



**City of Pawtucket,  
Rhode Island**



**Basic Financial Statements  
And Required Supplementary Information  
Fiscal Year Ended June 30, 2013**

**Including Independent Audit Report of  
Certified Public Accountants**

**Donald R. Grebien  
Mayor**



**Joanna L'Heureux  
Finance Director**

CITY OF PAWTUCKET, RHODE ISLAND

YEAR ENDED JUNE 30, 2013

CONTENTS

	Exhibit	Page
Introductory Section:		
List of City Officials		i
Organizational Chart		ii
Financial Section:		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-18
Basic financial statements:		
Government-wide financial statements:		
Statement of net position	A-1	19
Statement of activities	A-2	20
Fund financial statements:		
Balance sheet – governmental funds	B-1	21
Reconciliation of governmental funds balance sheet to statement of net position		22
Statement of revenues, expenditures and changes in fund balances – governmental funds	B-2	23
Reconciliation of governmental funds statement of revenues, expenditures and changes in fund balances to statement of activities	B-3	24
Statement of net position - proprietary funds	C-1	25
Statement of revenue, expenses and changes in net position – proprietary funds	C-2	26
Statement of cash flows – proprietary funds	C-3	27-28
Statement of net position – fiduciary funds	D-1	29
Statement of changes in net position – fiduciary funds	D-2	30
Notes to basic financial statements		31-79

CITY OF PAWTUCKET, RHODE ISLAND

YEAR ENDED JUNE 30, 2013

CONTENTS (CONTINUED)

	Exhibit	Page
Financial Section (continued):		
Required supplementary information to financial statements:		
Budgetary comparison schedule – general fund – schedule of revenues and expenditures – budget and actual (Budgetary Basis)	E-2	80
Budgetary comparison schedule – general fund – schedule of revenues – budget and actual (Budgetary Basis)	E-3	81
Budgetary comparison schedule – general fund – schedule of expenditures – budget and actual (Budgetary Basis)	E-4	82-83
Budgetary comparison schedule – school unrestricted fund – schedule of revenues and expenditures - budget and actual (Budgetary Basis)	E-5	84
Schedules of funding progress	E-1	85
Schedule of employer contributions	E-6	86
Notes to required supplementary information	E-7	87-89
Other supplementary information:		
Combining balance sheet - nonmajor governmental funds	F-1	90
Combining statement of revenues, expenditures and changes in fund balances - nonmajor governmental funds	F-2	91
Combining balance sheet – City special revenue funds	G-1	92-102
Combining statement of revenues, expenditures and changes in fund balances – City special revenue funds	G-2	103-113
Combining balance sheet – HUD special revenue funds	H-1	114-115
Combining statement of revenues, expenditures and changes in fund balances – HUD special revenue funds	H-2	116-117
Combining balance sheet – school restricted funds	I-1	118-130

CITY OF PAWTUCKET, RHODE ISLAND

YEAR ENDED JUNE 30, 2013

CONTENTS (CONTINUED)

	Exhibit	Page
Financial Section (continued):		
Other supplementary information (continued):		
Combining statement of revenues, expenditures and changes in fund balances – school restricted funds	I-2	131-143
Combining balance sheet – capital projects funds	J-1	144-148
Combining statement of revenues, expenditures and changes in fund balances – capital projects funds	J-2	149-153
Combining balance sheet – permanent funds	K-1	154-155
Combining statement of revenues, expenditures and changes in fund balances – permanent funds	K-2	156-157
Combining statement of changes in assets and liabilities – agency funds	L-1	158
Statistical Section:		
Tax collector’s annual report	M-1	159
Computation of legal debt margin	M-5	160
Single Audit Section:		
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133		161-163
Schedule of expenditures of federal awards and notes thereto		164-166
Independent Auditors’ Report on 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		167-169
Schedule of findings and questioned costs		170-177
Corrective action plan		178-180

## INTRODUCTORY SECTION

This section contains the following subsections:

LIST OF CITY OFFICIALS

ORGANIZATIONAL CHART

**CITY OF PAWTUCKET, RHODE ISLAND**

**LIST OF CITY OFFICIALS**

JUNE 30, 2013

CITY COUNCIL

David P. Moran, President  
Thomas E. Hodge  
Jean Philippe Barros  
John J. Barry III  
Terence Mercer  
Timothy Rudd  
Lorenzo Tetreault  
Albert J. Vitali, Jr.  
Mark J. Wildenhain

MAYOR

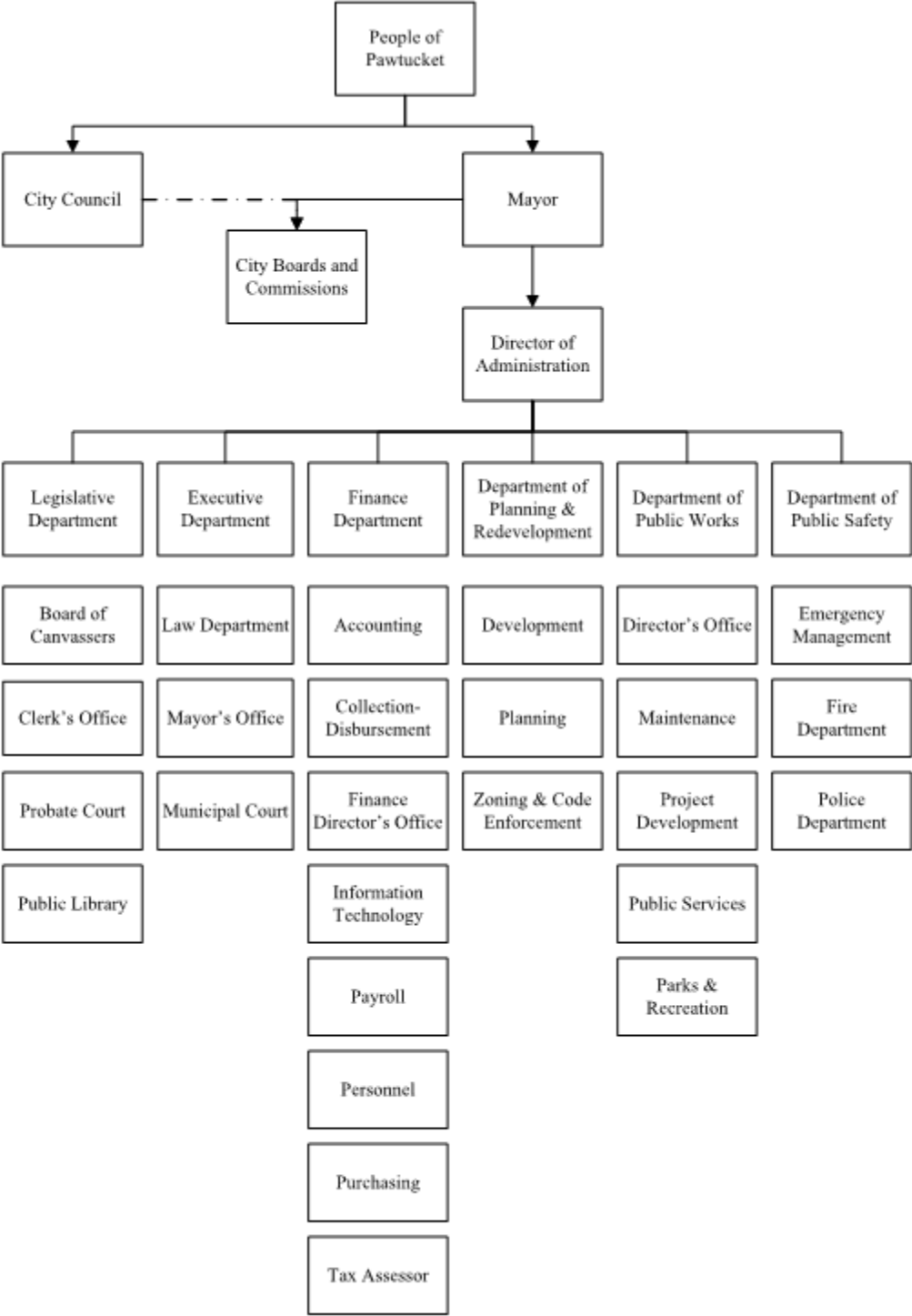
Donald R. Grebien

DIRECTOR OF ADMINISTRATION

Antonio J. Pires

FINANCE DEPARTMENT

Joanna L'Heureux, Finance Director  
Jeannine Bourski, Deputy Finance Director  
Shaun Strobel, Tax Collector  
Robert W. Burns, Tax Assessor  
David Clemente, Purchasing Director



## **FINANCIAL SECTION**

This section contains the following subsections:

**INDEPENDENT AUDITORS' REPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**BASIC FINANCIAL STATEMENTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER SUPPLEMENTARY INFORMATION**





## **Independent Auditors' Report**

The Honorable President and  
Members of City Council  
City of Pawtucket, Rhode Island  
Pawtucket, Rhode Island

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's discretely presented component unit, the Pawtucket Business Development Corporation (PBDC), which represents less than 3% of the assets, net position, and revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for PBDC, is based on the report of the other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## **Independent Auditors' Report (Continued)**

The Honorable President and  
Members of City Council  
City of Pawtucket, Rhode Island

### ***Auditors' Responsibility (Continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 16 to the financial statements, the City recorded a prior period adjustment in the amount of \$427,932 relating to invoices with periods of service during 2012 that weren't received timely enough to be included in the 2012 financial statements. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 18 and budgetary comparison schedules and historical pension and other postemployment benefits information on pages 80 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Independent Auditors' Report (Continued)**

The Honorable President and  
Members of City Council  
City of Pawtucket, Rhode Island

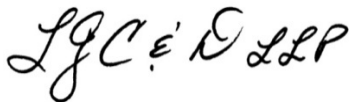
### ***Other Matters (Continued)***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and statistical section as listed in the table of contents and the schedule of expenditures of federal awards and notes thereto are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information and statistical section as listed in the table of contents and the schedule of expenditures of federal awards and notes thereto are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information referred to in this paragraph is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2014 on our consideration of the City's internal control over financial reporting and on 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 of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Providence, Rhode Island  
February 28, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Pawtucket, Rhode Island's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013 (FY13). This discussion and analysis should be read in conjunction with the City's financial statements that follow this section.

### Financial Highlights

- The City's government-wide net position increased by \$2,101,605 as a result of this year's operations. On a government-wide basis, the City's assets exceeded its liabilities at the close of the most recent fiscal year by \$26,711,168. The net position of the business-type activities increased by \$3,016,852, or 4%, while net position of the governmental activities decreased by \$915,247, or 2%. It should be noted the majority of this decrease is due to the current period increase in the amount of \$6,933,010 in the other post-employment benefits liability and the increase in the amount of \$2,097,582 in the net pension obligation.
- The City's government-wide operating expenses were \$228,022,168, a 12% decrease from the prior year, while revenues collected were \$230,123,773, a 10% decrease from the prior year.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$10,731,678.
- At the end of the current fiscal year, the general fund unassigned fund balance was \$5,109,189, or 7% of the total general fund expenditures for the fiscal year. The current fiscal year's general fund revenues and transfers in exceeded expenditures and transfers out by \$4,990,900. On a budgetary basis, the general fund revenues and transfers in exceeded expenditures and transfers out by \$4,487,183.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information.

The City's basic financial statements and other supplementary financial information provide information about all of the City's activities. They provide both a short-term and a long-term view of the City's financial health as well as information about activities for which the City acts solely as a trustee for the benefit of those outside of the City's government.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Government-wide financial statements** - are designed to provide readers with a broad overview of the City's finances in a manner which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information which shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include legislative, executive, finance, planning, public safety, public works and education. The City's business-type activities include principally water operations.

The government-wide financial statements are reported on pages 19 and 20.

**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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**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, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City maintains approximately 245 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Unrestricted Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements are presented on pages 21 through 24.

The City adopts an annual budget for its General Fund and for its School Special Revenue Unrestricted Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

**Proprietary Funds** - The City's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has three enterprise funds: the Pawtucket Water Supply Board (PWSB), which accounts for the City's water system; 175 Main Street, which is an office building; and the School Lunch Fund, which accounts for lunch operations at all the schools. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for health and dental benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Pawtucket Water Supply Board since it is considered to be a major fund of the City. The internal service fund financial statement provides information for health and dental plan benefits.

The basic proprietary fund financial statements are presented on pages 25 through 28.

**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 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 fiduciary funds financial statements can be found on pages 29 and 30.

**Notes to 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 are presented on pages 31 through 79.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the City's operations. Required Supplementary information is presented on pages 80 through 89.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 90 through 157.

The Agency funds are presented on page 158.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-wide Financial Analysis

#### Analysis of the City's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City's governmental activities net deficit position totaled (\$51,043,135) as of June 30, 2013, an increase of \$915,247 from the previous year.

Listed below is a comparison of the current and prior fiscal years.

	City of Pawtucket, Rhode Island Statements of Net Position					
	2013			2012		
	Governmental activities	Business-type activities	Total	Governmental activities (Restated)	Business-type activities	Total (Restated)
Current and other assets	\$ 37,260,228	\$ 40,555,654	\$ 77,815,882	\$ 39,377,812	\$ 38,397,246	\$ 77,775,058
Capital assets (net)	<u>140,979,066</u>	<u>150,510,094</u>	<u>291,489,160</u>	<u>144,495,814</u>	<u>146,065,979</u>	<u>290,561,793</u>
Total assets	<u>\$ 178,239,294</u>	<u>\$ 191,065,748</u>	<u>\$ 369,305,042</u>	<u>\$ 183,873,626</u>	<u>\$ 184,463,225</u>	<u>\$ 368,336,851</u>
Current and other liabilities	\$ 26,464,121	\$ 6,718,991	\$ 33,183,112	\$ 35,347,141	\$ 7,145,370	\$ 42,492,511
Long-term liabilities	<u>202,818,308</u>	<u>106,592,454</u>	<u>309,410,762</u>	<u>198,654,373</u>	<u>102,580,404</u>	<u>301,234,777</u>
Total liabilities	<u>\$ 229,282,429</u>	<u>\$ 113,311,445</u>	<u>\$ 342,593,874</u>	<u>\$ 234,001,514</u>	<u>\$ 109,725,774</u>	<u>\$ 343,727,288</u>
Net position:						
Net investment in capital assets	\$ 101,949,755	\$ 53,345,857	\$ 155,295,612	\$ 106,031,591	\$ 48,973,011	\$ 155,004,602
Restricted	4,694,059	23,568,475	28,262,534		24,013,169	24,013,169
Unrestricted	<u>(157,686,949)</u>	<u>839,971</u>	<u>(156,846,978)</u>	<u>(156,159,479)</u>	<u>1,751,271</u>	<u>(154,408,208)</u>
Total net position	<u>\$ (51,043,135)</u>	<u>\$ 77,754,303</u>	<u>\$ 26,711,168</u>	<u>\$ (50,127,888)</u>	<u>\$ 74,737,451</u>	<u>\$ 24,609,563</u>

As discussed in Note 16 to the financial statements, the City recorded a prior period adjustment in the amount of \$427,932 relating to invoices with periods of service during 2012 that weren't received timely enough to be included in the 2012 financial statements. Governmental activities net deficit position at June 30, 2012 has been increased to reflect this adjustment.

The largest portion of the City's net position, \$155,295,612, consists of its investment in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any outstanding debt used to acquire these assets. The City uses these capital assets to provide services to its 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 are unlikely to be used to liquidate these liabilities. An additional portion of the City's net position, totaling \$28,262,534, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. As of June 30, 2013, the City of Pawtucket reports positive balances in two of three categories of net position for the government as a whole.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Analysis of the City's Operations

Governmental activities decreased the City's net position by \$915,247 for the current period, a 2% decrease in the City's governmental net position, while business-type activities increased the City's net position by \$3,016,852 for the current period, a 4% increase in the business-type net position. Overall, the City's net position increased \$2,101,605, which is a 9% increase over the prior year.

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures. See page 24 for the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for a detailed explanation of these differences.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following schedule presents the changes in net position for the current and prior year.

