 965	\$ 20
Investments	-	-	-	41,977	95,341	-	4,725
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	2,166,087	-	196,546	-	-	-	-
Due from other funds	20,283	-	-	-	-	-	-
Prepaid expenditures	7,189	-	-	-	-	-	-
Total assets	<u>\$2,216,374</u>	<u>\$ 22,313</u>	<u>\$ 254,303</u>	<u>\$ 42,016</u>	<u>\$ 97,839</u>	<u>\$ 965</u>	<u>\$ 4,745</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ 178,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	1,447,370	-	380,272	-	595	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	572,201	-	-	-	-	-	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>2,198,292</u>	<u>-</u>	<u>380,272</u>	<u>-</u>	<u>595</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	18,082	22,313	(125,969)	42,016	97,244	965	4,745
Total fund balances (deficits)	<u>18,082</u>	<u>22,313</u>	<u>(125,969)</u>	<u>42,016</u>	<u>97,244</u>	<u>965</u>	<u>4,745</u>
Total liabilities and fund balances	<u>\$2,216,374</u>	<u>\$ 22,313</u>	<u>\$ 254,303</u>	<u>\$ 42,016</u>	<u>\$ 97,839</u>	<u>\$ 965</u>	<u>\$ 4,745</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Bold Point Park</i>	<i>Central Park Coalition</i>	<i>CERT</i>	<i>Champlin Weaver</i>	<i>Community Development Activities</i>	<i>Curbing Replacement</i>	<i>Cops Program/ Burglar Program</i>
ASSETS							
Cash	\$ -	\$ 3	\$ 50	\$ 1,242	\$ 150,648	\$ 33	\$ 4,528
Investments	1,134	242	1,002	32,990	578,753	58,293	-
Accounts receivable	-	-	-	-	3,872,042	-	-
Due from federal and state governments	-	-	-	-	119,084	-	-
Due from other funds	27,095	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	\$ 28,229	\$ 245	\$ 1,052	\$ 34,232	\$4,720,527	\$ 58,326	\$ 4,528
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	150	101,441	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	63,195	225	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	3,872,042	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	-	-	-	150	4,036,678	225	-
Fund balances (deficits)							
Unreserved - undesignated	28,229	245	1,052	34,082	683,849	58,101	4,528
Total fund balances (deficits)	28,229	245	1,052	34,082	683,849	58,101	4,528
Total liabilities and fund balances	\$ 28,229	\$ 245	\$ 1,052	\$ 34,232	\$4,720,527	\$ 58,326	\$ 4,528

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Crescent Park Carousel</i>	<i>Debt Service Reserve East Pointe</i>	<i>Emergency Management Program</i>	<i>Escrow Pending Forfeiture</i>	<i>Fire Decon Grant</i>	<i>Fire Department Boat</i>	<i>Fire UASI</i>
ASSETS							
Cash	\$ 17,226	\$ 178,433	\$ 299	\$ 617	\$ 5,199	\$ 50	\$ 2,325
Investments	200,233	-	66,998	27,176	-	43,353	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	\$ 217,459	\$ 178,433	\$ 67,297	\$ 27,793	\$ 5,199	\$ 43,403	\$ 2,325
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	383	-	154	-	203	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	9,650	-	117	-	5,200	-	2,600
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	178,433	-	-	-	-	-
Total liabilities	10,033	178,433	271	-	5,403	-	2,600
Fund balances (deficits)							
Unreserved - undesignated	207,426	-	67,026	27,793	(204)	43,403	(275)
Total fund balances (deficits)	207,426	-	67,026	27,793	(204)	43,403	(275)
Total liabilities and fund balances	\$ 217,459	\$ 178,433	\$ 67,297	\$ 27,793	\$ 5,199	\$ 43,403	\$ 2,325

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Forfeited Drugs - State Funds</i>	<i>Forfeited Drug Monies</i>	<i>Friends of Ancient Little Neck Cemetery</i>	<i>Fuller Library Grant</i>	<i>Girl Scout House Refurbishment</i>	<i>Harbormaster</i>	<i>Historic Properties Commission</i>
ASSETS							
Cash	\$ 170	\$ 12,927	\$ 17	\$ 1,506	\$ 1	\$ 319	\$ 21
Investments	57,978	168,459	1,270	-	8,181	25,937	2,160
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 58,148</u>	<u>\$ 181,386</u>	<u>\$ 1,287</u>	<u>\$ 1,506</u>	<u>\$ 8,182</u>	<u>\$ 26,256</u>	<u>\$ 2,181</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	94	1,307	-	-	-	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	7,766	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>94</u>	<u>1,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,766</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	58,054	180,079	1,287	1,506	8,182	18,490	2,181
Total fund balances (deficits)	<u>58,054</u>	<u>180,079</u>	<u>1,287</u>	<u>1,506</u>	<u>8,182</u>	<u>18,490</u>	<u>2,181</u>
Total liabilities and fund balances	<u>\$ 58,148</u>	<u>\$ 181,386</u>	<u>\$ 1,287</u>	<u>\$ 1,506</u>	<u>\$ 8,182</u>	<u>\$ 26,256</u>	<u>\$ 2,181</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Historic Records Preservation</i>	<i>Homeland Security - Fire</i>	<i>Homeland Security - Police</i>	<i>Homeless Shelter</i>	<i>Hunts Mill Reuse</i>	<i>LEPC/ Hazmat</i>	<i>Library Change Fund</i>
ASSETS							
Cash	\$ 100	\$ 59	\$ 3,693	\$ 11	\$ 59,288	\$ -	\$ 296
Investments	400,645	-	-	3,071	18,571	7,932	35,488
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	2,754	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 403,499</u>	<u>\$ 59</u>	<u>\$ 3,693</u>	<u>\$ 3,082</u>	<u>\$ 77,859</u>	<u>\$ 7,932</u>	<u>\$ 35,784</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,128	\$ -
Accounts payable and accrued expenditures	550	-	-	-	-	309	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,437</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	402,949	59	3,693	3,082	77,859	5,495	35,784
Total fund balances (deficits)	<u>402,949</u>	<u>59</u>	<u>3,693</u>	<u>3,082</u>	<u>77,859</u>	<u>5,495</u>	<u>35,784</u>
Total liabilities and fund balances	<u>\$ 403,499</u>	<u>\$ 59</u>	<u>\$ 3,693</u>	<u>\$ 3,082</u>	<u>\$ 77,859</u>	<u>\$ 7,932</u>	<u>\$ 35,784</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Library Donations Fund</i>	<i>Library Grant- in-Aid</i>	<i>Local Law Enforcement Block Grant</i>	<i>Meadowcrest School Playground</i>	<i>Metropolitan Burglary Network</i>	<i>Minimum Property Code Enforcement</i>	<i>Municipal Court</i>
ASSETS							
Cash	\$ 1,206	\$ 938,470	\$ 9	\$ 100	\$ 3,609	\$ 951	\$ -
Investments	75,875	-	221	11,641	-	120	7
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 77,081</u>	<u>\$ 938,470</u>	<u>\$ 230</u>	<u>\$ 11,741</u>	<u>\$ 3,609</u>	<u>\$ 1,071</u>	<u>\$ 7</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240
Accounts payable and accrued expenditures	-	117,267	-	-	-	-	-
Due to state government	-	-	-	-	-	-	14,525
Due to other funds	-	-	-	-	-	-	37,521
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>117,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,286</u>
Fund balances (deficits)							
Unreserved - undesignated	77,081	821,203	230	11,741	3,609	1,071	(52,279)
Total fund balances (deficits)	<u>77,081</u>	<u>821,203</u>	<u>230</u>	<u>11,741</u>	<u>3,609</u>	<u>1,071</u>	<u>(52,279)</u>
Total liabilities and fund balances	<u>\$ 77,081</u>	<u>\$ 938,470</u>	<u>\$ 230</u>	<u>\$ 11,741</u>	<u>\$ 3,609</u>	<u>\$ 1,071</u>	<u>\$ 7</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>National Youth Sports Coaches Association</i>	<i>Personnel Higher Education</i>	<i>Pierce Stadium</i>	<i>Planning & Mapping</i>	<i>Police Vehicle Detail</i>	<i>Project DARE</i>	<i>Recovery Act Byrne/ JAG</i>
ASSETS							
Cash	\$ 4	\$ 15	\$ -	\$ 48	\$ 40	\$ 353	\$ 95,158
Investments	462	1,592	7,262	-	106,851	3,282	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	54,940	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 466</u>	<u>\$ 1,607</u>	<u>\$ 7,262</u>	<u>\$ 48</u>	<u>\$ 161,831</u>	<u>\$ 3,635</u>	<u>\$ 95,158</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ 1,408	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	1,912	-	-	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	466	1,607	3,942	48	161,831	3,635	95,158
Total fund balances (deficits)	<u>466</u>	<u>1,607</u>	<u>3,942</u>	<u>48</u>	<u>161,831</u>	<u>3,635</u>	<u>95,158</u>
Total liabilities and fund balances	<u>\$ 466</u>	<u>\$ 1,607</u>	<u>\$ 7,262</u>	<u>\$ 48</u>	<u>\$ 161,831</u>	<u>\$ 3,635</u>	<u>\$ 95,158</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Recreation Center</i>	<i>Recreation League</i>	<i>Recycling Bags</i>	<i>Rescue Service Fees</i>	<i>Revaluation</i>	<i>RI Comprehensive Planning and Use Act</i>	<i>Rhode Island Health Coalition</i>
ASSETS							
Cash	\$ 237	\$ -	\$ 783	\$ 23,491	\$ 45	\$ 3	\$ 23
Investments	50,559	66,521	121,942	490,879	-	9,943	5,622
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 50,796</u>	<u>\$ 66,521</u>	<u>\$ 122,725</u>	<u>\$ 514,370</u>	<u>\$ 45</u>	<u>\$ 9,946</u>	<u>\$ 5,645</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ 11,365	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	7,524	-	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	-	-	19,705	-	-	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>11,365</u>	<u>-</u>	<u>27,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	50,796	55,156	122,725	487,141	45	9,946	5,645
Total fund balances (deficits)	<u>50,796</u>	<u>55,156</u>	<u>122,725</u>	<u>487,141</u>	<u>45</u>	<u>9,946</u>	<u>5,645</u>
Total liabilities and fund balances	<u>\$ 50,796</u>	<u>\$ 66,521</u>	<u>\$ 122,725</u>	<u>\$ 514,370</u>	<u>\$ 45</u>	<u>\$ 9,946</u>	<u>\$ 5,645</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>						
	<i>Riverside Square Improvements</i>	<i>Rose Larisa Memorial Park</i>	<i>Senior Center</i>	<i>Senior Center Programs</i>	<i>Smoke Detector Inspection</i>	<i>Stormwater Management Phase II</i>	<i>Substance Abuse Donations</i>
ASSETS							
Cash	\$ 43	\$ 33	\$ 7	\$ 1,016	\$ 663	\$ -	\$ 87
Investments	333	26	1,327	2,233	39,525	-	30,392
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	6,000	-	-	-	34,560
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	\$ 376	\$ 59	\$ 7,334	\$ 3,249	\$ 40,188	\$ -	\$ 65,039
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	723	80	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	-	2,000	-	6,000	-	17,100	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	-	2,000	-	6,723	80	17,100	-
Fund balances (deficits)							
Unreserved - undesignated	376	(1,941)	7,334	(3,474)	40,108	(17,100)	65,039
Total fund balances (deficits)	376	(1,941)	7,334	(3,474)	40,108	(17,100)	65,039
Total liabilities and fund balances	\$ 376	\$ 59	\$ 7,334	\$ 3,249	\$ 40,188	\$ -	\$ 65,039