City of Pawtucket Statements of Activities						
	2013			2012		
	Governmental activities	Business-type activities	Total	Governmental activities (Restated)	Business-type activities	Total (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 7,375,203	\$ 18,662,112	\$ 26,037,315	\$ 36,262,120	\$ 19,537,777	\$ 55,799,897
Operating grants and contributions	22,328,963	3,772,347	26,101,310	22,207,863	3,641,707	25,849,570
Capital grants and contributions	821,224		821,224	1,077,644		1,077,644
General revenues:						
Property taxes	98,526,666		98,526,666	94,865,893		94,865,893
State aid, unrestricted	75,848,478	51,751	75,900,229	69,595,009		69,595,009
Investment earnings	1,123,916	260,588	1,384,504	1,055,639	224,017	1,279,656
Other revenues	1,128,745	207,353	1,336,098	5,768,281	498,805	6,267,086
<b>Total revenues</b>	<b>207,153,195</b>	<b>22,954,151</b>	<b>230,107,346</b>	<b>230,832,449</b>	<b>23,902,306</b>	<b>254,734,755</b>
Expenses:						
Legislative and executive	5,462,954		5,462,954	36,747,272		36,747,272
Finance	2,679,761		2,679,761	2,921,914		2,921,914
Planning	4,390,575		4,390,575	7,802,756		7,802,756
Public safety	48,898,407		48,898,407	52,866,695		52,866,695
Public works	12,884,767		12,884,767	13,838,042		13,838,042
Education	120,436,734		120,436,734	112,517,827		112,517,827
Interest expense	2,084,327		2,084,327	1,880,623		1,880,623
Other	11,230,917		11,230,917	10,943,592		10,943,592
Water Supply Board		15,326,682	15,326,682		16,005,165	16,005,165
175 Main Street		520,001	520,001		521,555	521,555
School Lunch Fund		4,090,616	4,090,616		4,401,772	4,401,772
<b>Total expenses</b>	<b>208,068,442</b>	<b>19,937,299</b>	<b>228,005,741</b>	<b>239,518,721</b>	<b>20,928,492</b>	<b>260,447,213</b>
Change in net position	(915,247)	3,016,852	2,101,605	(8,686,272)	2,973,814	(5,712,458)
Net position, beginning, as restated (2013)	(50,127,888)	74,737,451	24,609,563	(41,441,616)	71,763,637	30,322,021
Net position, ending, as restated (2012)	\$ (51,043,135)	\$ 77,754,303	\$ 26,711,168	\$ (50,127,888)	\$ 74,737,451	\$ 24,609,563

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Financial Analysis of the City's Funds

**Governmental Funds** - The focus of the City of Pawtucket'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, the unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$10,731,678. Of this amount, \$57,324 constitutes net unassigned fund balance. The remainder of the fund balance is classified as follows:

Nonspendable:	
Perpetual care and endowment permanent funds	\$ 1,039,459
Prepaid items	<u>18,649</u>
Total nonspendable fund balance	<u>1,058,108</u>
Restricted:	
Restricted for City special revenue funds	1,857,119
Restricted for HUD special revenue funds	1,210,424
Restricted for school special revenue funds	256,980
Restricted for capital project funds	<u>330,077</u>
Total restricted fund balance	<u>3,654,600</u>
Committed:	
Committed for charter reserve	700,000
Committed for school's deficit reduction	1,534,387
Committed for City special revenue funds	<u>1,308,865</u>
Total committed fund balance	<u>3,543,252</u>
Assigned:	
Assigned for medical reservation	1,884,247
Assigned for revaluation	362,001
Assigned for snow removal	150,000
Assigned for City special revenue funds	<u>22,146</u>
	<u>2,418,394</u>
Total	<u><u>\$10,674,354</u></u>

**Proprietary Funds** - The City's proprietary fund financial statements provide the same type of information as business-type activities in the government-wide financial statements, but in more detail.

Total unrestricted net position of the proprietary funds is \$839,971.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### General Fund Budgetary Highlights for the Fiscal Year Ended June 30, 2013

#### REVENUE:

**Real Estate, Tangible and Motor Vehicle Taxes** - exceeded the budget by \$173,790 due to prior year taxes coming in higher than budgeted. Real Estate tax was under budget by \$300,838 while Motor Vehicle tax exceeded budget by \$352,849 and Tangible tax exceeded budget by \$121,779. In prior year comparison, taxes exceeded last year by \$3,353,378 due to a revaluation in Real Estate taxes and a tax increase for fiscal year 2013.

**Current Other Revenues** - were under budget by \$966 and exceeded last year by \$26,237 primarily due to realty transfer taxes as the realty market declined with less activity during decreased market values and escalating foreclosures as a result of finance company demands on adjustable rate mortgages.

**License and Permit Revenue** - was under budget by \$72,366 and under last year by \$2,852. The variance for this year is mainly the result of a new inspection fee for the Fire Department that did not collect as much as expected. We were under last year mainly due to a decrease in building permits.

**Intergovernmental Revenue** - exceeded the budget by \$270,140 and under last year by \$319,911. The variance for this year was mainly due to an increase in our public service corporation tax and reimbursement of school construction aid. The variance for last year is due to the revaluation that occurred in fiscal year 2012 which resulted in a reimbursement from the State of \$230,163 which we did not have this year.

**Charges for Services** - exceeded budget by \$343,537 and exceeded last year by \$175,904. This year's variance was a combination of an increase in real estate recording fees and higher rescue fees collected. The variance for last year is due mainly to higher rescue fees as we had hired a new company in fiscal year 2012 that is more aggressive in the collection of fees and lease revenue from the leasing of our Transfer Station.

**Fines and Forfeitures** - exceeded budget by \$18,931 and under last year by \$14,535. The variance for this year was mainly due to lower zoning fines and court costs but higher ticket revenue due to more snow storms. The variance for last year was mainly due to less zoning fines that were lower than what we collected last year.

**Interest Revenue** - exceeded the budget by \$342,027 and exceeded last year by \$27,619. We saw an increase in interest charged for late payment of taxes.

**Other Financing Sources** - exceeded the budget by \$1,488,848 and exceeded last year by \$1,117,140. The variance for both years is due to a transfer from the City's internal service medical fund for the excess of amounts contributed over amounts expended.

**Total Revenues** - exceeded the budget by \$2,565,873 mainly due to the transfer of \$1,488,848 from the City's internal service medical fund and various other reasons explained above. This is an increase over last year by \$4,362,980 due to the revaluation and tax increase for Real Estate taxes, and the transfer from the City's internal service medical fund as explained above.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### **EXPENSES:**

**Legislative** - The Legislative Department was under budget by \$53,911 and exceeded last year by \$118,584.

**Board of Canvassers Division** – was under budget by \$10,068 and exceeded last year by \$66,052. The variances are mostly due to no election being held during the current fiscal year.

**Library Division** - was under budget by \$57,347 and exceeded last year by \$50,526. The variances are mostly due to retirements and a lag in hiring their replacements in the current year.

There were no material variances in the **City Council, City Clerk, and Probate Court Divisions.**

**Executive** - The Executive Department was under budget by \$34,198 and exceeded last year by \$28,470. There were no significant variances in the Executive Department, which includes the **Mayor's Office, Law Department, and Municipal Court Divisions.**

**Finance** - The Finance Department was under budget by \$295,836 and under last year by \$298,971.

**Finance Director Division** – exceeded the budget by \$45,636 and exceeded last year by \$20,101. The variance is mostly due to the hiring of a consultant.

**Tax Assessors Division** - was under budget by \$149,020 and under last year by \$318,731. The variance this year is mostly due to the elimination of the Assistant Tax Assessor position. The variance for last year is due to a mandated revaluation that took place during fiscal year 2012.

**Tax Collections Division** – was under budget by \$49,056 and under last year by \$68,810. Both variances are due to retirements and a lag in hiring.

**Information Technology Division** – was under budget by \$51,555 and exceeded last year by \$114,161. This was due to a combination of retirements and a lag in hiring and savings on our maintenance contracts in the current year. The amount exceeded the prior year mostly due to additional costs in outside vendors and new computer hardware.

**Personnel Division** – was under budget \$100,166 and under last year by \$94,209. Both years were due to retirements and a lag in hiring.

There were no material variances in the **Accounting, Purchasing and Payroll Divisions.**

**Planning** - The Planning Department was under budget by \$26,708 and under last year by \$157,185.

**Planning Division** - exceeded the budget by \$3,502 and under last year by \$63,108 mainly due to the use of temporary services in fiscal year 2012 that were not used in the current fiscal year.

**Zoning & Code Enforcement Division** – was under budget by \$30,210 and under last year by \$45,543. The variances are mostly due to retirements and hiring of new employees at a lower salary than budgeted amounts.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

There were no material variances in the **Development Division**.

**Public Safety** - The Public Safety Department consists of the Police Department, Fire Department, and the Emergency Management Department.

**Police** - The Police Department was under budget by \$1,467,141 and exceeded last year by \$490,074.

**Uniform Police Division** - was under budget by \$1,351,407 and exceeded last year by \$305,587. This year uniform salaries were under budget \$591,610 mainly due to lag time in replacement of retirees and terminations. We received a credit from some of our grants to offset the pension plan payments this year for \$141,802. Restoration was also under budget \$183,975 due to DOT payments to use police vehicles during road construction. In current year the medical costs for our injured on duty police officers was under budget by \$42,436 and under last year by \$154,431. The difference between this year and last year is due to an increased contribution of \$618,553 to the pension plan which brings us to our annual required contribution.

**Civilian Police Division** - was under budget by \$85,447 and exceeded last year by \$133,938. The savings in the current year were mostly due to lag time in replacement of retirees and terminations. The amount exceeded the prior year mostly due to several new officers going through the academy in FY13.

**Animal Control Division** - was under budget by \$30,146 and exceeded last year by \$50,549. This was mostly due to an increase in heating due to an adjustment to the radiant heating system and a colder, snowier winter.

**Fire** -The Fire Department exceeded budget by \$681,151 and exceeded last year by \$1,177,778.

**Uniform Fire Division** - exceeded the budget by \$761,506 and exceeded last year by \$1,097,089. The variances are mostly due to uniform overtime, holiday pay, software and other financing uses which were all over budget and over last year expenses. The other financing uses is the City's 20% contribution to a fire equipment grant received in FY13. In FY13 the City had to pay an arbitration award which resulted in holiday pay exceeding budget in the amount of \$383,594 and exceeding last year by \$526,616. Also, a major factor between last year and this year was the increased contribution of \$618,553 to the pension plan which brings us to our annual required contribution.

**Civilian Fire Division** - was under budget by \$139,426 and under last year by \$1,115. This was mostly due to budgeting 16 part-time positions for dispatchers which did not come to fruition this year.

**Fire Prevention Division** - exceeded budget by \$59,071 and exceeded last year by \$81,804. The variance was due to having to increase the department by one position due to an arbitration award.

There were no material differences in the **Crossing Guard** or **Emergency Management Divisions**.

**Public Works** - was under budget by \$734,265 and exceeded last year by \$158,445.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Public Works Director Division** - exceeded budget by \$60,158 and exceeded last year by \$216,323. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

**Equipment Maintenance Division** - was under budget by \$157,517 and under last year by \$97,911. The variance is mainly due to a reorganization of personnel within the entire Public Works Department and also moving the heating budget to the Public Building Maintenance division.

**Public Building Maintenance Division** - was under budget by \$18,379 and exceeded last year by \$96,418. The variance is mainly due to a reorganization of personnel within the entire Public Works Department and also moving the heating budget from the Equipment Maintenance division.

**City Hall Maintenance Division** - was under budget by \$9,012 and exceeded last year by \$75,711. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

**Sewer Maintenance Division** - was under budget by \$113,269 and under last year by \$3,120. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

**Refuse Collection Division** - exceeded the budget by \$78,019 and exceeded last year by \$90,987. The largest variance is due to the privatization of trash services and a cost of \$177,667 for the first two months that was not budgeted.

**Transfer Station Division** - exceeded budget by \$20,020 and was under last year by \$535,268. The City leased out the transfer station beginning in May 2012 which resulted in the large variance from last year to this year.

**Recycling Division** - was under budget by \$227,611 and under last year by \$85,955. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

**Streets and Bridges Division** - was under budget by \$165,954 and under last year by \$31,996. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

**Street Cleaning and Snow Removal Division** - was under budget by \$29,027 and exceeded last year by \$344,482. The largest contributing expenses were snow storm salaries exceeded last year by \$123,120, outside vendors by \$240,324, and sand/salt supplies by \$85,309 due to a very bad winter with a major blizzard and multiple snow storms this year over last year.

**Parks Division** - was under budget by \$152,066 and exceeded last year by \$76,605. The variance is mainly due to a reorganization of personnel within the entire Public Works Department.

There were no other material variances in the **Engineering, Traffic, Recreation and Daggett Farm Divisions**.

**Fixed Charges (Non-Departmental Costs)** - The Fixed Charges Section was under budget by \$697,140 and under last year by \$487,875.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Debt Service** – was under budget by \$477,476 and under last year by \$413,814. The main reason for the difference in the current budget is because we budgeted for new equipment lease and the process was not finalized until May of 2013 causing a savings in lease principal and interest of \$345,000. Also, we did not need to issue a Tax Anticipation note which resulted in a savings of \$128,303 in the current year and a savings of \$86,788 over last year. The savings from last year to this year was mainly due to a lease that was paid and dropped from the previous year causing a savings of \$360,741.

**Operating Insurance** - exceeded budget by \$89,309 and exceeded last year by \$115,668. Both variances are due to funding the insurance deductible fund in full during the current fiscal year due to the large surplus and the RI Inter Local Trust insurance increases.

**Interdepartmental Contributions** – were under budget by \$31,615 and exceeded last year by \$1,140,463. The main reason for the variance from last year was due to an increase in our maintenance of effort to the School Department.

**Other Employee Benefits** - was under budget by \$225,187 and exceeded last year by \$272,896. The major variance for the current year was the savings in unemployment insurance as we had less claims due to limits being reached on employees who had been laid off previously and there have been no layoffs. An increase in retiree health care during the current fiscal year of \$278,047 was the major factor in the overage of last year.

**Fixed Charges** – was under budget by \$52,171 and under last year by \$627,338. Accrued hours payoff was under budget by \$61,947 and under last year by \$494,207 as a result of fewer retirements in the current year. Also, we are no longer paying for welfare rent of \$169,560 compared to last year.

**Total Expenditures** - were under budget by \$2,635,537 and exceeded last year by \$2,010,424. This year's variance is due to retirements and a lag in hiring, and savings in debt payments due to final debt payments and no new debt. The main reason for the variance from last year was due to an increase in our contribution to the Police & Fire pension plan.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### The City's Capital Assets

The City's investment in capital assets for its governmental and business-type activities amounts to \$291,489,160, net of accumulated depreciation, at June 30, 2013.

Additional information on the City's capital assets is located in Note 4 to the financial statements and can be found on page 44.

City of Pawtucket Capital Assets (Net of Accumulated Depreciation)						
	2013			2012		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Land and improvements	\$ 21,867,850	\$ 5,784,856	\$ 27,652,706	\$ 21,867,850	\$ 5,768,212	\$ 27,636,062
Construction in progress		14,638,023	14,638,023		8,534,577	8,534,577
Buildings and improvements	42,775,145	2,252,324	45,027,469	43,959,166	2,388,176	46,347,342
Distribution and collection system		71,250,069	71,250,069		71,437,439	71,437,439
Motor vehicles	1,995,717		1,995,717	2,338,549		2,338,549
Machinery, equipment and furniture	1,394,347	453,635	1,847,982	1,569,676	572,979	2,142,655
Infrastructure	72,946,007	56,131,187	129,077,194	74,760,573	57,364,596	132,125,169
Total	\$ 140,979,066	\$ 150,510,094	\$ 291,489,160	\$ 144,495,814	\$ 146,065,979	\$ 290,561,793

Construction in progress relates to construction of a new transmission and distribution operations center and annual water main replacement contracts to complete the restoration of the water transmission and distribution system. These and other projects will be funded from bond proceeds available from bonds issued in fiscal year 2013 and rate revenue restricted for infrastructure improvements.

The PWSB has the following commitments related to construction project contracts at June 30, 2013:

Main Replacement Contract MR-7	\$ 170,158
Main Replacement Contract MR-8	3,538,248
Robin Hollow Dam Rehab Construction Contract	77,528
Residual Water Discharge Engineering Contract	47,262
T&D Operations Center Architect Services	45,655
	\$ 3,878,851



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### The City's Debt Administration

At the end of the current fiscal year, the City's governmental activities had total bonded debt of \$34,932,585, backed by the full faith and credit of the City.

The following is a summary of the City's debt:

	City of Pawtucket General Obligation Bonds and Notes Payable					
	2013			2012		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
General obligation bonds	\$ 34,932,585		\$ 34,932,585	\$ 38,335,014		\$ 38,335,014
Bond premiums, capital leases and deferred loss on refundings	4,419,535	\$ 75,519	4,495,054	5,143,511	\$ 7,750	5,151,261
Water and clean water bonds		106,808,411	106,808,411		102,133,983	102,133,983
Notes and loans payable	8,610,000	875,414	9,485,414	18,600,000	901,851	19,501,851
Total	\$ 47,962,120	\$ 107,759,344	\$ 155,721,464	\$ 62,078,525	\$ 103,043,584	\$ 165,122,109

Additional information on the City's long-term debt can be found in Note 7 to the financial statements on pages 49 through 55.

The City maintains a "Baa2" rating from Moody's for general obligation debt. The State of Rhode Island imposes a limit of 3 percent of net assessed value of all taxable City property on the general obligation debt that a municipality can issue. The City's limit is \$107,915,087 at year-end. The City's outstanding indebtedness subject to the limitation is \$5,223,946 at year-end, which is \$102,691,141 below the State-imposed limitation.

### Contingencies

#### *Litigation:*

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints; it adequately accrues liabilities for losses when they are both probable and can be reasonably estimated.

The City is involved in the early stages of litigation with several plaintiffs relating to tax assessment appeals, personal injuries and contract disputes. The outcomes of the cases are not known at this time. Management is rigorously defending the cases and has calculated the range of potential liability, after applying the City's insurance deductible, if the City should not prevail to be between \$-0- and \$1,643,000. As it is not probable that a liability has been incurred, no liability has been recorded in the accompanying financial statements.

The City settled litigation subsequent to year-end relating to tangible property taxes assessed on a corporate resident of the City. The settlement requires the City to issue credits to the corporation's 2014 to 2021 tangible property tax bills in the aggregate amount of \$225,000, as well as freeze the value of certain of its properties for tax assessment purposes for the 2014 through 2017 tax years. Included in accounts payable and accrued expenses at June 30, 2013 is \$225,000 related to this settlement.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Contingencies (Continued)**

#### *Property and liability insurance:*

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) (the Trust) which provides coverage for property and 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 a maximum of \$4,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2013. At June 30, 2013, the Trust's estimated reserves on open claims not subject to coverage amounted to approximately \$1,337,000, which the City could be liable for.

### **Economic Factors and Next Year's Budgets and Rates**

The City's total general fund budget for fiscal year 2014 amounts to \$213,569,303, which reflects an increase of \$5,471,840, or 2.63% more than the fiscal 2013 budget of \$208,097,463. Of the City's 2014 budget, \$102,868,674, or 48.2%, is budgeted for educational purposes and \$110,700,629, or 51.8%, is budgeted for other purposes.

The City's tax rate for fiscal year 2014 is \$30.88 per thousand for commercial real property, \$23.06 per thousand for residential real property, \$53.30 per thousand for motor vehicles and \$52.09 per thousand for tangible personal property. These rates remained the same as FY13 as there was no tax increase. Taxes for retail/wholesale inventory have been completely phased out.

#### **Requests for Information**

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the City's finances and to show the City's accountability for the tax dollars received. Questions concerning this report, or requests for additional information, should be directed to Ms. Joanna L'Heureux, Finance Director, Pawtucket City Hall, 137 Roosevelt Avenue, Pawtucket, RI 02860, Telephone (401)728-0500.

Joanna L'Heureux  
Finance Director

## **BASIC FINANCIAL STATEMENTS**

## CITY OF PAWTUCKET, RHODE ISLAND

## STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Pawtucket Business Development Corporation
Assets:				
Current assets:				
Cash and cash equivalents	\$ 19,251,774	\$ 750,390	\$ 20,002,164	\$ 314,036
Investments	617,710		617,710	
Real estate and personal property taxes receivable	6,838,462		6,838,462	
Water and sewer assessments and user fees receivable, net		3,897,101	3,897,101	
Due from federal and state governments	5,383,456	348,468	5,731,924	
Other receivables, net	3,225,817	406	3,226,223	1,344
Inventories		435,476	435,476	
Loans and notes receivable	310,000		310,000	281,193
Other assets		54,592	54,592	10,000
Total current assets	<u>35,627,219</u>	<u>5,486,433</u>	<u>41,113,652</u>	<u>606,573</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents		18,156,435	18,156,435	-
Investments		5,517,731	5,517,731	
Intergovernmental receivable		9,190,940	9,190,940	
Total restricted assets	<u>-</u>	<u>32,865,106</u>	<u>32,865,106</u>	<u>-</u>
Capital assets:				
Land	21,867,850	5,784,856	27,652,706	
Capital assets not being depreciated		14,638,023	14,638,023	
Capital assets being depreciated, net	119,111,216	130,087,215	249,198,431	
Total capital assets	<u>140,979,066</u>	<u>150,510,094</u>	<u>291,489,160</u>	<u>-</u>
Other assets	1,633,009	2,204,115	3,837,124	
Total noncurrent assets	<u>142,612,075</u>	<u>185,579,315</u>	<u>328,191,390</u>	<u>-</u>
Total assets	<u>178,239,294</u>	<u>191,065,748</u>	<u>369,305,042</u>	<u>606,573</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	10,068,933	2,360,639	12,429,572	-
Unearned revenue	2,681,683		2,681,683	
Bond anticipation note	-		-	
Other liabilities		20,609	20,609	
Long-term debt due within one year	5,413,505	4,337,743	9,751,248	
Total current liabilities	<u>18,164,121</u>	<u>6,718,991</u>	<u>24,883,112</u>	<u>-</u>
Noncurrent liabilities:				
Accounts payable and accrued expenses		1,009,152	1,009,152	
Net OPEB obligation	75,541,727	1,367,049	76,908,776	-
Net pension obligation	85,819,722		85,819,722	
Long-term debt	41,456,859	104,216,253	145,673,112	
Total noncurrent liabilities	<u>202,818,308</u>	<u>106,592,454</u>	<u>309,410,762</u>	<u>-</u>
Total liabilities	<u>220,982,429</u>	<u>113,311,445</u>	<u>334,293,874</u>	<u>-</u>
Commitments and contingencies (Note 15)				
Net position:				
Net investment in capital assets	101,949,755	53,345,857	155,295,612	
Restricted for:				
Trust agreements	1,039,459	19,674,410	20,713,869	
Capital projects funded with bonds	330,077		330,077	
Grant expenditures	3,324,523		3,324,523	
Other purposes		3,894,065	3,894,065	602,078
Unrestricted	(157,686,949)	839,971	(156,846,978)	4,495
Total net position	<u>\$ (51,043,135)</u>	<u>\$ 77,754,303</u>	<u>\$ 26,711,168</u>	<u>\$ 606,573</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
Legislative and executive	\$ 5,462,954	\$ 1,165,985	\$ 654,529	\$ -	\$ (3,642,440)		\$ (3,642,440)	
Finance	2,679,761	297,147	379	-	(2,382,235)		(2,382,235)	
Planning	4,390,575	647,334	2,552,750	725,386	(465,105)		(465,105)	
Public safety	48,898,407	4,646,955	1,757,069	29,458	(42,464,925)		(42,464,925)	
Public works	12,884,767	311,447	132,358	66,380	(12,374,582)		(12,374,582)	
Other	11,230,917	-	-	-	(11,230,917)		(11,230,917)	
Education	120,436,734	306,335	17,231,878	-	(102,898,521)		(102,898,521)	
Interest on long-term debt	2,084,327	-	-	-	(2,084,327)		(2,084,327)	
Total governmental activities	<u>208,068,442</u>	<u>7,375,203</u>	<u>22,328,963</u>	<u>821,224</u>	<u>(177,543,052)</u>		<u>(177,543,052)</u>	
<b>Business-type activities:</b>								
School lunch fund	4,090,616	405,256	3,772,347	-	-	\$ 86,987	86,987	
Water Supply Board	15,326,682	18,035,772	-	-	-	2,709,090	2,709,090	
175 Main Street	520,001	221,084	-	-	-	(298,917)	(298,917)	
Total business-type activities	<u>19,937,299</u>	<u>18,662,112</u>	<u>3,772,347</u>	<u>-</u>	<u>-</u>	<u>2,497,160</u>	<u>2,497,160</u>	
Total primary government	<u>\$ 228,005,741</u>	<u>\$ 26,037,315</u>	<u>\$ 26,101,310</u>	<u>\$ 821,224</u>	<u>(177,543,052)</u>	<u>2,497,160</u>	<u>(175,045,892)</u>	
<b>Component unit:</b>								
Pawtucket Business Development Corporation	<u>\$ 49,551</u>		<u>\$ 16,625</u>					<u>\$ (32,926)</u>
General revenues:								
Property taxes levied for general purposes					98,526,666		98,526,666	
State aid, unrestricted					75,848,478	51,751	75,900,229	
Investment and interest income					1,123,916	260,588	1,384,504	19,208
Other revenues					1,128,745	207,353	1,336,098	
Transfers					-	-	-	
Total general revenues and transfers					<u>176,627,805</u>	<u>519,692</u>	<u>177,147,497</u>	<u>19,208</u>
Change in net position					<u>(915,247)</u>	<u>3,016,852</u>	<u>2,101,605</u>	<u>(13,718)</u>
Net position, beginning of year:								
As originally reported					(49,699,956)	74,737,451	25,037,495	620,291
Prior period adjustment (Note 16)					<u>(427,932)</u>		<u>(427,932)</u>	
As restated					<u>(50,127,888)</u>	<u>74,737,451</u>	<u>24,609,563</u>	<u>620,291</u>
Net position, end of year					<u>\$ (51,043,135)</u>	<u>\$ 77,754,303</u>	<u>\$ 26,711,168</u>	<u>\$ 606,573</u>

See notes to basic financial statements.

## CITY OF PAWTUCKET, RHODE ISLAND

## BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,050,102	\$ 97,841	\$ 10,572,497	\$ 17,720,440
Investments			617,710	617,710
Real estate and personal property taxes receivable, net	6,838,462			6,838,462
Due from federal and state governments	1,859,749	949,944	2,573,763	5,383,456
Due from other funds	2,409,187			2,409,187
Other receivables	25,943	91,676	3,108,198	3,225,817
Notes receivable			310,000	310,000
Total assets	<u>\$ 18,183,443</u>	<u>\$ 1,139,461</u>	<u>\$ 17,182,168</u>	<u>\$ 36,505,072</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,477,637	\$ 2,552,869	\$ 1,484,269	\$ 6,514,775
Due to other funds		120,978	2,288,209	2,409,187
Deferred revenue	5,965,982		2,583,450	8,549,432
Bond anticipation note			8,300,000	8,300,000
Total liabilities	<u>8,443,619</u>	<u>2,673,847</u>	<u>14,655,928</u>	<u>25,773,394</u>
Fund balances:				
Nonspendable			1,058,108	1,058,108
Restricted			3,654,600	3,654,600
Committed	2,234,387		1,308,865	3,543,252
Assigned	2,396,248		22,146	2,418,394
Unassigned	5,109,189	(1,534,386)	(3,517,479)	57,324
Total fund balances	<u>9,739,824</u>	<u>(1,534,386)</u>	<u>2,526,240</u>	<u>10,731,678</u>
Total liabilities and fund balances	<u>\$ 18,183,443</u>	<u>\$ 1,139,461</u>	<u>\$ 17,182,168</u>	<u>\$ 36,505,072</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2013

Total fund balances for governmental funds		\$ 10,731,678
Assets used in governmental activities which are not financial resources and therefore are not reported in the funds:		
Capital assets, net	\$ 140,979,066	
Deferred charges resulting from the issuance of bonds	<u>322,809</u>	141,301,875
Some taxes and grants will be collected after year-end but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the funds.		5,867,749
Liabilities not due and payable in the current period and therefore not reported in the funds:		
Accrued interest	712,624	
Net OPEB obligation	75,541,727	
Net pension obligation	85,819,722	
Bonds and notes payable	35,313,618	
Capital leases	4,348,502	
Compensated absences payable	<u>7,208,244</u>	<u>(208,944,437)</u>
Net position of governmental activities		<u>\$ (51,043,135)</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS

JUNE 30, 2013

	General Fund	School Unrestricted Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
General property taxes and payments in lieu of taxes	\$ 98,070,035			\$ 98,070,035
Intergovernmental	5,998,038	\$ 69,850,440	\$ 19,421,085	95,269,563
Rescue service fees	1,744,524			1,744,524
Charges for services	1,985,168	306,335	2,942,025	5,233,528
Investment and interest income	1,057,027		66,889	1,123,916
On behalf pension contribution		3,729,102		3,729,102
Other revenues	1,525,896			1,525,896
<b>Total revenues</b>	<b>110,380,688</b>	<b>73,885,877</b>	<b>22,429,999</b>	<b>206,696,564</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Legislative	2,546,581		1,964,257	4,510,838
Executive	799,007			799,007
Finance	2,588,571			2,588,571
Planning	1,541,053		3,147,751	4,688,804
Public safety	43,173,543		3,052,501	46,226,044
Public works	9,383,595		1,170,856	10,554,451
Other fixed and general charges	10,224,657			10,224,657
Education		98,095,547	13,845,119	111,940,666
Debt service principal	3,788,869			3,788,869
Debt service interest	1,765,772			1,765,772
On behalf pension contribution		3,729,102		3,729,102
<b>Total expenditures</b>	<b>75,811,648</b>	<b>101,824,649</b>	<b>23,180,484</b>	<b>200,816,781</b>
Excess (deficiency) of revenues over expenditures	34,569,040	(27,938,772)	(750,485)	5,879,783
<b>Other financing sources (uses):</b>				
Transfers from other funds	1,488,848	30,756,195	1,068,406	33,313,449
Transfers to other funds	(31,066,988)		(758,859)	(31,825,847)
<b>Total other financing sources (uses)</b>	<b>(29,578,140)</b>	<b>30,756,195</b>	<b>309,547</b>	<b>1,487,602</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,990,900	2,817,423	(440,938)	7,367,385
<b>Fund balances, beginning of year:</b>				
As originally reported	5,176,856	(4,351,809)	2,967,178	3,792,225
Prior period adjustment (Note 16)	(427,932)			(427,932)
As restated	4,748,924	(4,351,809)	2,967,178	3,364,293
<b>Fund balances, end of year</b>	<b>\$ 9,739,824</b>	<b>\$ (1,534,386)</b>	<b>\$ 2,526,240</b>	<b>\$ 10,731,678</b>

See notes to basic financial statements.



CITY OF PAWTUCKET, RHODE ISLAND

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

Net change in fund balances for governmental funds		\$ 7,367,385
Governmental funds report capital outlays as expenditures; however, in the statement of activities these costs are allocated over the life of the related asset and reported as depreciation expense.		
Capital outlays, including amounts charged to current expenditures	\$ 1,971,055	
Depreciation expense	<u>(5,487,803)</u>	(3,516,748)
Governmental funds report bond issuance costs as expenditures; however, in the statement of activities these costs are allocated over the life of the related debt and reported as amortization expense.		
Amortization expense		(21,736)
Revenues in the statement of activities that do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		456,631
Change in net OPEB obligation is recorded in the statement of activities, but not in the governmental funds		(6,933,010)
Change in net pension obligation is recorded in the statement of activities, but not in the governmental funds		(2,097,582)
The issuance of long-term debt (including premiums or discounts) provides current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment and refunding of bonds and notes use current financial resources, but decrease long-term liabilities in the statement of net position. Bond premiums, discounts and refunding charges are deferred and amortized as part of future interest expense.		
Principal repayment on general obligation bonds, notes payable and capital leases	4,113,684	
Amortization of premiums, discounts and deferred charges on refunding	<u>52,721</u>	4,166,405
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued compensated absences	98,064	
Accrued interest	<u>(434,656)</u>	<u>(336,592)</u>
Change in net position of governmental activities		<u>\$ (915,247)</u>

See notes to basic financial statements.