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Special Revenue Funds</i>					<i>Total Special Revenue Funds</i>
	<i>Substance Abuse Grants</i>	<i>Systems Improvements</i>	<i>Interoperable Communications</i>	<i>Waterfront Commission TIF</i>	<i>Waterfront Stormwater Study</i>	
ASSETS						
Cash	\$ 25,845	\$ -	\$ -	\$ 2,500	\$ 3,375	\$ 1,643,582
Investments	-	20,351	-	-	-	2,928,875
Accounts receivable	-	-	-	-	-	3,872,042
Due from federal and state governments	54,799	-	-	-	-	2,536,516
Due from other funds	-	-	-	-	-	145,632
Prepaid expenditures	-	-	-	-	-	7,189
Total assets	<u>\$ 80,644</u>	<u>\$ 20,351</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 3,375</u>	<u>\$ 11,133,836</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Cash overdraft	\$ -	\$ 1,156	\$ -	\$ -	\$ -	\$ 195,018
Accounts payable and accrued expenditures	5,287	-	-	-	-	2,065,621
Due to state government	-	-	-	-	-	14,525
Due to other funds	61,907	19,195	-	-	-	824,382
Bond anticipation note payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	3,872,042
Other liabilities	-	-	-	-	-	178,433
Total liabilities	<u>67,194</u>	<u>20,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,150,021</u>
Fund balances (deficits)						
Unreserved - undesignated	13,450	-	-	2,500	3,375	3,983,815
Total fund balances (deficits)	<u>13,450</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>3,375</u>	<u>3,983,815</u>
Total liabilities and fund balances	<u>\$ 80,644</u>	<u>\$ 20,351</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 3,375</u>	<u>\$ 11,133,836</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	Capital Project Funds						
	<u>Capital Improvements</u>	<u>Economic Development Bond</u>	<u>Hull Street Renovations</u>	<u>Open Space</u>	<u>Superior Court MP9538</u>	<u>Vintner Avenue Playground</u>	<u>Union Primary Reserve</u>
ASSETS							
Cash	\$ 22	\$ 22	\$ -	\$ 473	\$ 27,342	\$ -	\$ 51
Investments	50,698	906,344	-	27,023	-	3,006	23,127
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	7,000	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Total assets	<u>\$ 50,720</u>	<u>\$ 913,366</u>	<u>\$ -</u>	<u>\$ 27,496</u>	<u>\$ 27,342</u>	<u>\$ 3,006</u>	<u>\$ 23,178</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	-	27,342	-	-
Due to state government	-	-	-	-	-	-	-
Due to other funds	50,125	-	19,820	34,095	-	-	-
Bond anticipation note payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
Total liabilities	<u>50,125</u>	<u>-</u>	<u>19,820</u>	<u>34,095</u>	<u>27,342</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)							
Unreserved - undesignated	595	913,366	(19,820)	(6,599)	-	3,006	23,178
Total fund balances (deficits)	<u>595</u>	<u>913,366</u>	<u>(19,820)</u>	<u>(6,599)</u>	<u>-</u>	<u>3,006</u>	<u>23,178</u>
Total liabilities and fund balances	<u>\$ 50,720</u>	<u>\$ 913,366</u>	<u>\$ -</u>	<u>\$ 27,496</u>	<u>\$ 27,342</u>	<u>\$ 3,006</u>	<u>\$ 23,178</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	Capital Project Funds					
	<i>Stormwater Basin- Routine</i>	<i>Stormwater Basin- Nonroutine</i>	<i>Capital Lease Fund</i>	<i>1999 School Bond Fund</i>	<i>2000 Bond Public Works</i>	<i>2000 Bond Public Safety</i>
ASSETS						
Cash	\$ 1	\$ 1	\$ -	\$ 10	\$ 11	\$ 295
Investments	4,146	19,356	-	-	73,145	-
Accounts receivable	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-
Due from other funds	-	-	50,125	-	-	19,705
Prepaid expenditures	-	-	-	-	-	-
Total assets	\$ 4,147	\$ 19,357	\$ 50,125	\$ 10	\$ 73,156	\$ 20,000
LIABILITIES AND FUND BALANCES						
Liabilities						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	-	-	20,000
Due to state government	-	-	-	-	-	-
Due to other funds	-	-	50,125	-	7,681	-
Bond anticipation note payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	-	-	50,125	-	7,681	20,000
Fund balances (deficits)						
Unreserved - undesignated	4,147	19,357	-	10	65,475	-
Total fund balances (deficits)	4,147	19,357	-	10	65,475	-
Total liabilities and fund balances	\$ 4,147	\$ 19,357	\$ 50,125	\$ 10	\$ 73,156	\$ 20,000

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

	<i>Capital Project Funds</i>				<i>Total Capital Project Funds</i>
	<i>1999 Bond Streets & Sidewalks</i>	<i>1999 Recreation/ Library</i>	<i>2002 Miscellaneous Projects</i>	<i>2007 BAN Public Works</i>	
ASSETS					
Cash	\$ 95	\$ 37	\$ 3,811	\$ 57	\$ 32,228
Investments	2,936	49,913	622,723	690,921	2,473,338
Accounts receivable	-	-	-	-	-
Due from federal and state governments	-	188,684	24,447	-	213,131
Due from other funds	-	-	-	-	76,830
Prepaid expenditures	-	-	-	-	-
Total assets	\$ 3,031	\$ 238,634	\$ 650,981	\$ 690,978	\$ 2,795,527
LIABILITIES AND FUND BALANCES					
Liabilities					
Cash overdraft	\$ -	\$ -	-	\$ -	\$ -
Accounts payable and accrued expenditures	-	211,047	26,504	-	284,893
Due to state government	-	-	-	-	-
Due to other funds	-	-	1,048	-	162,894
Bond anticipation note payable	-	-	-	2,000,000	2,000,000
Deferred revenue	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	-	211,047	27,552	2,000,000	2,447,787
Fund balances (deficits)					
Unreserved - undesignated	3,031	27,587	623,429	(1,309,022)	347,740
Total fund balances (deficits)	3,031	27,587	623,429	(1,309,022)	347,740
Total liabilities and fund balances	\$ 3,031	\$ 238,634	\$ 650,981	\$ 690,978	\$ 2,795,527

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

October 31, 2009

Permanent Funds

	<u>Lakeside Springdale</u>	<u>Little Neck Cemetery</u>	<u>Nancy Miller</u>	<u>George Bucklin</u>	<u>FBO Newman</u>	<u>Total Permanent Funds</u>	<u>Total All Nonmajor Governmental Funds</u>
ASSETS							
Cash	\$ -	\$ 3,267	\$ -	\$ -	\$ -	\$ 3,267	\$ 1,679,077
Investments	9,992	61,597	1,619	15,108	14,082	102,398	5,504,611
Accounts receivable	-	-	-	-	-	-	3,872,042
Due from federal and state governments	-	-	-	-	-	-	2,749,647
Due from other funds	-	-	-	-	-	-	222,462
Prepaid expenditures	-	-	-	-	-	-	7,189
Total assets	<u>\$ 9,992</u>	<u>\$ 64,864</u>	<u>\$ 1,619</u>	<u>\$ 15,108</u>	<u>\$ 14,082</u>	<u>\$ 105,665</u>	<u>\$ 14,035,028</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,018
Accounts payable and accrued expenditures	-	-	-	-	-	-	2,350,514
Due to state government	-	-	-	-	-	-	14,525
Due to other funds	-	-	-	-	-	-	987,276
Bond anticipation note payable	-	-	-	-	-	-	2,000,000
Deferred revenue	-	-	-	-	-	-	3,872,042
Other liabilities	-	-	-	-	-	-	178,433
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,597,808</u>
Fund balances (deficits)							
Unreserved - undesignated	9,992	64,864	1,619	15,108	14,082	105,665	4,437,220
Total fund balances (deficits)	<u>9,992</u>	<u>64,864</u>	<u>1,619</u>	<u>15,108</u>	<u>14,082</u>	<u>105,665</u>	<u>4,437,220</u>
Total liabilities and fund balances	<u>\$ 9,992</u>	<u>\$ 64,864</u>	<u>\$ 1,619</u>	<u>\$ 15,108</u>	<u>\$ 14,082</u>	<u>\$ 105,665</u>	<u>\$ 14,035,028</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>School Restricted Fund</i>	<i>School Career Center Fund</i>	<i>School Lunch Fund</i>	<i>School Technology Improvement</i>	<i>Animal Shelter</i>	<i>Assistance to Firefighters</i>	<i>Aqua Fund WPC</i>
Revenues							
Federal and state aid and grants	\$ 7,164,429	\$ -	\$ 927,547	\$ -	\$ -	\$ -	\$ -
Charges for services	-	47,304	679,102	-	17,148	-	-
Fines and penalties	-	-	-	-	9,270	-	-
Investment and interest income	-	-	-	63	105	-	7
Contributions and private grants	-	-	-	-	28,064	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>7,164,429</u>	<u>47,304</u>	<u>1,606,649</u>	<u>63</u>	<u>54,587</u>	<u>-</u>	<u>7</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	12,586	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	7,162,586	26,142	1,616,622	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>7,162,586</u>	<u>26,142</u>	<u>1,616,622</u>	<u>-</u>	<u>12,586</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>1,843</u>	<u>21,162</u>	<u>(9,973)</u>	<u>63</u>	<u>42,001</u>	<u>-</u>	<u>7</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,843	21,162	(9,973)	63	42,001	-	7
Fund balances (deficits), beginning of year	<u>16,239</u>	<u>1,151</u>	<u>(115,996)</u>	<u>41,953</u>	<u>55,243</u>	<u>965</u>	<u>4,738</u>
Fund balances (deficits), end of year	<u>\$ 18,082</u>	<u>\$ 22,313</u>	<u>\$ (125,969)</u>	<u>\$ 42,016</u>	<u>\$ 97,244</u>	<u>\$ 965</u>	<u>\$ 4,745</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Bold Point Park</i>	<i>Central Park Coalition</i>	<i>CERT</i>	<i>Champlin Weaver</i>	<i>Community Development Activities</i>	<i>Curbing Replacement</i>	<i>Cops Program/ Burglar Program</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ -	\$ 1,541,298	\$ -	\$ -
Charges for services	-	-	-	-	348	10,203	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	2	-	1	50	31,824	75	-
Contributions and private grants	-	250	-	12,500	-	-	-
Other revenue	-	-	-	-	182,543	-	-
Total revenues	<u>2</u>	<u>250</u>	<u>1</u>	<u>12,550</u>	<u>1,756,013</u>	<u>10,278</u>	<u>-</u>
Expenditures							
Current:							
General government	-	-	-	-	1,613,249	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	400	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	11,995	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	223,713	-	-
Total expenditures	<u>-</u>	<u>400</u>	<u>-</u>	<u>11,995</u>	<u>1,836,962</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>2</u>	<u>(150)</u>	<u>1</u>	<u>555</u>	<u>(80,949)</u>	<u>10,278</u>	<u>-</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(234,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(234,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2	(150)	1	555	(314,949)	10,278	-
Fund balances (deficits), beginning of year	<u>28,227</u>	<u>395</u>	<u>1,051</u>	<u>33,527</u>	<u>998,798</u>	<u>47,823</u>	<u>4,528</u>
Fund balances (deficits), end of year	<u>\$ 28,229</u>	<u>\$ 245</u>	<u>\$ 1,052</u>	<u>\$ 34,082</u>	<u>\$ 683,849</u>	<u>\$ 58,101</u>	<u>\$ 4,528</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Crescent Park Carousel</i>	<i>Debt Service Reserve East Pointe</i>	<i>Emergency Management Program</i>	<i>Escrow Pending Forfeiture</i>	<i>Fire Decon Grant</i>	<i>Fire Department Boat</i>	<i>Fire UASI</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ 7,500	\$ -	\$ 16,422	\$ -	\$ 587,506
Charges for services	125,959	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	246	-	120	25	-	66	-
Contributions and private grants	26,397	-	-	-	-	-	-
Other revenue	-	-	-	19,898	-	-	-
Total revenues	<u>152,602</u>	<u>-</u>	<u>7,620</u>	<u>19,923</u>	<u>16,422</u>	<u>66</u>	<u>587,506</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	27,233	9,747	16,515	-	592,337
Public works	-	-	-	-	-	-	-
Parks and recreation	116,109	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>116,109</u>	<u>-</u>	<u>27,233</u>	<u>9,747</u>	<u>16,515</u>	<u>-</u>	<u>592,337</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>36,493</u>	<u>-</u>	<u>(19,613)</u>	<u>10,176</u>	<u>(93)</u>	<u>66</u>	<u>(4,831)</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	36,493	-	(19,613)	10,176	(93)	66	(4,831)
Fund balances (deficits), beginning of year	<u>170,933</u>	<u>-</u>	<u>86,639</u>	<u>17,617</u>	<u>(111)</u>	<u>43,337</u>	<u>4,556</u>
Fund balances (deficits), end of year	<u>\$ 207,426</u>	<u>\$ -</u>	<u>\$ 67,026</u>	<u>\$ 27,793</u>	<u>\$ (204)</u>	<u>\$ 43,403</u>	<u>\$ (275)</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Forfeited Drugs - State Funds</i>	<i>Forfeited Drug Monies</i>	<i>Friends of Ancient Little Neck Cemetery</i>	<i>Fuller Library Grant</i>	<i>Girl Scout House Refurbishment</i>	<i>Harbormaster</i>	<i>Historic Properties Commission</i>
Revenues							
Federal and state aid and grants	\$ 5,529	\$ 122,707	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	41,315	-
Fines and penalties	-	-	-	-	-	4,635	-
Investment and interest income	118	239	3	-	14	25	3
Contributions and private grants	-	-	-	-	-	4,700	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>5,647</u>	<u>122,946</u>	<u>1,503</u>	<u>-</u>	<u>14</u>	<u>50,675</u>	<u>3</u>
Expenditures							
Current:							
General government	-	-	1,500	-	-	-	-
Public safety	32,617	84,500	-	-	-	37,779	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>32,617</u>	<u>84,500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>37,779</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(26,970)</u>	<u>38,446</u>	<u>3</u>	<u>-</u>	<u>14</u>	<u>12,896</u>	<u>3</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(26,970)</u>	<u>38,446</u>	<u>3</u>	<u>-</u>	<u>14</u>	<u>12,896</u>	<u>3</u>
Fund balances (deficits), beginning of year	<u>85,024</u>	<u>141,633</u>	<u>1,284</u>	<u>1,506</u>	<u>8,168</u>	<u>5,594</u>	<u>2,178</u>
Fund balances (deficits), end of year	<u>\$ 58,054</u>	<u>\$ 180,079</u>	<u>\$ 1,287</u>	<u>\$ 1,506</u>	<u>\$ 8,182</u>	<u>\$ 18,490</u>	<u>\$ 2,181</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Historic Records Preservation</i>	<i>Homeland Security - Fire</i>	<i>Homeland Security - Police</i>	<i>Homeless Shelter</i>	<i>Hunts Mill Reuse</i>	<i>LEPC/ Hazmat</i>	<i>Library Change Fund</i>
Revenues							
Federal and state aid and grants	\$ 4,000	\$ -	\$ -	\$ -	\$ 78,934	\$ 23,333	\$ -
Charges for services	34,932	-	-	-	-	8,600	1,271
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	593	-	-	4	18	47	52
Contributions and private grants	-	-	-	479	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>39,525</u>	<u>-</u>	<u>-</u>	<u>483</u>	<u>78,952</u>	<u>31,980</u>	<u>1,323</u>
Expenditures							
Current:							
General government	19,457	-	-	-	-	-	-
Public safety	-	-	-	-	-	59,558	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	11,406	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>19,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,406</u>	<u>59,558</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>20,068</u>	<u>-</u>	<u>-</u>	<u>483</u>	<u>67,546</u>	<u>(27,578)</u>	<u>1,323</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	20,068	-	-	483	67,546	(27,578)	1,323
Fund balances (deficits), beginning of year	<u>382,881</u>	<u>59</u>	<u>3,693</u>	<u>2,599</u>	<u>10,313</u>	<u>33,073</u>	<u>34,461</u>
Fund balances (deficits), end of year	<u>\$ 402,949</u>	<u>\$ 59</u>	<u>\$ 3,693</u>	<u>\$ 3,082</u>	<u>\$ 77,859</u>	<u>\$ 5,495</u>	<u>\$ 35,784</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Library Donations Fund</i>	<i>Library Grant- in-Aid</i>	<i>Local Law Enforcement Block Grant</i>	<i>Meadowcrest School Playground</i>	<i>Metropolitan Burglary Network</i>	<i>Minimum Property Code Enforcement</i>	
Revenues							
Federal and state aid and grants	\$ -	\$ 467,926	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	191,396
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	115	-	-	18	-	-	22
Contributions and private grants	17,785	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>17,900</u>	<u>467,926</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>191,418</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	226,191
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	9,485	408,255	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>9,485</u>	<u>408,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,191</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>8,415</u>	<u>59,671</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>(34,773)</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	(269,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(269,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,415	(209,329)	-	18	-	-	(34,773)
Fund balances (deficits), beginning of year	<u>68,666</u>	<u>1,030,532</u>	<u>230</u>	<u>11,723</u>	<u>3,609</u>	<u>1,071</u>	<u>(17,506)</u>
Fund balances (deficits), end of year	<u>\$ 77,081</u>	<u>\$ 821,203</u>	<u>\$ 230</u>	<u>\$ 11,741</u>	<u>\$ 3,609</u>	<u>\$ 1,071</u>	<u>\$ (52,279)</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>National Youth Sports Coaches Association</i>	<i>Personnel Higher Education</i>	<i>Pierce Stadium</i>	<i>Planning & Mapping</i>	<i>Police Vehicle Detail</i>	<i>Project DARE</i>	<i>Recovery Act Byrne/ JAG</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,158
Charges for services	-	-	32,149	-	188,970	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	-	2	10	-	440	6	-
Contributions and private grants	-	-	-	-	-	150	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>2</u>	<u>32,159</u>	<u>-</u>	<u>189,410</u>	<u>156</u>	<u>95,158</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	31,473	-	-	-	-
Public health and welfare	-	-	-	-	-	781	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>31,473</u>	<u>-</u>	<u>-</u>	<u>781</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>2</u>	<u>686</u>	<u>-</u>	<u>189,410</u>	<u>(625)</u>	<u>95,158</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(416,963)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(416,963)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>2</u>	<u>686</u>	<u>-</u>	<u>(227,553)</u>	<u>(625)</u>	<u>95,158</u>
Fund balances (deficits), beginning of year	<u>466</u>	<u>1,605</u>	<u>3,256</u>	<u>48</u>	<u>389,384</u>	<u>4,260</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 466</u>	<u>\$ 1,607</u>	<u>\$ 3,942</u>	<u>\$ 48</u>	<u>\$ 161,831</u>	<u>\$ 3,635</u>	<u>\$ 95,158</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Recreation Center</i>	<i>Recreation League</i>	<i>Recycling Bags</i>	<i>Rescue Service Fees</i>	<i>Revaluation</i>	<i>RI Comprehensive Planning and Use Act</i>	<i>Rhode Island Health Coalition</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	4,141	24,665	56,156	1,260,614	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	73	89	315	789	-	15	8
Contributions and private grants	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>4,214</u>	<u>24,754</u>	<u>56,471</u>	<u>1,261,403</u>	<u>-</u>	<u>15</u>	<u>8</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	717,662	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	325	26,734	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	52,203	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>325</u>	<u>26,734</u>	<u>52,203</u>	<u>717,662</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>3,889</u>	<u>(1,980)</u>	<u>4,268</u>	<u>543,741</u>	<u>-</u>	<u>15</u>	<u>8</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	(95,000)	(500,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(95,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,889	(1,980)	(90,732)	43,741	-	15	8
Fund balances (deficits), beginning of year	<u>46,907</u>	<u>57,136</u>	<u>213,457</u>	<u>443,400</u>	<u>45</u>	<u>9,931</u>	<u>5,637</u>
Fund balances (deficits), end of year	<u>\$ 50,796</u>	<u>\$ 55,156</u>	<u>\$ 122,725</u>	<u>\$ 487,141</u>	<u>\$ 45</u>	<u>\$ 9,946</u>	<u>\$ 5,645</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Special Revenue Funds						
	<i>Riverside Square Improvements</i>	<i>Rose Larisa Memorial Park</i>	<i>Senior Center</i>	<i>Senior Center Programs</i>	<i>Smoke Detector Inspection</i>	<i>Stormwater Management Phase II</i>	<i>Substance Abuse Donations</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ 144,336	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	8,054	103,837	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	-	-	17	28	19	-	105
Contributions and private grants	-	-	7,562	39,912	-	-	494
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>151,915</u>	<u>47,994</u>	<u>103,856</u>	<u>-</u>	<u>599</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	83,842	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and welfare	-	-	30,166	64,200	-	-	14,483
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>30,166</u>	<u>64,200</u>	<u>83,842</u>	<u>-</u>	<u>14,483</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>121,749</u>	<u>(16,206)</u>	<u>20,014</u>	<u>-</u>	<u>(13,884)</u>
Other financing sources (uses)							
Transfers from other funds	234,000	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>234,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	234,000	-	121,749	(16,206)	20,014	-	(13,884)
Fund balances (deficits), beginning of year	<u>(233,624)</u>	<u>(1,941)</u>	<u>(114,415)</u>	<u>12,732</u>	<u>20,094</u>	<u>(17,100)</u>	<u>78,923</u>
Fund balances (deficits), end of year	<u>\$ 376</u>	<u>\$ (1,941)</u>	<u>\$ 7,334</u>	<u>\$ (3,474)</u>	<u>\$ 40,108</u>	<u>\$ (17,100)</u>	<u>\$ 65,039</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	<u>Special Revenue Funds</u>					<i>Total Special Revenue Funds</i>
	<i>Substance Abuse Grants</i>	<i>Systems Improvements</i>	<i>Interoperable Communications</i>	<i>Waterfront Commission TIF</i>	<i>Waterfront Stormwater Study</i>	
Revenues						
Federal and state aid and grants	\$ 256,055	\$ -	\$ 254,200	\$ -	\$ 44,622	\$ 11,743,002
Charges for services	-	-	-	2,500	-	2,838,664
Fines and penalties	-	-	-	-	-	13,905
Investment and interest income	-	26	-	-	-	35,797
Contributions and private grants	6,516	-	-	-	-	144,809
Other revenue	-	-	-	-	-	202,441
Total revenues	<u>262,571</u>	<u>26</u>	<u>254,200</u>	<u>2,500</u>	<u>44,622</u>	<u>14,978,618</u>
Expenditures						
Current:						
General government	-	-	-	-	-	1,634,206
Public safety	-	10,473	254,200	-	-	2,152,654
Public works	-	-	-	-	46,547	46,547
Parks and recreation	-	-	-	-	-	186,447
Public health and welfare	276,340	-	-	-	-	398,556
Sanitation	-	-	-	-	-	52,203
Public libraries	-	-	-	-	-	429,735
Education	-	-	-	-	-	8,805,350
Debt service	-	-	-	-	-	223,713
Total expenditures	<u>276,340</u>	<u>10,473</u>	<u>254,200</u>	<u>-</u>	<u>46,547</u>	<u>13,929,411</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(13,769)</u>	<u>(10,447)</u>	<u>-</u>	<u>2,500</u>	<u>(1,925)</u>	<u>1,049,207</u>
Other financing sources (uses)						
Transfers from other funds	-	11,110	-	-	-	245,110
Transfers to other funds	-	-	-	-	-	(1,514,963)
Total other financing sources (uses)	<u>-</u>	<u>11,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,269,853)</u>
Net change in fund balance	(13,769)	663	-	2,500	(1,925)	(220,646)
Fund balances (deficits), beginning of year	<u>27,219</u>	<u>(663)</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>4,204,461</u>
Fund balances (deficits), end of year	<u>\$ 13,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 3,375</u>	<u>\$ 3,983,815</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
 Nonmajor Governmental Funds
 For the Fiscal Year Ended October 31, 2009