## CITY OF PAWTUCKET, RHODE ISLAND

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2013

	Business Type Activities - Enterprise Funds				Governmental
	School Lunch Fund	Water Supply Board	175 Main Street	Total	Internal Service Fund
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 144,285	\$ 432,139	\$ 173,966	\$ 750,390	\$ 1,531,334
Water user fees receivable, net		3,897,101		3,897,101	
Intergovernmental receivable	337,877	10,591		348,468	
Inventory		435,476		435,476	
Other receivables, net			406	406	
Prepaid expenses		882	53,710	54,592	
Total current assets	<u>482,162</u>	<u>4,776,189</u>	<u>228,082</u>	<u>5,486,433</u>	<u>1,531,334</u>
<b>Noncurrent assets:</b>					
Restricted cash and cash equivalents	-	18,156,435		18,156,435	-
Investments		5,412,039	105,692	5,517,731	
Intergovernmental receivable		9,190,940		9,190,940	
<b>Capital assets:</b>					
Land		5,784,856		5,784,856	
Non-depreciable assets		14,638,023		14,638,023	
Depreciable assets, net		127,834,891	2,252,324	130,087,215	
Other assets		2,204,115		2,204,115	1,310,200
Total noncurrent assets	<u>-</u>	<u>183,221,299</u>	<u>2,358,016</u>	<u>185,579,315</u>	<u>1,310,200</u>
Total assets	<u>482,162</u>	<u>187,997,488</u>	<u>2,586,098</u>	<u>191,065,748</u>	<u>2,841,534</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	357,601	712,205	8,201	1,078,007	2,841,534
Accrued interest payable		1,282,632		1,282,632	
Deposits		20,609		20,609	
Current portion of long-term debt		4,231,990	105,753	4,337,743	
Total current liabilities	<u>357,601</u>	<u>6,247,436</u>	<u>113,954</u>	<u>6,718,991</u>	<u>2,841,534</u>
<b>Noncurrent liabilities:</b>					
Accounts payable from restricted assets	-	799,948		799,948	-
Accrued expenses		209,204		209,204	
Net OPEB obligation		1,367,049		1,367,049	
Accrued compensated absences and vacation		715,187		715,187	
Bonds, loans, and notes payable		102,731,405	769,661	103,501,066	
Total noncurrent liabilities	<u>-</u>	<u>105,822,793</u>	<u>769,661</u>	<u>106,592,454</u>	<u>-</u>
Total liabilities	<u>357,601</u>	<u>112,070,229</u>	<u>883,615</u>	<u>113,311,445</u>	<u>2,841,534</u>
<b>Net position:</b>					
Net investment in capital assets		51,968,947	1,376,910	53,345,857	-
<b>Restricted for:</b>					
Trust agreements		19,674,410		19,674,410	
Public utilities commission order		3,894,065		3,894,065	
Unrestricted	124,561	389,837	325,573	839,971	
Total net position	<u>\$ 124,561</u>	<u>\$ 75,927,259</u>	<u>\$ 1,702,483</u>	<u>\$ 77,754,303</u>	<u>\$ -</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION – PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2013

	Business Type Activities - Enterprise Funds			Governmental
	School Lunch Fund	Water Supply Board	175 Main Street	Internal Service Fund
<b>Operating revenues:</b>				
Charges for services	\$ 405,256	\$ 17,683,904	\$ 220,584	\$ 18,309,744
Other income		322,401	500	322,901
<b>Total operating revenues</b>	<u>405,256</u>	<u>18,006,305</u>	<u>221,084</u>	<u>18,632,645</u>
<b>Operating expenses:</b>				
General and administrative		2,397,660	355,555	2,753,215
Customer service		485,648		485,648
Source of supply		1,182,158		1,182,158
Purification		2,627,872		2,627,872
Transmission and distribution		1,689,902		1,689,902
Engineering		354,757		354,757
Meters		446,140		446,140
Depreciation and amortization		2,537,986	135,852	2,673,838
School lunch program	4,090,616			4,090,616
<b>Total operating expenses</b>	<u>4,090,616</u>	<u>11,722,123</u>	<u>491,407</u>	<u>16,304,146</u>
<b>Income (loss) from operations</b>	<u>(3,685,360)</u>	<u>6,284,182</u>	<u>(270,323)</u>	<u>2,328,499</u>
<b>Nonoperating revenues (expenses):</b>				
Amortization of deferred charge		(133,141)		(133,141)
Rental income, net		29,467		29,467
Intergovernmental income		51,751		51,751
Federal grants	3,700,879			3,700,879
State matching funds	71,468			71,468
Miscellaneous non-operating income		207,353		207,353
Interest income		257,706	2,882	260,588
Interest expense		(3,471,418)	(28,594)	(3,500,012)
<b>Total nonoperating revenues (expenses)</b>	<u>3,772,347</u>	<u>(3,058,282)</u>	<u>(25,712)</u>	<u>688,353</u>
<b>Transfers:</b>				
Transfers in (out)				-
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,487,602)</u>
Change in net position	86,987	3,225,900	(296,035)	3,016,852
Net position, beginning of year	37,574	72,701,359	1,998,518	74,737,451
Net position, end of year	<u>\$ 124,561</u>	<u>\$ 75,927,259</u>	<u>\$ 1,702,483</u>	<u>\$ 77,754,303</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	School Lunch Fund	Water Supply Board	175 Main Street	Total	Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 405,256	\$ 18,142,518	\$ 221,084	\$ 18,768,858	
Cash payments to suppliers for goods and services	(4,378,698)	(7,872,248)	(285,919)	(12,536,865)	\$ (28,806,179)
Cash payments to employees for services	(104,709)	(2,046,325)	(65,939)	(2,216,973)	
Payment of administrative expenses					31,415,688
Net cash provided by (used in) operating activities	(4,078,151)	8,223,945	(130,774)	4,015,020	2,609,509
Cash flows from noncapital financing activities:					
Rental income received		29,467		29,467	
Intergovernmental revenue	3,772,347	51,751		3,824,098	
Miscellaneous nonoperating revenue		207,134		207,134	
Transfers to other funds				-	(1,487,602)
Interfund borrowings	(52,227)	(4,583)	641	(56,169)	
Net cash provided by (used in) noncapital financing activities	3,720,120	283,769	641	4,004,530	(1,487,602)
Cash flows from capital and related financing activities:					
Change in due from Rhode Island Clean Water Finance Agency	-	(4,024,893)		(4,024,893)	-
Change in accrued interest		4,264		4,264	
Disposals of fixed assets		1,028,539		1,028,539	
Acquisition and construction of fixed assets		(8,146,573)		(8,146,573)	
Proceeds on bonds		8,645,000		8,645,000	
Loan issuance costs		(129,186)		(129,186)	
Gain on disposal on fixed asset		219		219	
Principal paid on bonds and loans		(3,903,819)	(26,438)	(3,930,257)	
Interest paid on bonds and loans		(3,471,418)	(28,594)	(3,500,012)	
Net cash used in capital and related financing activities	-	(9,997,867)	(55,032)	(10,052,899)	-
Cash flows from investing activities:					
Purchases/sales of investments, net		(33,054)	(2,077)	(35,131)	-
Investment income		257,706	2,882	260,588	
Net cash provided by investing activities	-	224,652	805	225,457	-
Net increase (decrease) in cash and cash equivalents	(358,031)	(1,265,501)	(184,360)	(1,807,892)	1,121,907
Cash and cash equivalents, beginning of year, as restated	502,316	19,854,075	358,326	20,714,717	409,427
Cash and cash equivalents, end of year	\$ 144,285	\$ 18,588,574	\$ 173,966	\$ 18,906,825	\$ 1,531,334

CITY OF PAWTUCKET, RHODE ISLAND

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	School Lunch Fund	Water Supply Board	175 Main Street	Total	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (3,685,360)	\$ 6,284,182	\$ (270,323)	\$ 2,328,499	\$ 1,487,602
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation		2,537,986	135,852	2,673,838	
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable and accrued revenue		318,636		318,636	
(Increase) decrease in inventory		(184,130)		(184,130)	
(Increase) decrease in prepaid expense			12,449	12,449	
(Increase) decrease in user charges receivable				-	
(Increase) decrease in deferred hydrant fees receivable				-	
Increase (decrease) in accounts payable and accrued expenses	(392,791)	(832,912)	(8,752)	(1,234,455)	1,121,907
Increase (decrease) in accrued compensated absence		(23,036)		(23,036)	
Increase (decrease) in postemployment benefits		121,512		121,512	
Increase (decrease) in deposits		1,707		1,707	
<b>Net cash provided by (used in) operating activities:</b>	<b>\$ (4,078,151)</b>	<b>\$ 8,223,945</b>	<b>\$ (130,774)</b>	<b>4,015,020</b>	<b>\$ 2,609,509</b>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

STATEMENT OF NET POSITION –  
FIDUCIARY FUNDS

JUNE 30, 2013

	Pension Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>
Assets:		
Cash equivalents	\$ 4,688,661	\$ 345,204
Investments, at fair value:		
Common stock	56,013,799	-
U.S. Government obligations	5,552,412	
U.S. Government agency obligations	7,926,829	
U.S. Treasuries	4,092,605	
Domestic corporate bonds	4,449,897	
Total investments	<u>78,035,542</u>	<u>-</u>
Receivables (net):		
Interest and dividends	234,919	-
Other	46,482	
Total receivables (net)	<u>281,401</u>	<u>-</u>
Total assets	<u>83,005,604</u>	<u>345,204</u>
Liabilities:		
Amounts held in custody for others		345,204
Accounts payable and accrued expenses	24,021	
Total liabilities	<u>24,021</u>	<u>345,204</u>
Net position:		
Held in trust for pension benefits and other purposes	<u>\$ 82,981,583</u>	<u>\$ -</u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND  
STATEMENT OF CHANGES IN NET POSITION –  
FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Funds</u>
Additions to net assets:	
Contributions:	
Employer and plan members	\$ 12,806,565
Total contributions	<u>12,806,565</u>
Investment income:	
Interest income	2,007,506
Net appreciation in fair value of investments	6,123,307
Other	8,823
Net investment earnings	<u>8,139,636</u>
Total additions	<u>20,946,201</u>
Deductions from net assets:	
Benefits paid	12,220,550
Administrative and other expenses	628,624
Total deductions	<u>12,849,174</u>
Change in net position	8,097,027
Net position, beginning of year	<u>74,884,556</u>
Net position, end of year	<u><u>\$ 82,981,583</u></u>

See notes to basic financial statements.

CITY OF PAWTUCKET, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies:

The basic financial statements of the City of Pawtucket, Rhode Island (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain instances, summaries of the City's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

Financial reporting entity:

The City is a municipal corporation governed by a Council/Mayor form of government with a nine member City Council headed by a Council President. In some matters, including the issuance of short and long-term debt, the general laws of the State of Rhode Island govern the City. The City provides the following services: Public Safety (police, fire, traffic safety, inspections, zoning and building), Public Works (sanitation, highways and streets, engineering and building maintenance), Water Supply, Parks and Recreation, Education, Social Services, and General Administrative Services.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the City applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement Nos. 39 and 61. 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. Through the application of GASB criteria, the Pawtucket Business Development Corporation has been presented as a component unit of the City in the accompanying government-wide financial statements.

The Pawtucket Business Development Corporation is a nonprofit corporation whose purpose is to promote the growth of business and industry in Pawtucket through loans to local businesses. It is governed by a volunteer board of directors appointed by the Mayor of the City and is managed by the employees of the City's Planning Department. Complete financial statements for the Pawtucket Business Development Corporation may be obtained at its administrative office at 175 Main Street, Pawtucket, RI 02860.

Basis of presentation:

Government-wide financial statements:

The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Government-wide financial statements (continued):

The statement of activities presents a comparison between expenses and program revenue for each function of the City's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements:

Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or inconsistency) may be reported as a major fund.

Fund types used by the City and a description of the funds comprising each are as follows:

*Governmental funds:*

Governmental funds are used to account for operations that supply basic government services. The City uses the following governmental funds:

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

Fund financial statements (continued)

*Governmental funds (continued):*

*General fund:*

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for and report all activities except those legally or administratively required to be accounted for in other funds.

*Special revenue funds:*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects. The City's major special revenue fund is the school unrestricted fund. Funds from the United States Department of Housing and Urban Development (HUD) restricted for the acquisition of or assistance with urban development projects are accounted for and reported in special revenue funds (HUD funds).

*Capital project funds:*

Capital project funds are used to account for and report financial resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items.

*Permanent funds:*

Permanent funds account for and report assets held by the City pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

*Proprietary funds:*

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Fiduciary funds:*

Fiduciary funds are used to report assets held by the City in a trustee or agency capacity and, therefore, cannot be used to support the City's own programs. The following fiduciary funds are used by the City:

*Agency funds:*

Agency funds account for assets held by the City in a purely custodial capacity. The City has five agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency funds for the City are those funds relating to the Student Activity Funds.

*Pension trust fund:*

The pension trust fund is used to account for contributions made by the City and its participating employees to provide retirement benefits to participating employees.

*Major funds:*

The City's major funds are as follows:

Fund	Brief Description
<i>Governmental:</i>	
General Fund	The primary operating fund of the City used to account for and report all activities except those legally or administratively required to be accounted for in other funds.
School Unrestricted Fund	This fund is used to report all financial transactions of the Pawtucket School Department, except those legally or administratively required to be accounted for in other funds.
<i>Proprietary:</i>	
School Lunch Fund	This fund accounts for lunch operations at all the schools.
Water Supply Board	This fund accounts for the City's water system.
175 Main Street	This fund accounts for the renting of an office building.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Measurement focus and basis of accounting:*

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as soon as all eligible requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual. Susceptibility occurs when revenues are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (typically sixty days). Revenues not considered to be available are recorded as deferred revenues. Expenditures, including capital outlays, are recognized when a liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when paid.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State of Rhode Island (the State) on behalf of the City, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided there is a valid claim. Prior to expenditure, proceeds are recorded as deferred revenues.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Basis of presentation (continued):*

*Measurement focus and basis of accounting (continued):*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

*Property taxes:*

Property taxes are recognized as revenue in the year they are levied and become available. The City's fiscal 2013 property taxes were levied in July 2012 on assessed valuation as of December 31, 2011. Upon levy, taxes are billed quarterly and are due on July 15, October 15, January 15, and April 15. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Assessed values are established by the Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles. The most recent assessment of all real estate was completed as of December 31, 2011.

Rhode Island general laws restrict the City's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

*Intergovernmental revenues:*

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the fiscal year.

*Use of estimates:*

The preparation of basic 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 basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Recent accounting pronouncements:*

Effective for the year ended June 30, 2013, the City adopted Statement No. 63 of the Governmental Accounting Standards Board (GASB), *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63). Deferred outflows of resources represent the consumption of the government's net assets that is applicable to a future reporting period. Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period. GASB 63 prescribes the reporting requirements for these two elements and requires that the statement of net assets title be changed to statement of net position. The City had no deferred inflows or outflows of resources at June 30, 2013.

Effective for the fiscal year ending June 30, 2014, the City will adopt the provisions of Statement No. 65 of the GASB, *Items Previously Reported as Assets and Liabilities* (GASB 65). GASB 65 requires that certain items no longer be reported in statements of net position since they do not meet the definition of either assets, liabilities, deferred outflows of resources or deferred inflows of resources. In addition, GASB 65 requires that certain items previously reported as assets or liabilities be reported as deferred inflows or outflows of resources. As a result of adopting GASB 65, the City will be required to expense its deferred financing costs and estimates that net position as of July 1, 2013 will decrease by approximately \$2,527,000 as a result. In addition, deferred loss on advance refundings of debt will be presented as a deferred outflow of resources instead of as an offset to bonds payable.