	Capital Project Funds						
	<i>Capital Improvements</i>	<i>Economic Development Bond</i>	<i>Hull Street Renovations</i>	<i>Open Space</i>	<i>Superior Court MP9538</i>	<i>Vintner Avenue Playground</i>	<i>Union Primary Reserve</i>
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ 146,412	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment and interest income	96	1,260	-	3	-	5	39
Contributions and private grants	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>96</u>	<u>1,260</u>	<u>-</u>	<u>146,415</u>	<u>-</u>	<u>5</u>	<u>39</u>
Expenditures							
Current:							
General government	16,924	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	57,500	-	-	-	-	-	3,487
Parks and recreation	-	-	-	72,856	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	<u>74,424</u>	<u>-</u>	<u>-</u>	<u>72,856</u>	<u>-</u>	<u>-</u>	<u>3,487</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(74,328)</u>	<u>1,260</u>	<u>-</u>	<u>73,559</u>	<u>-</u>	<u>5</u>	<u>(3,448)</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	(50,125)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(50,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(124,453)</u>	<u>1,260</u>	<u>-</u>	<u>73,559</u>	<u>-</u>	<u>5</u>	<u>(3,448)</u>
Fund balances (deficits), beginning of year	<u>125,048</u>	<u>912,106</u>	<u>(19,820)</u>	<u>(80,158)</u>	<u>-</u>	<u>3,001</u>	<u>26,626</u>
Fund balances (deficits), end of year	<u>\$ 595</u>	<u>\$ 913,366</u>	<u>\$ (19,820)</u>	<u>\$ (6,599)</u>	<u>\$ -</u>	<u>\$ 3,006</u>	<u>\$ 23,178</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	Capital Project Funds					
	<i>Stormwater Basin- Routine</i>	<i>Stormwater Basin- Nonroutine</i>	<i>Capital Lease Fund</i>	<i>1999 School Bond Fund</i>	<i>2000 Bond Public Works</i>	<i>2000 Bond Public Safety</i>
Revenues						
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-
Investment and interest income	6	29	-	-	111	-
Contributions and private grants	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>6</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Public libraries	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>6</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>111</u>	<u>-</u>
Other financing sources (uses)						
Transfers from other funds	-	-	296,145	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>296,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	6	29	296,145	-	111	-
Fund balances (deficits), beginning of year	<u>4,141</u>	<u>19,328</u>	<u>(296,145)</u>	<u>10</u>	<u>65,364</u>	<u>-</u>
Fund balances (deficits), end of year	<u>\$ 4,147</u>	<u>\$ 19,357</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 65,475</u>	<u>\$ -</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	Capital Project Funds				<i>Total Capital Project Funds</i>
	<i>1999 Bond Streets & Sidewalks</i>	<i>1999 Recreation/ Library</i>	<i>2002 Miscellaneous Projects</i>	<i>2007 BAN Public Works</i>	
Revenues					
Federal and state aid and grants	\$ -	\$ 198,294	\$ 71,582	\$ -	\$ 416,288
Charges for services	-	-	-	-	-
Fines and penalties	-	-	-	-	-
Investment and interest income	7	817	1,288	1,069	4,730
Contributions and private grants	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>7</u>	<u>199,111</u>	<u>72,870</u>	<u>1,069</u>	<u>421,018</u>
Expenditures					
Current:					
General government	-	-	-	-	16,924
Public safety	-	-	17,825	-	17,825
Public works	-	-	62,123	1,500	124,610
Parks and recreation	-	377,367	281,800	-	732,023
Public health and welfare	-	-	-	-	-
Sanitation	-	-	-	-	-
Public libraries	-	-	-	-	-
Education	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	<u>-</u>	<u>377,367</u>	<u>361,748</u>	<u>1,500</u>	<u>891,382</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>7</u>	<u>(178,256)</u>	<u>(288,878)</u>	<u>(431)</u>	<u>(470,364)</u>
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	296,145
Transfers to other funds	-	-	-	-	(50,125)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,020</u>
Net change in fund balance	7	(178,256)	(288,878)	(431)	(224,344)
Fund balances (deficits), beginning of year	<u>3,024</u>	<u>205,843</u>	<u>912,307</u>	<u>(1,308,591)</u>	<u>572,084</u>
Fund balances (deficits), end of year	<u>\$ 3,031</u>	<u>\$ 27,587</u>	<u>\$ 623,429</u>	<u>\$ (1,309,022)</u>	<u>\$ 347,740</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended October 31, 2009

	<u>Permanent Funds</u>					<u>Total Permanent Funds</u>	<u>Total All Nonmajor Governmental Funds</u>
	<u>Lakeside Springdale</u>	<u>Little Neck Cemetery</u>	<u>Nancy Miller</u>	<u>George Bucklin</u>	<u>FBO Newman</u>		
Revenues							
Federal and state aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,159,290
Charges for services	-	-	-	-	-	-	2,838,664
Fines and penalties	-	-	-	-	-	-	13,905
Investment and interest income	16	714	2	24	22	778	41,305
Contributions and private grants	-	-	-	-	-	-	144,809
Other revenue	-	-	-	-	-	-	202,441
Total revenues	<u>16</u>	<u>714</u>	<u>2</u>	<u>24</u>	<u>22</u>	<u>778</u>	<u>15,400,414</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	1,651,130
Public safety	-	-	-	-	-	-	2,170,479
Public works	-	-	-	-	-	-	171,157
Parks and recreation	-	-	-	-	-	-	918,470
Public health and welfare	-	-	-	-	-	-	398,556
Sanitation	-	-	-	-	-	-	52,203
Public libraries	-	-	-	-	-	-	429,735
Education	-	-	-	-	-	-	8,805,350
Debt service	-	-	-	-	-	-	223,713
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,820,793</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>16</u>	<u>714</u>	<u>2</u>	<u>24</u>	<u>22</u>	<u>778</u>	<u>579,621</u>
Other financing sources (uses)							
Transfers from other funds	-	-	-	-	-	-	541,255
Transfers to other funds	-	-	-	-	-	-	(1,565,088)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,023,833)</u>
Net change in fund balance	16	714	2	24	22	778	(444,212)
Fund balances (deficits), beginning of year	<u>9,976</u>	<u>64,150</u>	<u>1,617</u>	<u>15,084</u>	<u>14,060</u>	<u>104,887</u>	<u>4,881,432</u>
Fund balances (deficits), end of year	<u>\$ 9,992</u>	<u>\$ 64,864</u>	<u>\$ 1,619</u>	<u>\$ 15,108</u>	<u>\$ 14,082</u>	<u>\$ 105,665</u>	<u>\$ 4,437,220</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND

Special Revenue Funds - School Restricted Fund

Combining Balance Sheet

October 31, 2009

	<i>Title I</i>	<i>Title II</i>	<i>Title III</i>	<i>Title III Immigrant Assistance</i>	<i>Title IV</i>	<i>Title V</i>	<i>Preschool</i>	<i>NASA Technology Integration</i>
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ 235	\$ -	\$ -	\$ 11	\$ -
Due from federal and state governments	266,299	108,707	5,628	1,004	31,289	2,581	6,602	-
Due from other funds	954	13,379	197	-	-	-	-	1,266
Prepaid expenditures	2,540	46	-	-	-	-	140	-
Total assets	\$ 269,793	\$ 122,132	\$ 5,825	\$ 1,239	\$ 31,289	\$ 2,581	\$ 6,753	\$ 1,266
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash overdraft	\$ 26,874	\$ 53,389	\$ 4,949	\$ -	\$ 22,777	\$ 2,581	\$ -	\$ 1,266
Accounts payable and accrued expenditures	12,380	5,845	110	-	5,087	-	-	-
Due to other funds	230,539	62,898	766	1,239	3,425	-	6,753	-
Total liabilities	269,793	122,132	5,825	1,239	31,289	2,581	6,753	1,266
Fund balances	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 269,793	\$ 122,132	\$ 5,825	\$ 1,239	\$ 31,289	\$ 2,581	\$ 6,753	\$ 1,266

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Special Revenue Funds - School Restricted Fund

Combining Balance Sheet (Continued)

October 31, 2009

	<i>PL 94-142 Part B</i>	<i>PL 94-142 Part B Stabilization</i>	<i>Preschool Stabilization</i>	<i>Title I Stabilization</i>	<i>Perkins</i>	<i>Fresh Fruits & Vegetables</i>	<i>Teaching American History</i>	<i>Literacy for All</i>
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110	\$ 50	\$ 1,113
Due from federal and state governments	678,857	965,311	12,119	21,202	33,807	3,973	-	-
Due from other funds	296	-	-	-	389	-	-	-
Prepaid expenditures	2,279	1,448	263	413	-	-	-	-
Total assets	\$ 681,432	\$ 966,759	\$ 12,382	\$ 21,615	\$ 34,196	\$ 4,083	\$ 50	\$ 1,113
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash overdraft	\$ 34,333	\$ -	\$ -	\$ -	\$ 24,689	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	466,620	918,485	-	-	9,421	3,973	-	-
Due to other funds	180,479	48,274	12,382	21,615	86	-	-	-
Total liabilities	681,432	966,759	12,382	21,615	34,196	3,973	-	-
Fund balances	-	-	-	-	-	110	50	1,113
Total liabilities and fund balances	\$ 681,432	\$ 966,759	\$ 12,382	\$ 21,615	\$ 34,196	\$ 4,083	\$ 50	\$ 1,113

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Special Revenue Funds - School Restricted Fund

Combining Balance Sheet (Continued)

October 31, 2009

	<i>Enhancing Education Through Tech</i>	<i>Equipment Assistance Grant for SFA</i>	<i>R.I. State Improvement Waddington</i>	<i>Wellness and Physical Education</i>	<i>Career Tech. Center - Ind. Contractor</i>	<i>United Way</i>	<i>EPHS Arts</i>	<i>Legislative Technology Martin</i>
ASSETS								
Cash	\$ 2,535	\$ -	\$ -	\$ 1,520	\$ -	\$ 255	\$ 2,300	\$ 1,801
Due from federal and state governments	-	22,438	-	-	4,800	-	-	-
Due from other funds	-	-	3,063	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-
Total assets	<u>\$ 2,535</u>	<u>\$ 22,438</u>	<u>\$ 3,063</u>	<u>\$ 1,520</u>	<u>\$ 4,800</u>	<u>\$ 255</u>	<u>\$ 2,300</u>	<u>\$ 1,801</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash overdraft	\$ -	\$ -	\$ 3,063	\$ -	\$ 4,800	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	22,438	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>22,438</u>	<u>3,063</u>	<u>-</u>	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances	<u>2,535</u>	<u>-</u>	<u>-</u>	<u>1,520</u>	<u>-</u>	<u>255</u>	<u>2,300</u>	<u>1,801</u>
Total liabilities and fund balances	<u>\$ 2,535</u>	<u>\$ 22,438</u>	<u>\$ 3,063</u>	<u>\$ 1,520</u>	<u>\$ 4,800</u>	<u>\$ 255</u>	<u>\$ 2,300</u>	<u>\$ 1,801</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Special Revenue Funds - School Restricted Fund

Combining Balance Sheet (Continued)

October 31, 2009

	<i>Legislative Technology Watters</i>	<i>Legislative Technology Oldham</i>	<i>Feinstein</i>	<i>Champlin Grant</i>	<i>RIRIE</i>	<i>R.I. Parent Information Network</i>	<i>National Geographic</i>	<i>Orlo School City of East Providence</i>
ASSETS								
Cash	\$ 167	\$ 70	\$ 1,396	\$ 165	\$ 5,000	\$ 1,181	\$ 68	\$ 48
Due from federal and state governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-
Total assets	<u>\$ 167</u>	<u>\$ 70</u>	<u>\$ 1,396</u>	<u>\$ 165</u>	<u>\$ 5,000</u>	<u>\$ 1,181</u>	<u>\$ 68</u>	<u>\$ 48</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	725	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances	<u>167</u>	<u>70</u>	<u>1,396</u>	<u>165</u>	<u>4,275</u>	<u>1,181</u>	<u>68</u>	<u>48</u>
Total liabilities and fund balances	<u>\$ 167</u>	<u>\$ 70</u>	<u>\$ 1,396</u>	<u>\$ 165</u>	<u>\$ 5,000</u>	<u>\$ 1,181</u>	<u>\$ 68</u>	<u>\$ 48</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND

Special Revenue Funds - School Restricted Fund

Combining Balance Sheet (Continued)

October 31, 2009

	<i>Federal Stabilization</i>	<i>Vocational Training for Adults</i>	<i>Achieve Algebra</i>	<i>Silver Spring Library</i>	<i>RITIE</i>	<i>Safe Routes</i>	<i>R.I. Historical</i>	<i>Total</i>
ASSETS								
Cash	\$ -	\$ 3,762	\$ -	\$ 1	\$ 733	\$ -	\$ 294	\$ 22,815
Due from federal and state governments	-	1,470	-	-	-	-	-	2,166,087
Due from other funds	-	739	-	-	-	-	-	20,283
Prepaid expenditures	-	60	-	-	-	-	-	7,189
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 6,031</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$ 2,216,374</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,721
Accounts payable and accrued expenditures	-	3,011	-	-	-	-	-	1,447,370
Due to other funds	-	3,020	-	-	-	-	-	572,201
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>6,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,198,292</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>733</u>	<u>-</u>	<u>294</u>	<u>18,082</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 6,031</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$ 2,216,374</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended October 31, 2009

	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title III Immigrant Assistance</u>	<u>Title IV</u>	<u>Title V</u>	<u>Preschool</u>	<u>NASA Technology Integration</u>
Revenues								
Intergovernmental revenues	\$ 1,388,865	\$ 412,020	\$ 52,690	\$ 27,587	\$ 65,354	\$ 3,335	\$ 55,237	\$ 6,238
Total revenues	<u>1,388,865</u>	<u>412,020</u>	<u>52,690</u>	<u>27,587</u>	<u>65,354</u>	<u>3,335</u>	<u>55,237</u>	<u>6,238</u>
Expenditures								
Education	1,388,865	412,020	52,690	27,587	65,354	3,335	55,237	6,238
Total expenditures	<u>1,388,865</u>	<u>412,020</u>	<u>52,690</u>	<u>27,587</u>	<u>65,354</u>	<u>3,335</u>	<u>55,237</u>	<u>6,238</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 For the Fiscal Year Ended October 31, 2009

	<i>PL 94-142 Part B</i>	<i>PL 94-142 Part B Stabilization</i>	<i>Preschool Stabilization</i>	<i>Title I Stabilization</i>	<i>Perkins</i>	<i>Fresh Fruits & Vegetables</i>	<i>Teaching American History</i>	<i>Literacy for All</i>
Revenues								
Intergovernmental revenues	\$2,078,395	\$ 965,311	\$ 12,119	\$ 21,202	\$ 272,450	\$ 13,315	\$ 141,037	\$ 1,003
Total revenues	<u>2,078,395</u>	<u>965,311</u>	<u>12,119</u>	<u>21,202</u>	<u>272,450</u>	<u>13,315</u>	<u>141,037</u>	<u>1,003</u>
Expenditures								
Education	2,078,395	965,311	12,119	21,202	272,450	13,205	140,987	2,055
Total expenditures	<u>2,078,395</u>	<u>965,311</u>	<u>12,119</u>	<u>21,202</u>	<u>272,450</u>	<u>13,205</u>	<u>140,987</u>	<u>2,055</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	110	50	(1,052)
Fund balances - beginning of year	-	-	-	-	-	-	-	2,165
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 50</u>	<u>\$ 1,113</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 For the Fiscal Year Ended October 31, 2009

	<i>Enhancing Education Through Tech</i>	<i>Equipment Assistance Grant for SFA</i>	<i>R.I. State Improvement Waddington</i>	<i>Wellness and Physical Education</i>	<i>Career Tech. Center - Ind. Contractor</i>	<i>United Way</i>	<i>EPHS Arts</i>	<i>Legislative Technology Martin</i>
Revenues								
Intergovernmental revenues	\$ 43,564	\$ 22,438	\$ -	\$ -	\$ 16,536	\$ -	\$ -	\$ 8,550
Total revenues	<u>43,564</u>	<u>22,438</u>	<u>-</u>	<u>-</u>	<u>16,536</u>	<u>-</u>	<u>-</u>	<u>8,550</u>
Expenditures								
Education	41,029	22,438	-	-	16,536	-	-	7,947
Total expenditures	<u>41,029</u>	<u>22,438</u>	<u>-</u>	<u>-</u>	<u>16,536</u>	<u>-</u>	<u>-</u>	<u>7,947</u>
Excess (deficiency) of revenues over (under) expenditures	2,535	-	-	-	-	-	-	603
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520</u>	<u>-</u>	<u>255</u>	<u>2,300</u>	<u>1,198</u>
Fund balances - end of year	<u>\$ 2,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,520</u>	<u>\$ -</u>	<u>\$ 255</u>	<u>\$ 2,300</u>	<u>\$ 1,801</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Fiscal Year Ended October 31, 2009