*Cash and equivalents:*

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

*Investments:*

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as investment income. The State does not have pertinent laws regarding investments that apply to cities and towns.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Interfund transactions:*

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other interfund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due from/to other funds" (current portion) or "advances from/to other funds" (noncurrent portion). All other outstanding balances between funds are reported as "due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

*Capital assets:*

The accounting treatment for capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

The City defines capital assets as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The Pawtucket Water Supply Board's (PWSB in the Enterprise Funds) assets are used as collateral for water improvement revenue bonds.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Capital assets (continued):*

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

The range of estimated useful lives by type of asset is as follows:

Autos and information processing equipment	5
Trucks	8
Equipment, furniture and fixtures	10
Heavy equipment	25
Buildings, infrastructure, water lines and fire hydrants	39 1/2
Sewer mains and certain water assets	75-100

Capital assets acquired by governmental funds are accounted for as capital outlay expenditures.

*Encumbrances:*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are closed out and reevaluated at the beginning of the following fiscal year.

*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. The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

In the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Compensated absences (continued):*

In past years and in future fiscal years, the general fund has been used to liquidate the liability for compensated absences in governmental funds other than proprietary funds.

*Long-term obligations:*

In the government-wide financial statements, long-term debt and other long-term obligations (including compensated absences) are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

*Judgments and claims:*

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

*Bond issuance costs:*

Bond issuance costs for government-wide operations and enterprise funds are deferred and amortized on a straight-line basis over 20 years. Total bond issuance costs, net of accumulated amortization, as of June 30, 2013 were \$2,526,924.

In governmental funds, bond issuance costs are recognized as expenditures in the current period.

*Deferred revenues:*

Deferred revenues represent funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to collections of property tax receivables which were received prior to June 30th, plus delinquent balances less amounts due as of the balance sheet date and received sixty days thereafter.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Self-insurance:*

The City's self-insurance costs for health and dental liabilities are accounted for in the City's internal service funds. Claims incurred but not paid, including those which have not been reported, are accounted for as expenses and accrued claims in those funds when a liability has been incurred.

*Net position:*

In the government-wide financial statements, the City's net position has been segregated into the following three components:

Net investment in capital assets – represents the net book value of all capital assets less the outstanding balances of bonds and other debt, and deferred inflows of resources, if any, used to acquire, construct or improve these assets, increased by deferred outflows of resources related to those assets, if any.

Restricted – assets that have been limited to uses specified either externally by creditors, contributors, laws, or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted – a residual category for the balance of net position

*Fund equity:*

In the governmental fund financial statements, fund equity is classified as fund balance and is further classified as nonspendable, restricted, committed, assigned or unassigned as described below:

Nonspendable - the amount of fund balance that cannot be spent because it is either not spendable form or there is a legal or contractual requirement for the funds to remain intact.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies (continued):

*Fund equity (continued):*

Restricted - the amount of fund balance that can only be spent on specific expenses due to constraints on the spending because of legal restrictions, outside party creditors, and grantor/donor requirements. The City's restricted fund balance amounts are considered to have been spent when an expenditure has been incurred satisfying such restriction.

Committed - the City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year-end, but the specific amount may be determined at a later date.

Assigned - the amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the amount of fund balance that remains from residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, not subject to any constraints or intended use, no external or self-imposed limitations, no set spending plan and are available for any purposes. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

*Reclassifications:*

Certain 2012 balances, primarily related to restricted cash and investments within the PWSB (Enterprise Fund), have been reclassified to conform to the 2013 presentation.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

2. Budgetary data and budgetary compliance:

Prior to the passage of the annual budget ordinance, the Council adopts a capital program and capital budget. The capital budget ordinance shows in detail the capital expenditures intended to be made or incurred in the next fiscal year that are to be financed from bond proceeds. These funds are subject to control or appropriation by the Council and must be in full conformity with that part of the capital program applicable to the year which it covers. The Council may amend the capital budget ordinance, but no amendment is valid which does not conform to the capital program. At least 25 days prior to the end of the fiscal year, the budget is legally adopted.

3. Stewardship, compliance, and accountability:

Legal debt margin:

The City's legal debt margin as set forth by State Statute is limited to 3 percent of total net assessed property value, which approximates \$3,597,169,500 based on the December 31, 2011 assessment. As of June 30, 2013, the City's debt subject to the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2 totaled \$5,223,946. All other City debt is exempt as it has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

Donor-restricted endowments:

The City has received certain endowments of Library and Cemetery maintenance. The amounts are reflected in the net position and restricted for perpetual care and endowments. Investment income is approved for the expenditure by the various boards of the benefiting activities and is included in nonspendable fund balance.

CITY OF PAWTUCKET, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2013

**4. Capital assets:**

Capital asset activity for the year ended June 30, 2013 was as follows:

	Primary Government			Ending balances
	Beginning balance	Increases	Decreases	
<b>Governmental activities:</b>				
Non-depreciable assets:				
Land	\$ 21,867,850	\$ -	\$ -	\$ 21,867,850
Total capital assets not being depreciated	<u>21,867,850</u>	<u>-</u>	<u>-</u>	<u>21,867,850</u>
Depreciable assets:				
Buildings and improvements	79,562,024	1,103,442	-	80,665,466
Motor vehicles	15,936,819	547,779	760,253	15,724,345
Machinery, equipment, and furniture	7,479,828	442,943	-	7,922,771
Infrastructure	121,999,193	-	-	121,999,193
Total depreciable assets	<u>224,977,864</u>	<u>2,094,164</u>	<u>760,253</u>	<u>226,311,775</u>
Less accumulated depreciation for:				
Buildings and improvements	35,602,858	2,287,463	-	37,890,321
Motor vehicles	13,598,270	767,502	637,144	13,728,628
Machinery, equipment, and furniture	5,910,152	618,272	-	6,528,424
Infrastructure	47,238,620	1,814,566	-	49,053,186
Total accumulated depreciation	<u>102,349,900</u>	<u>5,487,803</u>	<u>637,144</u>	<u>107,200,559</u>
Capital assets being depreciated, net	<u>122,627,964</u>	<u>(3,393,639)</u>	<u>123,109</u>	<u>119,111,216</u>
Governmental activities capital assets, net	<u>\$ 144,495,814</u>	<u>\$ (3,393,639)</u>	<u>\$ 123,109</u>	<u>\$ 140,979,066</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative	\$ 131,437
Finance	15,843
Planning	117,287
Public Safety	894,847
Public Works	2,633,430
Education	1,694,959
	<u>\$ 5,487,803</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**4. Capital assets (continued):**

	Primary Government			Ending balances
	Beginning balance	Increases	Decreases	
<b>Business-type activities:</b>				
Non-depreciable assets:				
Land	\$ 5,768,212	\$ 16,644		\$ 5,784,856
Construction in progress	8,534,577	7,131,985	\$ 1,028,539	14,638,023
Total non-depreciable assets	14,302,789	7,148,629	1,028,539	20,422,879
Depreciable assets:				
Structures and improvements	68,005,403		-	68,005,403
Transmission and distribution	86,750,280	997,862		87,748,142
Equipment	5,321,658			5,321,658
Buildings	625,000			625,000
Building improvements	3,447,919			3,447,919
Total depreciable assets	164,150,260	997,862	-	165,148,122
Less accumulated depreciation for:				
Structures and improvements	10,640,807	1,233,409	-	11,874,216
Transmission and distribution	15,312,841	1,185,232		16,498,073
Equipment	4,748,679	119,344		4,868,023
Buildings	107,957			107,957
Building improvements	1,576,786	135,852		1,712,638
Total accumulated depreciation	32,387,070	2,673,837	-	35,060,907
Capital assets being depreciated, net	131,763,190	(1,675,975)	-	130,087,215
Business-type activities capital assets, net	\$ 146,065,979	\$ 5,472,654	\$ 1,028,539	\$ 150,510,094

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water Supply Board	\$ 2,537,985
157 Main Street	135,852
	<u>\$ 2,673,837</u>

Construction in progress relates to construction of a new transmission and distribution operations center and annual water main replacement contracts to complete the restoration of the water transmission and distribution system. These and other projects will be funded from bond proceeds available from bonds issued in fiscal year 2013 and rate revenue restricted for infrastructure improvements.

The PWSB has the following commitments related to construction project contracts at June 30, 2013:

Main Replacement Contract MR-7	\$ 170,158
Main Replacement Contract MR-8	3,538,248
Robin Hollow Dam Rehab Construction Contract	77,528
Residual Water Discharge Engineering Contract	47,262
T&D Operations Center Architect Services	45,655
	<u>\$ 3,878,851</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

5. Deposits and investments:

*Cash and cash equivalents:*

At June 30, 2013, deposits are categorized as follows:

	<u>Insured</u>	<u>Collateralized</u>	<u>Uncategorized</u>	<u>Total bank balance</u>	<u>Carrying amount</u>
Demand deposits	\$ 2,704,156	\$ 40,245,296	\$ 4,688,661	\$ 47,638,113	\$ 43,192,464

Restricted cash consists of funds deposited by PWSB into restricted debt service accounts to be used for future debt service payments, as required under loan agreements with the Rhode Island Clean Water Finance Agency.

*Investments:*

Investments of all idle funds are made through national banks or trust companies, providing that the financial conditions and integrity of the institutions are verifiable and can be monitored. The investment of funds must be in direct obligations of the United States Government and “money market instruments” rated “A” or better. Investments in any one institution cannot exceed 5 percent of that institution’s capital and surplus as set forth in the institution’s most recent audited financial statements.

*Concentration of credit risk:*

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer.

The City’s investment policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

The City’s cash, cash equivalents and investments, including the Pension Trust Fund, are as follows:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 43,192,464
Investments:	
U.S. Government and agency obligations	10,168,936
U.S. Treasuries	12,791,796
Corporate bonds	8,269,562
Bonds: mutual funds	2,457,592
Common stocks	50,377,406
Certificate of deposit	<u>105,692</u>
Total investments	<u>84,170,984</u>
Total cash and investments	<u>\$ 127,363,448</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

5. Deposits and investments (continued):

*Interest rate risk:*

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. This policy avoids the need to sell securities on the open market prior to maturity. The City invests operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

*Credit risk:*

Credit risk, which is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment, is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Rhode Island or political subdivision.

Information about the exposure of the City's debt-type investments to interest rate and credit risk, using the segmented time distribution model, is as follows:

Type of investment	Moody's rating	Less than 1 year	1-10 years	Over 10 years
U.S. Government and Agency Obligations	Not Available	\$ 2,242,108	\$ 2,147,652	\$ 5,779,176
U.S. Treasuries	Aaa	7,239,385	4,228,163	1,324,248
Domestic corporate bonds	Not Available	648,583	6,867,843	753,136
Total		\$ 10,130,076	\$ 13,243,658	\$ 7,856,560



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

5. Deposits and investments (continued):

*Custodial credit risk:*

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The City does not believe that it has significant custodial credit risk with regard to its investments as substantially all investment securities are registered and held in the name of the City.

6. Property taxes:

The City is permitted by State law to levy property taxes. Current tax collections for the City were approximately 94% of the total December 31, 2011 levy.

For year ended June 30, 2013, the City used a tax rate of \$30.88 per thousand for commercial real property, \$23.06 per thousand for residential real property, \$53.30 per thousand for motor vehicles, and \$52.09 per thousand for tangible personal property.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

7. Long-term obligations:

Changes in long-term obligations during the year ended June 30, 2013 were as follows:

	Balance, June 30, 2012	Additions	Retirements	Balance, June 30, 2013	Due within one year
<b>Governmental activities:</b>					
Bonds and loan payable:					
Bonds payable	\$ 38,335,014	\$ -	\$ 3,402,429	\$ 34,932,585	\$ 3,505,475
Loan payable	350,000		40,000	310,000	40,000
Total bonds and loan payable	38,685,014	-	3,442,429	35,242,585	3,545,475
Bond premium	123,754	-	52,721	71,033	
	38,808,768	-	3,495,150	35,313,618	3,545,475
Other liabilities:					
Capital leases	5,019,757	3,117,500	671,255	7,466,002	1,147,206
Less undrawn proceeds held by bank		(3,117,500)		(3,117,500)	
Compensated absences	7,306,308		98,064	7,208,244	720,824
Total other liabilities	12,326,065	-	769,319	11,556,746	1,868,030
Total long-term obligations	\$ 51,134,833	\$ -	\$ 4,264,469	\$ 46,870,364	\$ 5,413,505
<b>Business-type activities:</b>					
Bonds, notes and loans payable:					
Bonds and loans payable	\$ 102,133,986	\$ 8,645,000	\$ 3,970,575	\$ 106,808,411	\$ 4,152,525
Notes payable - 175 Main Street	901,851		26,437	875,414	105,753
Total bonds and loans payable	103,035,837	8,645,000	3,997,012	107,683,825	4,258,278
Less deferred loss on refundings	(323,910)		(81,588)	(242,322)	
Bond premiums	331,660		13,819	317,841	
	103,043,587	8,645,000	3,929,243	107,759,344	4,258,278
Other liabilities:					
Compensated absences	817,688	-	23,036	794,652	79,465
Total other liabilities	817,688	-	23,036	794,652	79,465
Business-type activities	\$ 103,861,275	\$ 8,645,000	\$ 3,952,279	\$ 108,553,996	\$ 4,337,743

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

7. Long-term obligations (continued):

Payments on all long-term debt and other long-term liabilities that pertain to the City's governmental activities are made by the General Fund and School Unrestricted Fund.

On June 23, 2011, the City Council approved an ordinance authorizing the City to use accumulated funds for the Pawtucket School Department deficit reduction plan in fiscal year 2011. This ordinance allowed the City to transfer accumulated fund balances in various funds to the City's General Fund. The Cemetery Perpetual Care permanent fund transferred \$500,000 to the General Fund, in which \$350,000 was deemed a loan that shall be repaid to the permanent fund in equal annual payments of \$40,000 for a period of ten years beginning in fiscal year 2013. This loan payable, in the amount of \$310,000, is included in the government-wide long-term obligations.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

7. Long-term obligations (continued):

Debt service through maturity for governmental activities bonds and notes is as follows:

Year ending June 30,	Principal	Interest	Total
2014	\$ 3,545,475	\$ 1,474,084	\$ 5,019,559
2015	2,750,400	1,335,577	4,085,977
2016	2,736,734	1,227,055	3,963,789
2017	2,825,438	1,115,431	3,940,869
2018	2,894,626	1,002,910	3,897,536
2019-2023	11,134,912	3,412,975	14,547,887
2024-2028	7,710,000	1,245,543	8,955,543
2029-2030	1,645,000	81,081	1,726,081
	\$ 35,242,585	\$ 10,894,656	\$ 46,137,241

Debt service through maturity for business-type activities bonds and notes is as follows:

Year ending June 30,	Principal	Interest	Total
2014	\$ 4,183,790	\$ 3,488,753	\$ 7,672,543
2015	4,364,659	3,491,703	7,856,362
2016	4,831,325	3,418,971	8,250,296
2017	4,964,621	3,300,942	8,265,563
2018	5,107,433	3,174,442	8,281,875
2019-2023	27,524,997	13,686,554	41,211,551
2024-2028	28,275,000	9,272,610	37,547,610
2029-2033	18,338,000	4,613,599	22,951,599
2034-2036	10,094,000	759,859	10,853,859
	\$ 107,683,825	\$ 45,207,433	\$ 152,891,258