	<i>Legislative Technology Watters</i>	<i>Legislative Technology Oldham</i>	<i>Feinstein</i>	<i>Champlin Grant</i>	<i>RIRIE</i>	<i>R.I. Parent Information Network</i>	<i>National Geographic</i>	<i>Orlo School City of East Providence</i>
Revenues								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures								
Education	-	-	-	-	-	-	403	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	(403)	-
Fund balances - beginning of year	<u>167</u>	<u>70</u>	<u>1,396</u>	<u>165</u>	<u>4,275</u>	<u>1,181</u>	<u>471</u>	<u>48</u>
Fund balances - end of year	<u>\$ 167</u>	<u>\$ 70</u>	<u>\$ 1,396</u>	<u>\$ 165</u>	<u>\$ 4,275</u>	<u>\$ 1,181</u>	<u>\$ 68</u>	<u>\$ 48</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Special Revenue Funds - School Restricted Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Fiscal Year Ended October 31, 2009

	<i>Federal Stabilization</i>	<i>Vocational Training for Adults</i>	<i>Achieve Algebra</i>	<i>Silver Spring Library</i>	<i>RITIE</i>	<i>Safe Routes</i>	<i>R.I. Historical</i>	<i>Total</i>
Revenues								
Intergovernmental revenues	\$1,497,451	\$ 54,332	\$ 2,736	\$ -	\$ -	\$ 2,664	\$ -	\$ 7,164,429
Total revenues	<u>1,497,451</u>	<u>54,332</u>	<u>2,736</u>	<u>-</u>	<u>-</u>	<u>2,664</u>	<u>-</u>	<u>7,164,429</u>
Expenditures								
Education	1,497,451	54,332	2,736	-	-	2,664	-	7,162,586
Total expenditures	<u>1,497,451</u>	<u>54,332</u>	<u>2,736</u>	<u>-</u>	<u>-</u>	<u>2,664</u>	<u>-</u>	<u>7,162,586</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	-	1,843
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>733</u>	<u>-</u>	<u>294</u>	<u>16,239</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 294</u>	<u>\$ 18,082</u>

A G E N C Y F U N D S

**Agency Funds account
for assets held by the City
as an agent for individuals,
organizations or other governmental units.**

Student Activities Fund – This fund accounts for monies derived from school sponsored student activities.

Savings Bond Account – This fund is used to account for payroll deductions made by City employees to purchase U.S. Savings Bonds.

Employee Dine Out Account – This fund accounts for collections of money of City employees to purchase Dine Out and Treat Out books.

Probate Court Account – This fund accounts for monies collected from probated estates held on behalf of their heirs.

Contractor's Escrow Account – This fund accounts for monies held by the City to insure maintenance of the detention pond.

Waterfront Commission – This fund accounts for monies held on behalf of the Waterfront Commission.

Basins Maintenance Escrow Account – This fund accounts for monies held by the City from various developers to defray the maintenance cost of retention and detention water ponds.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Combining Statement of Net Assets

Agency Funds

October 31, 2009

	<i>Student Activities Fund</i>	<i>Savings Bond Account</i>	<i>Employee Dine Out Account</i>	<i>Probate Court Account</i>	<i>Contractor's Escrow Account</i>	<i>Waterfront Commission</i>	<i>Basins Maintenance Escrow Account</i>	<i>Total Agency Funds</i>
Assets								
Cash	\$307,974	\$ 2,687	\$ 4	\$ 782	\$ -	\$ 802	\$ 25	\$312,274
Investments	-	-	-	-	162,938	192,065	4,421	359,424
Total assets	<u>\$307,974</u>	<u>\$ 2,687</u>	<u>\$ 4</u>	<u>\$ 782</u>	<u>\$162,938</u>	<u>\$192,867</u>	<u>\$ 4,446</u>	<u>\$671,698</u>
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 471	\$ -	\$ 471
Due to other funds	-	-	-	-	-	12,200	-	12,200
Deposits held in custody for others	307,974	2,687	4	782	162,938	180,196	4,446	659,027
Total liabilities	<u>\$307,974</u>	<u>\$ 2,687</u>	<u>\$ 4</u>	<u>\$ 782</u>	<u>\$162,938</u>	<u>\$192,867</u>	<u>\$ 4,446</u>	<u>\$671,698</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND

Tax Collector's Annual Report

For the Fiscal Year Ended October 31, 2009

Real Estate and Personal Property Taxes

<u>Year</u>	<u>Balance November 1, 2008</u>	<u>Current Year Assessment</u>	<u>Supplemental Billings</u>	<u>Discounts, Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance October 31, 2009</u>
2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,659	\$ (6,659)
2009	(7,926)	84,786,891	39,031	(1,460,851)	83,357,145	65,775,365	17,581,780
2008	17,353,544	-	-	(254,851)	17,098,693	16,079,914	1,018,779
2007	999,103	-	-	(6,579)	992,524	763,165	229,359
2006	257,700	-	-	(4,095)	253,605	40,170	213,435
2005	190,089	-	-	(1,363)	188,726	17,586	171,140
2004 & prior	966,552	-	-	(176,007)	790,545	25,476	765,069
	<u>\$ 19,759,062</u>	<u>\$ 84,786,891</u>	<u>\$ 39,031</u>	<u>\$ (1,903,746)</u>	<u>\$102,681,238</u>	<u>\$ 82,708,335</u>	<u>\$ 19,972,903</u>

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 4,766,887,241	\$ 78,658,205
Motor vehicles	113,580,270	4,212,978
Personal property	233,952,320	10,832,008
Total	5,114,419,831	93,703,191
Exemptions	577,070,925	8,916,300
 <i>Net assessed value</i>	 <u>\$ 4,537,348,906</u>	 <u>\$ 84,786,891</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
General Governmental Expenditures by Function
Last Ten Fiscal Years (1)
"Unaudited"

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>(2)</u> <u>2000</u>
General government	\$ 6,813,747	\$ 6,387,231	\$ 6,209,626	\$ 7,329,765	\$ 8,052,826	\$ 7,014,753	\$ 8,754,092	\$ 3,682,174	\$ 3,413,375	\$ 3,265,264
Public safety	27,694,043	28,511,644	27,652,929	23,665,424	21,998,925	21,015,252	20,478,406	17,782,748	17,171,251	16,258,659
Public works	6,857,727	7,036,404	7,912,734	6,050,281	6,966,346	7,208,373	6,922,851	5,127,889	5,056,268	4,637,849
Parks and recreation	3,578,249	3,352,897	3,351,278	3,088,676	3,110,622	3,510,261	4,195,715	2,392,927	2,429,851	2,108,594
Public health and welfare	398,556	629,339	206,654	245,980	190,453	179,432	223,052	64,884	60,545	58,613
Education	82,979,014	85,779,408	81,235,819	73,107,850	68,537,775	69,391,606	74,308,746	66,950,149	63,643,327	60,430,633
Sanitation	2,876,734	2,845,601	2,761,520	2,678,742	2,623,312	2,487,132	2,536,850	2,180,370	1,910,749	1,688,236
Public libraries	2,758,141	2,669,632	2,449,776	2,278,525	3,635,582	1,954,262	2,055,849	1,739,461	1,682,006	1,616,365
Capital outlays	-	-	-	-	-	-	-	3,942,500	3,096,621	4,170,147
Miscellaneous	3,046,235	3,554,644	3,277,111	3,414,304	3,105,395	2,746,512	2,553,925	6,311,611	6,551,252	6,436,438
Debt service	4,046,145	4,059,011	4,268,070	4,995,673	4,850,897	4,656,968	2,863,378	-	-	-
Total	<u>\$141,048,591</u>	<u>\$144,825,811</u>	<u>\$139,325,517</u>	<u>\$126,855,220</u>	<u>\$123,072,133</u>	<u>\$120,164,551</u>	<u>\$124,892,864</u>	<u>\$110,174,713</u>	<u>\$105,015,245</u>	<u>\$ 100,670,798</u>

Notes:

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds, Capital Projects Funds and Permanent Funds after elimination of transfers between these funds.

(2) Sanitation expenditures decreased as a result of the creation of a separate Water Pollution Control Enterprise Fund in Fiscal Year 2000.

(3) Large variances from 2002 to 2003 are largely due to the reclassification of miscellaneous expense and capital outlays to other functions as a result of implementation of GASB Statement 34. Also, debt service was segregated from miscellaneous and education.

CITY OF EAST PROVIDENCE, RHODE ISLAND

General Governmental Revenues by Source

Last Ten Fiscal Years (1)

"Unaudited"

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>(2)</u> <u>2001</u>	<u>2000</u>
Property Taxes	\$ 82,679,031	\$ 80,341,522	\$ 76,392,381	\$ 72,721,428	\$ 69,879,757	\$ 64,695,406	\$ 61,914,771	\$ 59,763,010	\$ 58,713,151	\$57,021,527
Intergovernmental	48,131,212	49,296,120	48,506,976	44,668,276	42,990,462	43,031,241	44,080,785	38,969,199	36,766,897	34,040,866
Departmental	7,076,626	7,032,360	7,025,676	5,817,848	6,051,301	6,161,838	4,622,201	3,003,492	1,793,992	1,700,574
Interest and other	631,116	1,085,627	1,565,018	1,309,837	926,222	714,933	690,836	702,253	1,066,095	1,336,829
Other revenues	444,471	770,461	788,617	1,951,287	902,546	1,862,097	1,117,893	2,253,907	3,147,447	2,678,165
Total	<u>\$ 138,962,456</u>	<u>\$138,526,090</u>	<u>\$134,278,668</u>	<u>\$126,468,676</u>	<u>\$120,750,288</u>	<u>\$116,465,515</u>	<u>\$112,426,486</u>	<u>\$104,691,861</u>	<u>\$ 101,487,582</u>	<u>\$96,777,961</u>

Notes:

(1) This schedule includes revenues of the General Fund, Special Revenue Funds, and Capital Projects Funds and Permanent Funds after elimination of transfers between these funds.

(2) Departmental revenues decreased as a result of the creation of a separate Water Pollution Control Enterprise Fund in Fiscal Year 2000.

(3) Variances from 2002 to 2003 are partially due to the reclassification of other revenue to departmental as a result of the implementation of GASB Statement No. 34.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Property Tax Levies and Collections

Last Ten Fiscal Years

"Unaudited"

<i>Fiscal Year</i>	<i>Total Tax Levy</i>	<i>Current Tax Collections</i>	<i>Percent of Levy collected</i>	<i>Delinquent Tax Collections</i>	<i>Total Tax Collections</i>	<i>Total Collections as Percentage of Levy</i>	<i>Taxes Receivable Year End</i>	<i>Taxes Receivable as Percentage of Levy</i>	<i>Growth in Tax Levy Over Previous Year%</i>
2000	\$ 57,893,927	\$ 43,678,218	75.45%	\$ 13,283,207	\$ 56,961,425	98.39%	\$16,017,628	27.67%	-2.52%
2001	60,091,194	46,337,442	77.11%	12,343,096	58,680,538	97.65%	15,276,894	25.42%	3.80%
2002	61,470,099	47,793,109	77.75%	11,932,847	59,725,956	97.16%	14,883,837	24.21%	2.29%
2003	64,199,367	50,096,980	78.03%	11,872,860	61,969,840	96.53%	14,911,645	23.23%	4.44%
2004	67,702,366	52,667,799	77.79%	11,997,212	64,665,011	95.51%	16,017,411	23.66%	5.46%
2005	72,697,650	56,753,012	78.07%	13,124,771	69,877,783	96.12%	16,762,916	23.06%	7.38%
2006	74,593,972	58,597,862	78.56%	14,119,290	72,717,152	97.48%	18,262,541	24.48%	2.61%
2007	77,770,709	60,702,834	78.05%	15,646,278	76,349,112	98.17%	19,353,700	24.89%	4.26%
2008	82,082,303	63,432,933	77.28%	16,857,301	80,290,234	97.82%	19,759,062	24.07%	5.54%
2009	84,786,891	65,775,365	77.58%	16,926,311	82,701,676	97.54%	19,972,903	23.56%	3.29%

This information is taken from the tax collectors report.

CITY OF EAST PROVIDENCE, RHODE ISLAND

*Property Tax Rates
(Per \$1000 of Assessed value)
Last Ten Fiscal Years
"Unaudited"*

<u>Fiscal Year</u>	<u>Total Rate</u>	<u>Municipal</u>	<u>School</u>
2000	\$ 22.55 37.10 30.83	\$ 10.06 16.55 13.75	\$ 12.49 20.55 17.08
2001	\$ 23.66 37.10 38.93 26.97	\$ 10.77 16.88 17.71 12.27	\$ 12.89 20.22 21.22 14.70
2002	\$ 24.70 37.10 40.64 23.11	\$ 11.36 17.07 18.69 10.63	\$ 13.34 20.03 21.95 12.48
2003	\$ 26.05 37.10 42.87 19.30	\$ 11.55 16.44 19.00 8.55	\$ 14.50 20.66 23.87 10.75
2004	\$ 15.20 19.35 37.10 44.59 15.44	\$ 6.88 8.76 16.80 20.19 7.00	\$ 8.32 10.59 20.30 24.40 8.44
2005	\$ 16.19 20.61 37.10 47.49 11.59	\$ 7.59 9.66 17.38 22.25 5.43	\$ 8.60 10.95 19.72 25.24 6.16
2006	\$ 16.76 21.33 36.55 49.17 7.73	\$ 6.87 8.75 15.22 20.17 3.17	\$ 9.89 12.58 21.33 29.00 4.56
2007	\$ 14.41 18.37 37.10 43.23 3.86	\$ 5.76 7.35 14.84 17.29 1.54	\$ 8.65 11.02 22.26 25.94 2.32
2008	\$ 14.91 19.01 37.10 44.74	\$ 6.26 7.98 15.58 18.79	\$ 8.65 11.03 21.52 25.95
2009	\$ 15.43 19.68 37.10 46.30	\$ 7.10 9.05 17.07 21.30	\$ 8.33 10.63 20.03 25.00

Note: Inventory tax eliminated in fiscal year 2008.

CITY OF EAST PROVIDENCE, RHODE ISLAND

*Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years
"Unaudited"*

<i>Fiscal Year</i>	<i>Population</i>	<i>Assessed Values of Taxable Property</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Net Bonded Debt per Capita</i>
2000	48,680	\$ 2,291,906,253	\$ 18,050,000	0.79%	370.79
2001	48,680	2,295,810,679	21,865,000	0.95%	449.16
2002	48,680	2,285,019,018	20,225,000	0.89%	415.47
2003	48,680	2,277,471,562	27,590,000	1.21%	566.76
2004	48,680	3,611,611,673	34,520,000	0.96%	709.12
2005	48,680	3,563,070,835	32,155,000	0.90%	660.54
2006	48,680	3,834,961,374	29,700,000	0.77%	610.11
2007	48,680	4,572,528,743	27,140,000	0.59%	557.52
2008	48,680	4,539,614,979	24,620,000	0.54%	505.75
2009	48,680	4,537,348,906	22,130,000	0.49%	454.60

Notes:

(1) Population figures were obtained from U.S. Census Reports.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Computation of Legal Debt Margin

"Unaudited"

October 31, 2009

Grossed assessed value	\$5,114,419,831
Less: exemptions and adjustments	<u>(577,070,925)</u>
<i>Total taxable assessed value</i>	<u><u>\$4,537,348,906</u></u>
Debt Limit - 3 percent of total assessed value	\$ 136,120,467
Amount of debt applicable to debt limit:	
Total bonded debt	<u>22,130,000</u>
<i>Legal debt margin</i>	<u><u>\$ 113,990,467</u></u>

SINGLE AUDIT SECTION

***REPORT ON THE INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of and for the year ended October 31, 2009, which collectively comprise the City of East Providence, Rhode Island's basic financial statements and have issued our report thereon dated May 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of East Providence, Rhode Island's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of East Providence, Rhode Island's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of East Providence, Rhode Island's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's

financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 09-02 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 09-02 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of East Providence, Rhode Island's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 09-01.

We noted certain matters that we reported to the management of the City of East Providence, Rhode Island in a separate letter dated May 10, 2010.

The City of East Providence, Rhode Island's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of East Providence, Rhode Island's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, the School Committee, the State of Rhode Island Auditor General and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bacon & Company, d d c

Warwick, Rhode Island
May 10, 2010

***REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133***

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

Compliance

We have audited the compliance of the City of East Providence, Rhode Island with types of compliance requirements described in the U.S. Office of Management and Budget (OMB) ***Circular A-133 Compliance Supplement*** that are applicable to each of its major federal programs for the year ended October 31, 2009. The City of East Providence, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of East Providence, Rhode Island's management. Our responsibility is to express an opinion on the City of East Providence, Rhode Island's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and OMB Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of East Providence, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of East Providence, Rhode Island's compliance with those requirements.

As described in items 09-03 and 09-05 in the accompanying schedule of findings and questioned costs, the City of East Providence, Rhode Island did not comply with requirements regarding allowable costs/cost principles that are applicable to its State Fiscal Stabilization Grant and requirements regarding real property acquisition that are applicable to its Community Development Block Grant. Compliance with such requirements is necessary, in our opinion, for the City of East Providence, Rhode Island to comply with the requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of East Providence, Rhode Island complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended October 31, 2009.

Internal Control Over Compliance

The management of the City of East Providence, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of East Providence, Rhode Island's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of East Providence, Rhode Island's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-03, 09-04, 09-06 and 09-07 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 09-03, 09-04, 09-06 and 09-07 to be material weaknesses.

The City of East Providence, Rhode Island's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of East Providence, Rhode Island's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, the School Committee, the State of Rhode Island Auditor General, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bacon & Company, LLC

Warwick, Rhode Island

May 10, 2010

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended October 31, 2009

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported
- Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: qualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes no

Identification of major programs

CFDA Number

97.055
 97.067
 84.010A
 84.027A
 84.173A
 84.048A
 84.367A
 14.218
 84.391
 84.392
 84.389
 84.394

Name of Program or Cluster

Interoperable Communications Equipment
Homeland Security Cluster – Homeland Security Grant
Title I Part A Cluster - Title I
Special Education Cluster – IDEA
Special Education Cluster – Preschool
 Perkins/Vocational Training for Adults
 Title II – Professional Development
 Community Development Block Grant
Special Education Cluster – IDEA ARRA
Special Education Cluster – Preschool ARRA
Title I Part A Cluster - Title I ARRA
 State Fiscal Stabilization Grant

Dollar threshold used to distinguish between Type A and Type B programs:
 Auditee qualified as low-risk auditee?

\$334,347
 yes X no

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended October 31, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

09-01 Finding: Rhode Island General Law 16-2-18 prohibits Rhode Island School Departments from having a deficit. The East Providence School Department's School Unrestricted Fund had a cumulative fund deficit of \$(6,191,830) as of October 31, 2009. The City and School Department are in violation of Rhode Island General Laws.

Recommendation: We recommend that the City and School Department implement a plan to fund the cumulative deficit.

City Response: The City Council and the School Committee are working aggressively in reviewing all possible options in an effort to reduce and eliminate this deficit. They understand the magnitude of the situation.

09-02 Significant Deficiency: The City and School Department do not have policies and procedures in place to properly maintain and account for capital assets. Although a list of capital assets and depreciation schedule were prepared as of October 31, 2009, procedures have not been established to maintain the list of capital assets on a perpetual basis. The City and School Department have also not performed a physical inventory of capital assets in several years.

Recommendation: We recommend that the City and School Department establish policies and procedures to account for additions, deletions and adjustments to the list of capital assets throughout the year. These procedures should include a physical inventory of capital assets at least bi-annually. This will ensure proper recording and safeguarding of capital assets.

City Response: The City agrees that a biannual inventory program should be established. The City will research the option of either upgrading the current system or instituting a new system.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Program: State Fiscal Stabilization Grant

Agency: U.S. Department of Education

Pass-through: RI Department of Education

CFDA Number: 84.394

09-03 Criteria: Attachment B of OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments" states that wages, salaries and fringe benefits charged to federal awards are allowable only to the extent that they determined and documented as provided in Section 8(h). Specifically, where employees work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications must be prepared semi-annually and signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Personnel

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended October 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

activity reports or equivalent documentation must reflect after-the-fact distribution of the actual activity of the employee and must account for the total activity for which the employee was compensated. Personnel activity reports must be prepared at least monthly and must coincide with one or more pay periods. Finally, personnel activity reports must be signed by the employee. Budget estimates or other distribution percentages determined before the services are performed **do not qualify** as support for the charges to Federal awards.