**CITY OF PAWTUCKET, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2013**

7. Long-term obligations (continued):

	<b>Date of Issuance</b>	<b>Interest Rate</b>	<b>Date of Maturity</b>	<b>Authorized</b>	<b>Outstanding June 30, 2012</b>	<b>Additions</b>	<b>Maturities During the Year</b>	<b>Outstanding June 30, 2013</b>	<b>Interest Paid</b>
<b>Governmental Activities:</b>									
<b>General Obligation Bonds Payable</b>									
School & Public Improvement Refunding Bond	10/15/2002	2% - 4%	4/15/2014	\$ 8,892,387	\$ 1,737,706	\$ -	\$ 854,290	\$ 883,416	\$ 67,372
School & Public Improvement Bond	7/1/2001	4% - 6%	7/1/2021	11,395,000	5,591,000		580,400	5,010,600	252,697
School & Public Improvement Bond	4/14/2010	3.36%	7/1/2018	7,593,349	6,256,308		852,739	5,403,569	195,886
School & Public Improvement Bond	7/1/2005	3.25% - 5%	7/1/2025	13,300,000	10,530,000		545,000	9,985,000	430,606
School Bond	6/27/2006	4% - 5%	4/1/2010	1,500,000	1,175,000		60,000	1,115,000	54,575
School & Public Improvement Bond	7/1/2009	2% - 4.75%	7/15/2029	8,200,000	7,620,000		300,000	7,320,000	314,625
School & Public Improvement Bond	6/15/2009	2.5% - 6.25%	4/1/2029	6,000,000	5,425,000		210,000	5,215,000	285,875
Cemetery Perpetual Care Loan	6/23/2011	0%	7/23/2021	350,000	350,000		40,000	310,000	
				<u>57,230,736</u>	<u>38,685,014</u>	<u>-</u>	<u>3,442,429</u>	<u>35,242,585</u>	<u>1,601,636</u>
<b>Notes Payable, Bond Premiums, Capitals Leases, Compensated Absences</b>									
Bond Premiums				N/A	123,754		52,721	71,033	
Capital Leases				N/A	5,019,757	3,117,500	671,225	7,466,032	206,599
Less undrawn proceeds held by bank						(3,117,500)		(3,117,500)	
					<u>-</u>	<u>-</u>	<u>723,946</u>	<u>4,419,565</u>	<u>206,599</u>
<b>Total Governmental Activities Long-term Obligations:</b>				<u>57,230,736</u>	<u>43,828,525</u>	<u>-</u>	<u>4,166,375</u>	<u>39,662,150</u>	<u>1,808,235</u>
<b>Business-type Activities:</b>									
<b>Bonds, Notes and Loans Payable:</b>									
<b>Water Fund:</b>									
Water Debt Refunding Bond	10/15/2002	2.0% - 4.0%	4/15/2004	267,613	52,294		25,710	26,584	2,028
Water System Improvement Bond	7/1/2001	4.0% - 6.0%	7/1/2021	385,000	189,000		19,600	169,400	8,543
Water System Improvement Bond	4/14/2010	3.36%	7/1/2018	336,651	278,692		37,261	241,431	8,738
RI Clean Water Finance Agency Bonds	12/17/2003	5.00%	9/1/2035	19,340,000	19,340,000			19,340,000	979,088
RI Clean Water Finance Agency Bonds	12/17/2003	6.00%	9/1/2035	7,655,000	7,655,000			7,655,000	464,084
RI Clean Water Finance Agency Bonds	3/11/2004	2.0% - 5.0%	9/1/2024	41,875,000	32,433,000		2,072,000	30,361,000	1,030,262
RI Clean Water Finance Agency Bonds	3/23/2005	2.0% - 5.0%	9/1/2027	31,909,000	27,032,000		1,304,000	25,728,000	930,810
RI Clean Water Finance Agency Bonds	11/19/2009	.86-4.72%	9/1/2030	5,935,000	5,714,000		223,000	5,491,000	155,975
RI Clean Water Finance Agency Bonds	11/4/2011	1.12-3.71%	9/1/2031	7,485,000	7,485,000		288,000	7,197,000	217,700
RI Clean Water Finance Agency Bonds	6/14/2012	.53-3.33%	9/1/2032	1,955,000	1,955,000		1,000	1,954,000	10,689
RI Clean Water Finance Agency Bonds	5/14/2013	.37%-2.83%	9/1/2034	8,645,000	-	\$ 8,645,000		8,645,000	
<b>Total Water Fund</b>				<u>125,788,264</u>	<u>102,133,986</u>	<u>8,645,000</u>	<u>3,970,571</u>	<u>106,808,415</u>	<u>3,807,917</u>
<b>175 Main Street:</b>									
Note Payable		3.25%		1,800,000	901,851		-	875,414	55,033
<b>Total 175 Main Street</b>				<u>1,800,000</u>	<u>901,851</u>	<u>-</u>	<u>26,437</u>	<u>875,414</u>	<u>55,033</u>
<b>Other Liabilities:</b>									
<b>Water Fund:</b>									
Deferred loss on refundings				-	(323,910)		(81,588)	(242,322)	-
Bond Premiums				-	331,658		13,819	317,839	-
<b>Total Other Liabilities</b>				<u>-</u>	<u>7,748</u>	<u>-</u>	<u>(67,769)</u>	<u>75,517</u>	<u>-</u>
<b>Total Business-type Activities Long-Term Obligations</b>				<u>127,588,264</u>	<u>103,043,585</u>	<u>8,645,000</u>	<u>3,929,239</u>	<u>107,759,346</u>	<u>3,862,950</u>
<b>Total Bonds, Notes and Capital Leases</b>				<u>\$ 184,819,000</u>	<u>146,872,110</u>	<u>8,645,000</u>	<u>8,095,614</u>	<u>147,421,496</u>	<u>5,671,185</u>
<b>Accrued Expenses:</b>									
Compensated absences					8,123,996		121,100	8,002,896	-
<b>Total Accrued Expenses</b>					<u>8,123,996</u>	<u>-</u>	<u>121,100</u>	<u>8,002,896</u>	<u>-</u>
<b>Total Long-term Obligations</b>					<u>\$ 154,996,106</u>	<u>\$ 8,645,000</u>	<u>\$ 8,216,714</u>	<u>\$ 155,424,392</u>	<u>\$ 5,671,185</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

7. Long-term obligations (continued):

The following represents debt service requirements to maturity for governmental activities:

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2014	10.88%	\$ 3,545,475	\$ 1,474,084	\$ 5,019,559
2015	8.86%	2,750,400	1,335,577	4,085,977
2016	8.59%	2,736,734	1,227,055	3,963,789
2017	8.54%	2,825,438	1,115,431	3,940,869
2018	8.45%	2,894,626	1,002,910	3,897,536
2019	8.34%	2,963,912	885,101	3,849,013
2020	6.19%	2,077,000	778,853	2,855,853
2021	6.13%	2,147,000	679,957	2,826,957
2022	6.02%	2,197,000	579,207	2,776,207
2023	4.85%	1,750,000	489,857	2,239,857
2024	4.85%	1,830,000	408,448	2,238,448
2025	4.87%	1,925,000	321,851	2,246,851
2026	4.87%	2,015,000	234,175	2,249,175
2027	2.40%	945,000	164,013	1,109,013
2028	2.41%	995,000	117,056	1,112,056
2029	2.41%	1,045,000	66,831	1,111,831
2030	1.33%	600,000	14,250	614,250
		<u>\$ 35,242,585</u>	<u>\$ 10,894,656</u>	<u>\$ 46,137,241</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

7. Long-term obligations (continued):

The following represents debt service requirements to maturity for business-type activities:

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2014	5.02%	\$ 4,183,790	\$ 3,488,753	\$ 7,672,543
2015	5.14%	4,364,659	3,491,703	7,856,362
2016	5.40%	4,831,325	3,418,971	8,250,296
2017	5.41%	4,964,621	3,300,942	8,265,563
2018	5.42%	5,107,433	3,174,442	8,281,875
2019	5.43%	5,258,147	3,039,250	8,297,397
2020	5.41%	5,376,059	2,896,039	8,272,098
2021	5.40%	5,514,791	2,744,562	8,259,353
2022	5.36%	5,602,000	2,586,390	8,188,390
2023	5.36%	5,774,000	2,420,313	8,194,313
2024	5.38%	5,978,000	2,244,800	8,222,800
2025	5.40%	6,190,000	2,059,064	8,249,064
2026	4.59%	5,147,000	1,863,978	7,010,978
2027	4.59%	5,362,000	1,659,848	7,021,848
2028	4.61%	5,598,000	1,444,920	7,042,920
2029	3.17%	3,588,000	1,256,142	4,844,142
2030	3.18%	3,761,000	1,094,700	4,855,700
2031	3.18%	3,940,000	924,851	4,864,851
2032	2.91%	3,702,000	752,129	4,454,129
2033	2.57%	3,347,000	585,777	3,932,777
2034	2.49%	3,387,000	422,758	3,809,758
2035	2.49%	3,552,000	253,601	3,805,601
2036	2.12%	3,155,000	83,500	3,238,500
		<u>\$ 107,683,825</u>	<u>\$ 45,207,433</u>	<u>\$ 152,891,258</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

8. Tax and bond anticipation notes, and subsequent event:

At June 30, 2012, the City had a bond anticipation note (BAN) payable dated August 25, 2011 in the amount of \$5,650,000. The note was due and paid in August 2012 with interest at an annual rate of 2.15%.

<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2013</u>
<u>\$ 5,650,000</u>	<u>\$ -</u>	<u>\$ 5,650,000</u>	<u>\$ -</u>

At June 30, 2012, the City had a tax anticipation note (TAN) payable dated February 7, 2012 in the amount of \$12,600,000. The note was due and paid in July 2012 with interest at an annual rate of 2.15%.

<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2013</u>
<u>\$ 12,600,000</u>	<u>\$ -</u>	<u>\$ 12,600,000</u>	<u>\$ -</u>

At June 30, 2013, the City had a BAN payable dated August 23, 2012 in the amount of \$8,300,000 with interest at an annual rate of 2.85%. The note was due on August 23, 2013 and was extended through November 21, 2013. The note was rolled into a new BAN issued on November 21, 2013, in the amount of \$12,400,000, which is payable on November 20, 2014 with interest at 2.50%. The note payable is listed as a current liability in the government-wide statement of net position and governmental funds balance sheet as of June 30, 2013.

<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2013</u>
<u>\$ -</u>	<u>\$ 8,300,000</u>	<u>\$ -</u>	<u>\$ 8,300,000</u>



CITY OF PAWTUCKET, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2013

9. Accounts payable and accrued expenses:

	Vendors	Other governments	Employees	Others	Accrued interest	Total
<b>Governmental activities:</b>						
General Fund	\$ 882,137	\$ 142,604	\$ 763,415	\$ 689,481		\$ 2,477,637
School Unrestricted Fund	2,186,505	136,978	229,386			2,552,869
Nonmajor funds	1,355,571	-	128,698			1,484,269
Internal Service Fund	2,841,534					2,841,534
Reconciliation of balances in fund financial statements to government-wide financial statements					\$ 712,624	712,624
	<u>7,265,747</u>	<u>279,582</u>	<u>1,121,499</u>	<u>689,481</u>	<u>712,624</u>	<u>10,068,933</u>
<b>Business-type activities:</b>						
Pawtucket Water Supply Board	1,654,256	-	67,101	1,282,632	-	3,003,989
175 Main Street	8,201					8,201
School Lunch Fund	354,955		2,646			357,601
	<u>2,017,412</u>	<u>-</u>	<u>69,747</u>	<u>1,282,632</u>	<u>-</u>	<u>3,369,791</u>
Total primary government	<u>\$ 9,283,159</u>	<u>\$ 279,582</u>	<u>\$ 1,191,246</u>	<u>\$ 1,972,113</u>	<u>\$ 712,624</u>	<u>\$ 13,438,724</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

10. Fund equity:

The City has classified governmental fund balances at June 30, 2013 as follows:

Nonspendable:	
Perpetual care and endowment permanent funds	\$ 1,039,459
City special revenue funds	<u>18,649</u>
Total nonspendable fund balance	<u>\$ 1,058,108</u>
Restricted:	
Restricted for City special revenue funds	\$ 1,857,119
Restricted for HUD special revenue funds	1,210,424
Restricted for school special revenue funds	256,980
Restricted for capital project funds	<u>330,077</u>
Total restricted fund balance	<u>\$ 3,654,600</u>
Committed:	
Committed for charter reserve	\$ 700,000
Committed for school's deficit reduction	1,534,387
Committed for City special revenue funds	<u>1,308,865</u>
Total committed fund balance	<u>\$ 3,543,252</u>
Assigned:	
Assigned for medical reservation	\$ 1,884,247
Assigned for snow removal	150,000
Assigned for revaluation	362,001
Assigned for City special revenue funds	<u>22,146</u>
Total assigned fund balance	<u>\$ 2,418,394</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

10. Fund equity (continued):

Individual funds with deficit fund balances as of June 30, 2013 were as follows:

Fund name	Balance
School Unrestricted	\$ 1,534,386
HUD Special Revenue Funds:	
Visitors Center City	4,292
Plaza Shops	138
School Special Revenue Funds:	
Adult Ed/Even Start	23
Race to the Top	1,165
Title I School Improvement	233
Curtis Care After School Program	6,422
Carl D. Perkins	54
JMW Kennedy Grant	603
RI Arts Association	531
RIDE Project Recruit	99
Title IV 21 Century COH	1
Capital Project Funds:	
Streets and Sidewalks – 2008	499,520
Streets and Sidewalks – 2010	531,907
Public Building	169,002
Sewer and Sanitary System – 2008	150,000
Sewer and Sanitary System – 2010	227,430
School Building – 2008	1,370,198
School Building – 2010	486,063
Highway Bridges – 2008	49,741
Preserve America	81
Energy Efficiency	14,394
ST-Pier Brownfields	568
Leap 1 Federal And State	17,443
Leap 2 State	27,429
Total	<u>\$ 5,091,723</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

10. Fund equity (continued):

The City has a deficit reduction plan to address the School Unrestricted Fund deficit, which includes additional appropriations from the City's General Fund for a period of time. Deficits in the Capital Projects Funds will be funded through the issuance of general obligation bonds in fiscal year 2014. The deficits in the School Special Revenue Funds will be funded from the School Unrestricted Fund.

11. Interfund transactions:

The principal purpose of interfund transfers is to provide a financing source to various funds that may not be sufficient to cover all costs with revenue generated by the fund.

Interfund receivables and payables at June 30, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental funds:		
General Fund	School Unrestricted	\$ 120,978
	Other Nonmajor	<u>2,288,209</u>
		<u>\$ 2,409,187</u>

The composition of interfund transfers for the year ended June 30, 2013 is as follows:

Fund/Department	Transfers from other funds	Transfers to other funds
General fund	\$ 1,488,848	\$ 31,066,988
Internal service fund		1,487,602
School unrestricted fund	30,756,195	
City special revenue funds	399,994	71,853
HUD special revenue funds	668,412	668,412
Capital projects funds		1,246
Permanent fund		<u>17,348</u>
	<u>\$ 33,313,449</u>	<u>\$ 33,313,449</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

12. Bonds authorized but unissued:

Bonds authorized but unissued at June 30, 2013 were \$8,000,500, to be used for School Building Improvements, Public Buildings, Recreation, Sewer and Sanitation, Streets and Sidewalks, and Highway and Bridges.

13. Pension plans:

All eligible employees of the City are covered by one of three pension plans: the Municipal Employees' Retirement System of the State of Rhode Island, a hybrid plan with a defined contribution component for certain employees (Municipal Plan); the Employees' Retirement System of the State of Rhode Island (Teachers' Plan); or the Police and Firefighters Pension Plan, a contributory defined benefit plan with two components, the Pre-Fiscal 1974 component (Old Plan) and the Post-Fiscal 1974 component (New Plan). The Municipal Plan covers all full-time City and non-certified School Department general employees not covered under the Police and Firefighters Pension Plan. The Teachers' Plan covers all School Department personnel certified by the Rhode Island Department of Education who are or have been engaged in teaching as a principal occupation. The Police and Firefighters Pension Plan is mandatory for employees of the City who are covered under a collective bargaining agreement between the City and the Pawtucket Fire Fighters Independent Union and the City and the Pawtucket Lodge No. 4, Fraternal Order of Police. Total covered payroll under all defined benefit plans during 2013 was \$89,228,145. Total City payroll was \$93,992,287 for the same period.

In November 2011, the State enacted the Rhode Island Retirement Security Act of 2011 (RIRSA), which made broad changes to the Teachers' Plan and Municipal Plan effective July 1, 2012. The most significant changes include changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan; changing the automatic cost of living adjustment (COLA) from a CPI-related formula to a formula contingent on the actual investment performance over time; suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels; and the re-amortization of the Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19-year schedule as of June 30, 2010. For the Teachers' Plan, teachers not covered by Social Security will participate in additional defined contribution allocations equal to 2% member plus 2% employer. Included within these significant changes are certain rules for transitioning from the prior defined benefit structure to the smaller defined benefit plan going forward. The changes in the defined benefit plan instituted by RIRSA have been fully reflected in the actuarial valuation as of June 30, 2012.