Condition: School Department employees charged to the State Fiscal Stabilization Grant did not complete the required semi-annual time certifications for fiscal year 2009.

Questioned Costs: None

Recommendation: We recommend that the School Department ensure that all employees charged to Federal grants who work on a single cost objective complete semi-annual certifications as required by OMB Circular A-87.

School Department Response: We will be sure that all employees charged to federal grants complete semi-annual certifications as required by OMB Circular A-87.

Program: Special Education Cluster – IDEA; Perkins/Vocational Training for Adults

Agency: U.S. Department of Education

Pass through: Rhode Island Department of Education

CFDA Number: 84.027A; 84.048A

09-04 Criteria: An entity is responsible for maintaining effective internal controls over compliance with requirements of laws, regulations, contracts and grants applicable to federal award programs.

Condition: The School Department has internal control policies and procedures to ensure compliance with the types of activities allowed/unallowed, allowable costs/cost principles and period of availability of federal funds requirements. The School Department's internal control procedure to ensure compliance with these requirements is the approval of all grant expenditures by the Grant Coordinator.

We selected a sample of forty expenditures and determined that five of the expenditures had no documentation to support that the expenditures had been approved by the Grant Coordinator. The School Department's internal controls over compliance of the requirements of activities allowed/unallowed, allowable costs/cost principles and period of availability of federal funds are not operating effectively.

Questioned Cost: None

Recommendation: We recommend that the School Department adhere to its established policies and procedures to ensure compliance with requirements of federal award programs.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended October 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

School Department Response: All grant expenditures will be approved by the Grant Coordinator/Administrator to ensure compliance with requirements of federal award programs.

Program: Community Development Block Grant

Agency: U.S. Department of Housing and Urban Development

Pass-through: Not Applicable – Direct

CFDA Number: 14.218

09-05 Criteria: The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) requires that property acquired must be appraised by qualified independent appraisers, that all appraisals must be examined by a review appraiser to ensure acceptability, and that after acceptance, the review appraiser must certify the approved value of the property for establishment of the offer of just compensation to the owner.

Condition: The City did not obtain the required independent appraisals or certification of a review appraiser for its purchase of real property acquired with Community Development Block Grant funds.

Questioned Costs: None

Recommendation: We recommend that the City adhere to federal requirements related to real property acquisition.

City Response: The City will comply with all Federal guidelines in future real estate purchases.

Program: Perkins/Vocational Training for Adults

Agency: U.S. Department of Education

Pass-through: R.I. Department of Education

CFDA Number: 84.048A

09-06 Criteria: A physical inventory of equipment purchased with Federal grant funds must be performed at least once every 2 years and compared to the equipment records.

Condition: The School Department has not performed a physical inventory of equipment purchased with Federal grant funds in the last 2 years.

Questioned Costs: None

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended October 31, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Recommendation: We recommend that the School Department perform a physical inventory of equipment purchased with Federal grant funds at least once every 2 years and compare the equipment inventory with equipment records as required by Federal requirements.

School Department Response: The School Department will strive to perform a physical inventory of equipment purchased with Federal grant funds every two years and compare the inventory with fixed asset records.

Program: Perkins/Vocational Training for Adults

Agency: U.S. Department of Education

Pass-through: R.I. Department of Education

CFDA Number: 84.048A

09-07 Criteria: Program income directly generated by a federally funded project during the grant period must be used in one of three ways: deducted from outlays, added to the project budget, or used to meet matching requirements. Program income includes, but is not limited to, fees for services performed or the sale of commodities or items fabricated under a grant agreement.

Condition: The School Department does not properly account for program income related to its Perkins and Vocational Training for Adults grants. Course fees and other fees for services performed are recorded to the Career and Technical Center special revenue fund instead of to the Perkins and Vocational Training for Adults restricted grant funds.

Questioned Costs: None

Recommendation: We recommend that the School Department record all course fees and other fees related to the Perkins and Vocational Training for Adults grants in the restricted grant funds to ensure the program income properly offsets outlays or is added to the grant budget.

School Department Response: The School Department will record all income generated by the Perkins and Vocational Training for Adults grants in the grant funds to ensure program income offsets outlays or is added to the grant budget.

CITY OF EAST PROVIDENCE, RHODE ISLAND
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended October 31, 2009

Program: Special Education Cluster; Title I; Perkins/Vocational Training for Adults; Title II; Community Development Block Grant

Agency: U.S. Department of Education; U.S. Department of Housing and Urban Development

Pass-through: RI Department of Education

CFDA Number: 84.027; 84.173; 84.010; 84.048; 84.367; 14.218

08-03 Criteria: Attachment B of OMB Circular A-87 “*Cost Principles for State, Local, and Indian Tribal Governments*” states that wages, salaries and fringe benefits charged to federal awards are allowable only to the extent that they determined and documented as provided in Section 8(h). Specifically, where employees work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These Certifications must be prepared semi-annually and signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Personnel activity reports or equivalent documentation must reflect after-the-fact distribution of the actual activity of the employee and must account for the total activity for which the employee was compensated. Personnel activity reports must be prepared at least monthly and must coincide with one or more pay periods. Finally, personnel activity reports must be signed by the employee. Budget estimates or other distribution percentages determined before the services are performed **do not qualify** as support for the charges to Federal awards.

Condition: Employees charged to the Title I and Community Development Block Grants only completed one of the semi-annual time certifications required by Attachment B of OMB Circular A-87 for fiscal year 2008.

School Department employees charged to the Special Education Cluster, Perkins/Vocational Training for Adults and Title II Federal grants did not complete the required semi-annual time certifications or personnel activity reports for fiscal year 2008.

Questioned Costs: None

Recommendation: We recommend that the City and School Department ensure that all employees charged to Federal grants who work on a single cost objective complete semi-annual certifications. We also recommend that the City and School Department require employees charged to Federal grants who work on multiple cost objectives to complete personnel activity reports as required by OMB Circular A-87.

City Response: The City will institute the recommended personnel activity reports for all eligible employees.

School Department Response: We will be sure that all employees charged to federal grants complete semi-annual certifications or personnel activity reports as required by OMB Circular A-87.

Current Status: See current year finding 09-03.

CITY OF EAST PROVIDENCE, RHODE ISLAND

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended October 31, 2009

<i>Federal Grantor/ Pass-Through Grantor/ Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor's Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Direct:			
Teaching American History	84.000	U215X050163	\$ 140,987
Pass-through RI Department of Education:			
State Fiscal Stabilization Grant	84.394	4572-10502-901	1,497,451
Title V Innovative Education	84.298A	1420-51000-901/2725-11302-001	3,335
Special Education Cluster (IDEA):			
PL-94-142 - Project IDEA	84.027A	1430-50500-901/2725-13202-001	2,078,395
Preschool Section 619	84.173A	1430-50800-901/2725-13502-001	55,237
PL-94-142 - Project IDEA - ARRA	84.391	4572-10202-001	965,311
Preschool Section 619 - ARRA	84.392	4572-10802-001	12,119
Title IV	84.186A	1420-52900-901/2725-12602-001	65,354
Title I Part A Cluster:			
Title I	84.010A	1420-51600-901/2725-11702-001	1,388,865
Title I - ARRA	84.389	4572-10102-001	21,202
Title III LEP	84.365A	1420-54100-901/2725-16502-001	52,690
Title III LEP	84.365A	1420-54100-910	27,587
Perkins	84.048A	1440-53200-901/2725-15302-001	272,450
Vocational Training for Adults	84.048A	1440-53500-901/2725-15602-001	54,332
Title II - Professional Development	84.367A	1420-54000-901/2725-16402-001	412,020
Title II - Technology - Enhancing Education through Technology	84.318X	1420-53600-830	41,029
Total U.S. Department of Education			<u>7,088,364</u>
National Aeronautics and Space Administration			
Direct:			
NASA Technology Integration	43.000	NNX06AG67G	6,238
Total National Aeronautics and Space Administration			<u>6,238</u>
U.S. Department of Housing and Urban Development			
Direct:			
Community Development Block Grant	14.218	B08-MC-44-0005	1,541,298
EDI Special Project Grant	14.000	B05-SP-RI-0964	144,336
Total U.S. Department of Housing and Urban Development			<u>1,685,634</u>
U.S. Department of Agriculture			
Pass-through RI Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	806,061
National School Breakfast Program	10.553	N/A	91,655
Special Milk Program	10.556	N/A	887
Food Distribution	10.550	N/A	92,968
Equipment Assistance	10.579	N/A	22,438
Fresh Fruits & Vegetables	10.582	N/A	13,205
Total U.S. Department of Agriculture			<u>1,027,214</u>

(Continued)

CITY OF EAST PROVIDENCE, RHODE ISLAND
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended October 31, 2009

<i>Federal Grantor/ Pass-Through Grantor/ Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor's Number</i>	<i>Expenditures</i>
<i>U.S. Department of Justice</i>			
<i>Direct:</i>			
Federal Seized Assets	16.000	N/A	84,500
<i>Pass-through RI Justice Commission:</i>			
Title V Delinquency Prevention and Intervention	16.548	06JFFX0024	2,000
<i>Total U.S. Department of Justice</i>			<u>86,500</u>
<i>U.S. Environmental Protection Agency</i>			
<i>Direct:</i>			
Stormwater Study	66.000	EM-97164801-0	46,546
<i>Pass-through RI Department of Environmental Management</i>			
Wastewater Facility Plan Update	66.000	EM-97170801-0	17,285
<i>Total U.S. Environmental Protection Agency</i>			<u>63,831</u>
<i>U.S. Department of Mental Health and Human Services</i>			
<i>Pass through RI Department of Mental Health, Retardation, and Hospitals</i>			
Strategic Planning Framework State Incentive Grant	93.243	N/A	210,641
			<u>210,641</u>
<i>U.S. Department of Homeland Security</i>			
<i>Pass-through RI Emergency Management Agency:</i>			
<i>Homeland Security Cluster:</i>			
Homeland Security Grant	97.067	10-23-FY08 HAZMAT	60,246
Homeland Security Grant	97.067	10-353-FY07 UASI	33,904
Homeland Security Grant	97.067	10-23-FY08UASI	625,473
Interoperable Communications Equipment	97.055	10-87-FY07 PSIC	254,200
<i>Total U.S. Department of Homeland Security</i>			<u>973,823</u>
<i>U.S. Department of Transportation</i>			
<i>Pass-through RI Department of Transportation:</i>			
<i>Highway Planning Construction Cluster:</i>			
Safe Routes to School	20.205	N/A	2,664
			<u>2,664</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$11,144,909</u></u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
October 31, 2009

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of East Providence, Rhode Island and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.