Legal challenges to legislatively enacted pension reforms are proceeding through the courts and as of the date of this report are in court-ordered mediation.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued)

Municipal Plan

*Plan description:*

The Municipal Plan is an agent multiple-employer public employee retirement system administered by the State. The Employees' Retirement System of Rhode Island (the System) issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at [www.ersri.org](http://www.ersri.org) or 50 Service Avenue, Warwick, RI 02886.

The payroll for employees covered under the defined benefit portion of the Municipal Plan for the year ended June 30, 2013 was approximately \$18,703,700.

*Eligibility and benefits:*

The following eligibility and benefit provisions are established by State Statute. The System generally provides retirement benefits equal to 1 percent (2 percent for each year of service prior to July 1, 2012) of final average salary per year of service with a maximum benefit of 75 percent 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-occupational disability benefits after 5 years of service, occupational disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits on completion of 10 years of service.

*Funding policy:*

The funding policy is outlined in Rhode Island General Laws (RIGL) sections 45-21-41, 45-21-42, and 45-21-52 (which can be amended by the Rhode Island General Assembly). Active members must contribute 2% of their compensation.

The City is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The rate for fiscal year 2013 was 13.24%. The City contributed \$2,471,964 during the year ended June 30, 2013, which was equal to its required contribution. General municipal employees were required to contribute \$389,491, which represents 2.0% of covered payroll.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Municipal Plan (continued)

*Annual pension cost:*

The following table summarizes employer annual pension costs and percent contributed for the defined benefit portion of the Municipal Plan for the past three years. There was no net pension obligation during the three-year period.

<u>Fiscal year</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>
2011	\$ 1,606,536	100%
2012	\$ 1,929,120	100%
2013	\$ 2,471,694	100%

*Funded status and funding progress:*

As of June 30, 2012, the date of the most recent actuarial valuation available, the funded status and funding progress were as follows:

Funded ratio	77.4%
Actuarial accrued liability for benefits	\$ 112,749,974
Actuarial value of assets	\$ 87,216,852
Unfunded actuarial accrued liability (UAAL)	\$ 25,533,122
Covered payroll	\$ 18,826,110
UAAL to covered payroll	<u>135.6%</u>

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial values of Municipal Plan assets are increasing or decreasing over time relative to accrued actuarial liabilities for benefits.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Municipal Plan (continued):

Actuarial methods and significant assumptions:

June 30, 2010 and June 30, 2012 Valuations

---

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	25 years as of June 30, 2010 23 years as of June 30, 2012
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	4.00% to 8.00%
Inflation	2.75%

Cost of living adjustments are equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% – the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the later of Social Security eligibility age or 3 years after retirement. A 2% COLA is assumed after July 1, 2012.



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Municipal Plan (continued):

*Defined contribution plan:*

The municipal employees in the general unit participate in the defined contribution plan of the System as authorized by RIGL Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF and the System. Employees may choose among various investment options available to plan participants. Employee contributions are immediately vested while employer contributions are vested after three years of contributory service. Contributions required under the plan by both the employee and the employer are established by the General Laws, which are subject to amendment by the General Assembly. Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The funding policy is outlined in RIGL Chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 5% of their compensation and the City is required to contribute 1%. The State reimburses the City .40% of eligible certified teachers' compensation.

The plan members and the City contributed \$3,549,242 and \$528,708, respectively, during the fiscal year ended June 30, 2013. For financial reporting purposes, the State's share of contributions, in the amount of \$189,295 for the year ended June 30, 2013, is reflected as a reduction of related expenditures in the accompanying financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Teachers' Plan:

*Plan description:*

The Teachers' Plan is a statutory, mandatory, statewide, cost-sharing multiple-employer public employee retirement system administered by the State. The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at [www.ersri.org](http://www.ersri.org) or 50 Service Avenue, Warwick, RI 02886.

The plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the RIGL. The benefits may be amended by the Rhode Island General Assembly. Legal challenges to legislatively enacted pension reforms are proceeding through the courts and, as of the date of this report, are in court-ordered mediation.

Total covered payroll under the Teachers' Plan during 2013 was \$52,249,791, including \$4,926,160 of federally reimbursed payroll.

*Funding policy:*

The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of their compensation. The City and the State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the City with the exception of teachers who work in federally funded programs where 100% is paid by the City and reimbursed by the federal government. For the year ended June 30, 2013, the total employer rate was 19.29% (7.88% State share and 11.41% local share). The State share of the employer contribution rate includes the total cost of prior contribution deferrals, which was .28% for the year ended June 30, 2013.

The City contributed \$6,349,887 during the year ended June 30, 2013, equal to 100% of the actuarially required contributions for that year. For financial reporting purposes, the State's share of contributions, in the amount of \$3,729,102 for the year ended June 30, 2013, are reflected as on behalf-payments and included as both revenue and expenditures in the accompanying financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Teachers' Plan (continued):

*Annual pension cost:*

The following table summarizes employer annual pension costs and percent contributed for the defined benefit portion of the Teachers' Plan for the past three years. There was no net pension obligation during the three-year period.

<u>Fiscal year</u>	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>
2011	\$ 4,846,050	100%
2012	\$ 6,248,048	100%
2013	\$ 6,349,887	100%

*Actuarial methods and significant assumptions:*

June 30, 2010 and June 30, 2012 Valuations

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	25 years as of June 30, 2010 23 years as of June 30, 2012
Asset Valuation Method	5-Year Smoothed Market

Actuarial Assumptions:

Investment Rate of Return	7.50%
Projected Salary Increases	4.00% to 12.75%
Inflation	2.75%

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Teachers' Plan (continued):

*Actuarial methods and significant assumptions (continued):*

Cost of Living Adjustments are equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4%. A 2% COLA is assumed after July 1, 2012.

Police and Firefighters Pension Plan:

The City maintains a pension plan for Police and Fire Employees. The plan has two components: the Pre-Fiscal 1974 component (Old Plan) and the Post-Fiscal 1974 component (New Plan). The Old Plan covers police officers who were hired prior to July 1, 1973 and firefighters who were hired prior to July 1, 1972. The New Plan covers all police officers and firefighters who are not covered under the Old Plan. The Old Plan is unfunded while the New Plan is prefunded. The Police and Firefighters Pension Plan does not issue stand-alone financial reports.

*Summary of significant accounting policies:*

Basis of accounting:

This Police and Firefighters Pension Plan is administered by the City, and is accounted for on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when they are due and payable in accordance with the terms of the plan.

Valuation of investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximate fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There are no investments of 5% or greater in any one organization.

Employee contributions:

Eligible police fire department employees hired before May 1, 2013 are required to contribute 7.5% of their salary to the plan. Eligible employees hired after May 1, 2013 are required to contribute 9% of their salary to the plan.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Benefit provisions:*

The Police and Firefighters Pension Plan provides pension benefits, and death and disability benefits. Upon completion of twenty years of credited service, a member is entitled to retire with a benefit equal to 50% of the member's highest annual salary. Members retiring after 20 years of credited service are entitled to an additional retirement benefit of 3% (2% for Old Plan members) of the member's highest annual salary for each year of service over 20 years, but not to exceed an additional 3 years and 4 months (5 years for Old Plan members), with a maximum retirement benefit of 60%. Mandatory retirement age under the Pawtucket Lodge No. 4, Fraternal Order of Police agreement is 65.

Any member that withdraws from service prior to retirement is entitled to a refund in a single sum of the amount of contribution made to the plan with interest at 4%. The payment of a refund under the provisions automatically affects a waiver and forfeiture of all accrued rights and benefits on the part of the member.

Employees that become totally and permanently disabled are eligible for a benefit equal to 2/3 of the employee's pay at the time the disability occurs, plus an additional 10% for each dependent child of the employee until the child reaches the age of 21, with a maximum total disability benefit not to exceed 80% of the employee's pay at the time of the occurrence of the disability. The disability benefit will continue until the employee reaches normal retirement, at which time the member will receive the normal retirement benefit.

In the event that an employee dies prior to retirement and is survived by a spouse or children, the spouse is entitled to a pension benefit equal to 50% (30% for Old Plan members) of the employee's highest or final salary plus an additional 10% for each dependent child less than 21 years of age. The benefit cannot exceed a total of 70% (50% for Old Plan members) of the member's highest or final salary. The benefits will continue during the lifetime of the spouse or until he/she remarries.

Cost of Living Adjustments are equal to 1% to 3% annually depending on the member's date of retirement and collective bargaining agreement the member is covered by.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Actuarial methods and significant assumptions:*

Annual required contributions are determined based on an annual actuarial valuation. The City obtains an annual actuarial valuation report which can be obtained from the City's Finance Director at City Hall, 137 Roosevelt Avenue, Pawtucket, Rhode Island 02860. Actuarial methods and assumptions used in the July 1, 2013 valuation, the latest report available, are as follows:

Actuarial methods:

Actuarial cost method	Entry age normal cost method
Amortization method	Closed
Remaining amortization period	27 years
Asset valuation method	Market value

Actuarial assumptions:

Investment rate of return	7.50%
Projected salary increases	2.00% to 11.00%
Cost of living adjustment	3.00% (1)

(1) Compounded annually for newly retired. For older retirements, the percentage varies.

*Pre-Fiscal 1974 Policemen and Firefighters Pension Plan (Old Plan):*

*Plan description:*

All of the Old Plan participants are now retirees or beneficiaries. The City pays the benefits of the Old Plan on a pay-as-you go basis through an annual budgetary appropriation.

*Classes of employees covered:*

At July 1, 2013, the date of its latest full actuarial valuation, plan membership consisted of the following:

Retirees	16
Beneficiaries	25
	<hr/>
Total	41
	<hr/> <hr/>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Pre-Fiscal 1974 Policemen and Firefighters Pension Plan (Old Plan) (continued):*

*Funding policy:*

Each fiscal year, the City pays into the pension plan a sum equal to the actual benefit payout of the retirement system for the year. As the Old Plan matures, the amounts payable each year, in general, will decrease until paid in full. The City at present is not intending to create a pool of assets to cover these projected costs but rather will allow this plan to run its course. Because there are no active employees in the Old Plan and because of the diminishing contributions and because the funds for payment are built into the taxpayer's rate and budget, the plan will not add any additional burden to future taxpayers and, thus, will continue as is until completion.

Schedule of employer contributions:

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed	Net Pension Obligation
2011	\$ 706,564	\$ 608,519	86%	\$ 839,431
2012	\$ 654,915	\$ 578,452	86%	\$ 821,456
2013	\$ 654,915	\$ 523,948	80%	\$ 860,008

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Pre-Fiscal 1974 Policemen and Firefighters Pension Plan (Old Plan) (continued):*

*Funding policy (continued):*

The City's pension cost and net pension obligation for the year ended June 30, 2013 were:

Annual Required Contribution (ARC)	\$ 654,915
Interest on net pension obligation	64,690
Adjustment to ARC	<u>(157,105)</u>
Annual pension cost	562,500
Contributions made	<u>(523,948)</u>
Increase in net pension obligation	38,552
Net pension obligation July 1, 2012	<u>821,456</u>
Net pension obligation June 30, 2013	<u><u>\$ 860,008</u></u>

*Post-Fiscal 1974 Policemen and Firefighters Pension Plan (New Plan):*

*Classes of employees covered:*

At July 1, 2013, the date of its latest full actuarial valuation, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	383
Active plan members	<u>283</u>
Total	<u><u>666</u></u>



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Post-Fiscal 1974 Policemen and Firefighters Pension Plan (New Plan) (continued):*

*Funding policy:*

The City is required to contribute at an actuarially determined amount. Administration costs of the plan are financed through investment earnings of the plan's assets and a load on the Normal Cost.

Schedule of employer contributions:

Year Ended June 30	Annual Required Contributions	Actual Contribution	Percentage Contributed	Net Pension Obligation
2011	\$ 10,531,718	\$ 9,561,000	88%	\$ 80,111,931
2012	\$ 10,952,987	\$ 10,154,000	93%	\$ 82,900,684
2013	\$ 11,391,106	\$ 11,391,106	100%	\$ 84,959,714

The City's pension cost and net pension obligation for year ended June 30, 2013 were:

Annual Required Contribution (ARC)	\$ 11,391,106
Interest on net pension obligation	6,528,429
Adjustment to ARC	<u>(4,469,399)</u>
Annual pension cost	13,450,137
Contributions made	<u>(11,391,106)</u>
Increase in net pension obligation	2,059,030
Net pension obligation July 1, 2012	<u>82,900,684</u>
Net pension obligation June 30, 2013	<u><u>\$ 84,959,714</u></u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

13. Pension plans (continued):

Police and Firefighters Pension Plan (continued):

*Post-Fiscal 1974 Policemen and Firefighters Pension Plan (New Plan) (continued):*

*Funded status of Plan:*

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of New Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the New Plan as of July 1, 2013, the date of the latest actuarial valuation.

Actuarial value of assets	\$ 82,981,582
Actuarial accrued liability	\$243,784,564
Unfunded actuarial accrued liability (UAAL)	\$160,802,982
Funded ratio	34.0%
Annual covered payroll	\$ 19,551,974
UAAL as percentage of payroll	822.4%

14. Other postemployment benefits:

*Plan description:*

The City provides post-retirement benefits to retired individuals as required by union contracts with City municipal employees, teachers, School department administrators, police officers, and firefighters through a single-employer defined benefit plan (OPEB). Benefits include: (1) full health coverage for the retiree and their spouse, and (2) full dental coverage for the retiree and their spouse. The City obtains a biennial actuarial valuation report which can be obtained from the City's Finance Director at City Hall, 137 Roosevelt Avenue, Pawtucket, Rhode Island 02860.

*Valuation:*

An actuarial valuation study was performed by Stone Consulting, Inc. as of July 1, 2011 of the other postemployment benefits of the City. The results of the July 1, 2011 actuarial valuation used a discount of 4.0%.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

14. Other postemployment benefits (continued):

*Covered participants:*

At July 1, 2011, membership consisted of:

- Active Non-School Department receiving benefits
- Active School Department receiving benefits
- Inactive vested members
- Retired, disabled, beneficiaries and survivors - non teachers
- Retired, disabled, beneficiaries and survivors - School Department

*Funding policy:*

The City paid 100% of the amount for medical and dental costs incurred by eligible retirees. Employee contributions are recognized in the period to which the contribution relates. Benefit payments are charged to expense in the period paid.

*Annual OPEB cost and net OPEB obligation:*

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan for the past three years and the net OPEB obligation as of June 30, 2011, 2012 and 2013 are as follows:

Year ended June 30,	OPEB cost	% of annual OPEB cost contributed	Net OPEB obligation
2011	\$ 24,244,499	52%	\$ 63,637,647
2012	\$ 19,155,825	68%	\$ 69,854,254
2013	\$ 20,008,292	65%	\$ 76,908,776

*Actuarial methods and assumptions:*

The projection of future benefit payments for an ongoing plan involves 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 annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

14. Other postemployment benefits (continued):

*Actuarial methods and assumptions (continued):*

The valuation of the postemployment medical and life insurance benefits is based upon the projected unit credit actuarial cost method. A normal cost (or service cost) is determined for each year of the member's creditable service and is equal to the value of the future expected benefits divided by the total expected number of years of service. The actuarial accrued liability is the accumulated value of prior normal costs.

Actuarial cost method – Costs are attributed between past and future service using the projected Unit Credit Cost method. For attribution purposes, benefits are assumed to be accrued over all employee service until decrement.

Interest rate/discount rate – 4.5% per year of investment expenses.

Mortality:

*Actives* – 65% of Post-Retirement Mortality (based on the Employee's Retirement System of Rhode Island report).

*Retirees* – Non-Teachers: 1994 Group Annuity Table set forward one year (based on the Employee's Retirement System of Rhode Island report).

*Disabled* – All but police and fire: Males: 65% of PBGC Tab Va; Females: 100% of PBGC Table Via (based on the Employee's Retirement System of Rhode Island report); police and fire: PBGC Table 11 for males and PBGC Table 12 for females.

Eligibility for Vested Post-Retirement Medical benefits upon Withdrawal – Employees who withdraw from employment and do not retire are ineligible for postretirement benefits even if they are vested in their retirement benefits.

Medical eligibility – Employees: 100%; Spouses: 100%.

Participation rates – Current employees and spouses are assumed to continue the same coverage they have as of the valuation date. No future election of coverage is assumed for those retirees and spouses who currently have not elected coverage.

Expenses – Administrative expenses are included in the per capita medical cost assumption.

Eligibility for Benefits – Current retirees, beneficiaries and spouses of the City are eligible for benefits. Current employees who retire with a benefit from the Pawtucket Retirement Board. Current spouses are only covered for police, fire and teachers. Survivors of City employees and retirees are also eligible for medical benefits.

Medical Benefits – Various medical and dental plans offered by the City to its employees.

Retiree Contributions – Based on date provided by the City. Applicable to teachers only.

CITY OF PAWTUCKET, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

14. Other postemployment benefits (continued):

*Funding status and funding progress:*

Annual OPEB cost and the net OPEB obligation calculation as of and for the year ended June 30, 2013 are as follows:

Annual required contribution		\$ 20,257,675
Interest on OPEB		2,794,170
Adjustment to annual required contribution		<u>(3,043,553)</u>
 Annual OPEB cost		 20,008,292
Premiums paid		<u>(12,953,770)</u>
 Increase (decrease) in net OPEB obligation:		
Governmental activities	\$ 6,933,010	
Business-type activities	<u>121,512</u>	7,054,522
 Net OPEB obligation, beginning of year		 <u>69,854,254</u>
 Net OPEB obligation, end of year		 <u>\$ 76,908,776</u>

City contributions to the plan for the year ended June 30, 2013 represented 65% of the annual OPEB cost. The difference represents the City's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

The required supplementary information which follows 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. Listed below are the details of the funding progress of the OPEB obligation with a valuation date of July 1, 2011, which is the most recent report available from the actuary who values this plan.

Actuarial value of assets		\$ 0
Actuarial accrued liability		\$ 311,500,000
Unfunded actuarial accrued liability		\$ (311,500,000)
Funded ratio		0%
Annual covered payroll		N/A
UAAL as percentage of payroll		N/A

15. Risk management and contingencies:

*Litigation:*

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints; it adequately accrues liabilities for losses when they are both probable and can be reasonably estimated.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

15. Risk management and contingencies (continued):

*Litigation (continued):*

The City is involved in the early stages of litigation with several plaintiffs relating to tax assessment appeals, personal injuries and contract disputes. The outcomes of the cases are not known at this time. Management is rigorously defending the cases and has calculated the range of potential liability, after applying the City's insurance deductible, if the City should not prevail to be between \$-0- and \$1,643,000. As it is not probable that a liability has been incurred, no liability has been recorded in the accompanying financial statements.

The City settled litigation subsequent to year-end relating to tangible property taxes assessed on a corporate resident of the City. The settlement requires the City to issue credits to the corporation's 2014 to 2021 tangible property tax bills in the aggregate amount of \$225,000, as well as freeze the value of certain of its properties for tax assessment purposes for the 2014 through 2017 tax years. Included in accounts payable and accrued expenses at June 30, 2013 is \$225,000 related to this settlement.

*Grants:*

The City has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. City officials believe such disallowances, if any, would be immaterial.

*Property and liability insurance:*

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) (the Trust) which provides coverage for property and 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 a maximum of \$4,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2013. At June 30, 2013, the Trust's estimated reserves on open claims not subject to coverage amounted to approximately \$1,337,000, which the City could be liable for.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

15. Risk management and contingencies (continued):

*Self-insurance:*

The City maintains an internal service fund for Health/Dental (medical) insurance, which is a cost plus health and dental plan that has a self-insurance mechanism with a stop gap maximum claim amount of \$75,000.

The claims liability reported in the internal service fund at June 30, 2013 is based on the requirements of GASB Statement No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses. Billings from the Internal Service Fund to City funds for the fiscal year ended June 30, 2013 were \$29,303,780, which represented \$13,387,109 and \$15,916,671 for City and School Department personnel, respectively. At June 30, 2013, the City has estimated a liability for incurred but not reported claims (IBNR) based on actual claims paid subsequent to year-end but related to claims incurred prior to June 30, 2013. The IBNR liability is included in accounts payable and accrued expenses on the accompanying Internal Service Fund statement of net position, as follows:

	<u>2013</u>
IBNR at June 30, 2012	\$ 1,719,627
Claims incurred during the year	29,928,086
Claims paid during the year	<u>(29,938,754)</u>
IBNR at June 30, 2013	<u>\$ 1,708,959</u>

CITY OF PAWTUCKET, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2013

16. Prior period adjustment:

Invoices for utility expenditures for periods of service during 2012 were not received by the City timely enough to be included in the 2012 financial statements. As a result, the accompanying financial statements include \$427,932 charged to governmental activities net position and general fund fund balance as of July 1, 2012. If the amount had been recorded in the prior fiscal year, 2012 governmental activities change in net position would have been increased by and general fund net change in fund balance would have been decreased by \$427,932, resulting in a decrease of \$427,932 in the governmental activities net position and general fund balance for the year ended June 30, 2012.



**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES (BUDGETARY BASIS)  
BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
General property taxes and in lieu of taxes	\$ 98,382,395	\$ 98,382,395	\$ 98,557,151	\$ 174,756
Intergovernmental	5,727,898	5,727,898	5,998,038	270,140
Licenses	237,260	237,260	234,988	(2,272)
Permits	580,300	580,300	510,206	(70,094)
Fines and forfeitures	378,220	378,220	397,151	18,931
Charges for services	3,282,590	3,282,590	3,626,127	343,537
Investment and interest income	715,000	715,000	1,057,027	342,027
<b>Total revenues</b>	<b>109,303,663</b>	<b>109,303,663</b>	<b>110,380,688</b>	<b>1,077,025</b>
<b>Expenditures:</b>				
Current:				
Legislative, judicial, and general administrative	2,600,492	2,600,492	2,546,581	53,911
Executive	833,205	833,205	799,007	34,198
Finance	2,884,407	2,884,407	2,588,571	295,836
Planning	1,567,761	1,567,761	1,541,053	26,708
Public safety	43,967,022	43,967,022	43,173,543	793,479
Public works	10,117,860	10,117,860	9,383,595	734,265
Operating insurance	941,100	941,100	1,030,409	(89,309)
Contribution support	103,267	103,267	74,668	28,599
Employee benefits	7,798,229	7,798,229	7,573,042	225,187
Other fixed and general charges	1,598,709	1,598,709	1,546,538	52,171
Debt service	6,032,117	6,032,117	5,554,641	477,476
<b>Total expenditures</b>	<b>78,444,169</b>	<b>78,444,169</b>	<b>75,811,648</b>	<b>2,632,521</b>
<b>Excess of revenues over expenditures, budgetary basis</b>	<b>30,859,494</b>	<b>30,859,494</b>	<b>34,569,040</b>	<b>3,709,546</b>
<b>Other financing sources (uses):</b>				
Provision to reserve fund balance	(503,717)	(503,717)	(503,717)	-
Transfers in	-	-	1,488,848	1,488,848
Transfers out - other	(220,965)	(220,965)	(310,793)	(89,828)
Transfers out - School Unrestricted Fund - appropriation	(29,623,349)	(29,623,349)	(29,623,349)	-
Transfers out - School Unrestricted Fund - consent order deficit reduction	(511,463)	(511,463)	(1,132,846)	(621,383)
<b>Total other financing sources (uses)</b>	<b>(30,859,494)</b>	<b>(30,859,494)</b>	<b>(30,081,857)</b>	<b>777,637</b>
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	4,487,183	\$ 4,487,183
Adjustments of budgetary basis to U.S. GAAP basis			503,717	
Excess of revenues and other financing sources over expenditures and other financing uses, U.S. GAAP basis			4,990,900	
Fund balance, beginning of year:				
As originally reported			5,176,856	
Prior period adjustment (Note 16)			(427,932)	
As restated			4,748,924	
Fund balance, end of year			\$ 9,739,824	

CITY OF PAWTUCKET, RHODE ISLAND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES (BUDGETARY BASIS)  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2013

	Original Budget	Revised Budget	Actual	Variance
<b>General property taxes:</b>				
Real estate, tangible and motor vehicle	\$ 97,896,245	\$ 97,896,245	\$ 98,070,035	\$ 173,790
Current other taxes	486,150	486,150	487,116	966
<b>Total general property taxes</b>	<u>98,382,395</u>	<u>98,382,395</u>	<u>98,557,151</u>	<u>174,756</u>
<b>Intergovernmental and departmental:</b>				
State	5,727,898	5,727,898	5,998,038	270,140
<b>Total intergovernmental and departmental</b>	<u>5,727,898</u>	<u>5,727,898</u>	<u>5,998,038</u>	<u>270,140</u>
<b>Licenses:</b>				
Liquor	138,000	138,000	138,937	937
Taverns and victualing	35,000	35,000	34,220	(780)
Other	64,260	64,260	61,831	(2,429)
<b>Total licenses</b>	<u>237,260</u>	<u>237,260</u>	<u>234,988</u>	<u>(2,272)</u>
<b>Permits:</b>				
Electrical	97,000	97,000	99,125	2,125
Plumbing	50,000	50,000	44,276	(5,724)
Other	433,300	433,300	366,805	(66,495)
<b>Total permits</b>	<u>580,300</u>	<u>580,300</u>	<u>510,206</u>	<u>(70,094)</u>
<b>Fines and forfeitures:</b>				
Municipal and Police P.T.E.	150,000	150,000	158,052	8,052
Other	228,220	228,220	239,099	10,879
<b>Total fines and forfeitures</b>	<u>378,220</u>	<u>378,220</u>	<u>397,151</u>	<u>18,931</u>
<b>Charges for service:</b>				
Legal instrument fees	439,000	439,000	525,961	86,961
VIN inspection fees	30,000	30,000	27,010	(2,990)
Rescue service	1,300,000	1,300,000	1,744,524	444,524
Other	1,513,590	1,513,590	1,328,632	(184,958)
<b>Total charges for services</b>	<u>3,282,590</u>	<u>3,282,590</u>	<u>3,626,127</u>	<u>343,537</u>
<b>Interest:</b>				
Real estate overdue taxes	685,000	685,000	1,033,643	348,643
Bank accounts	30,000	30,000	23,384	(6,616)
<b>Total interest</b>	<u>715,000</u>	<u>715,000</u>	<u>1,057,027</u>	<u>342,027</u>
<b>Total revenues</b>	<u>109,303,663</u>	<u>109,303,663</u>	<u>110,380,688</u>	<u>1,077,025</u>
<b>Other financing sources:</b>				
Transfers in	-	-	1,488,848	1,488,848
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>1,488,848</u>	<u>1,488,848</u>
<b>Total revenues and other financing sources</b>	<u>\$ 109,303,663</u>	<u>\$ 109,303,663</u>	<u>\$ 111,869,536</u>	<u>\$ 2,565,873</u>

(continued)

CITY OF PAWTUCKET, RHODE ISLAND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES (BUDGETARY BASIS) (CONTINUED)  
 BUDGET AND ACTUAL - GENERAL FUND  
 YEAR ENDED JUNE 30, 2013

	Original Budget	Revised Budget	Actual	Variance
<b>Legislative:</b>				
City Council	\$ 228,736	\$ 228,736	\$ 227,210	\$ 1,526
City Clerk	494,541	494,541	510,084	(15,543)
Probate Court	38,660	38,660	38,147	513
Board of Canvassers	334,961	334,961	324,893	10,068
Library	1,503,594	1,503,594	1,446,247	57,347
<b>Total legislative</b>	<u>2,600,492</u>	<u>2,600,492</u>	<u>2,546,581</u>	<u>53,911</u>
<b>Executive:</b>				
Mayor	407,476	407,476	405,007	2,469
Law Department	366,221	366,221	341,974	24,247
Municipal Court	59,508	59,508	52,026	7,482
<b>Total executive</b>	<u>833,205</u>	<u>833,205</u>	<u>799,007</u>	<u>34,198</u>
<b>Finance department:</b>				
Finance Director	309,558	309,558	355,194	(45,636)
Accounting	292,977	292,977	285,358	7,619
Tax Assessors	501,789	501,789	352,769	149,020
Collections - disbursement	469,785	469,785	420,729	49,056
Information Technology	680,451	680,451	628,896	51,555
Personnel	275,119	275,119	174,953	100,166
Purchasing	209,570	209,570	206,846	2,724
Payroll	145,158	145,158	163,826	(18,668)
<b>Total finance department</b>	<u>2,884,407</u>	<u>2,884,407</u>	<u>2,588,571</u>	<u>295,836</u>
<b>Planning department:</b>				
Planning Department	516,418	516,418	519,920	(3,502)
Development	41,119	41,119	41,119	-
Zoning and Code Enforcement	1,010,224	1,010,224	980,014	30,210
<b>Total planning department</b>	<u>1,567,761</u>	<u>1,567,761</u>	<u>1,541,053</u>	<u>26,708</u>
<b>Public safety:</b>				
Uniform Police	20,383,729	20,383,729	19,032,322	1,351,407
Civilian Police	1,877,058	1,877,058	1,791,611	85,447
Animal Shelter	522,774	522,774	492,628	30,146
Police Crossing Guards	432,100	432,100	431,959	141
Uniform Fire	20,144,544	20,144,544	20,906,050	(761,506)
Civilian Fire	213,728	213,728	74,302	139,426
Fire Prevention	327,608	327,608	386,679	(59,071)
Emergency Management Systems	65,481	65,481	57,992	7,489
<b>Total public safety</b>	<u>43,967,022</u>	<u>43,967,022</u>	<u>43,173,543</u>	<u>793,479</u>

(continued)

CITY OF PAWTUCKET, RHODE ISLAND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES (BUDGETARY BASIS) (CONTINUED)  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2013

	Original Budget	Revised Budget	Actual	Variance
<b>Public works:</b>				
Public Works Director	\$ 296,104	\$ 296,104	\$ 356,262	\$ (60,158)
Engineering	142,070	142,070	147,363	(5,293)
Equipment Maintenance	892,722	892,722	735,205	157,517
Building Maintenance	675,516	675,516	657,137	18,379
City Hall Maintenance	513,538	513,538	522,550	(9,012)
Sewer Maintenance	654,897	654,897	541,628	113,269
Refuse Collections	1,413,020	1,413,020	1,491,039	(78,019)
Transfer Station	684,800	684,800	704,820	(20,020)
Recycling	545,735	545,735	318,124	227,611
Streets, bridges, and cemetery	1,076,276	1,076,276	910,322	165,954
Street cleaning/snow removal	940,806	940,806	911,779	29,027
Traffic	442,481	442,481	403,012	39,469
Parks Division	1,323,645	1,323,645	1,171,579	152,066
Recreation	408,964	408,964	415,386	(6,422)
Daggett Farm	107,286	107,286	97,389	9,897
<b>Total public works</b>	<u>10,117,860</u>	<u>10,117,860</u>	<u>9,383,595</u>	<u>734,265</u>
<b>Operating insurance</b>	<u>941,100</u>	<u>941,100</u>	<u>1,030,409</u>	<u>(89,309)</u>
<b>Contribution support</b>	<u>103,267</u>	<u>103,267</u>	<u>74,668</u>	<u>28,599</u>
<b>Employee benefits</b>	<u>7,798,229</u>	<u>7,798,229</u>	<u>7,573,042</u>	<u>225,187</u>
<b>Fixed charges</b>	<u>1,598,709</u>	<u>1,598,709</u>	<u>1,546,538</u>	<u>52,171</u>
<b>Debt service:</b>				
Principal	4,118,145	4,118,145	3,788,869	329,276
Interest to other charges	1,913,972	1,913,972	1,765,772	148,200
<b>Total debt service</b>	<u>6,032,117</u>	<u>6,032,117</u>	<u>5,554,641</u>	<u>477,476</u>
<b>Total expenditures</b>	<u>78,444,169</u>	<u>78,444,169</u>	<u>75,811,648</u>	<u>2,632,521</u>
<b>Transfers to other funds:</b>				
School unrestricted fund - appropriation	29,623,349	29,623,349	29,623,349	-
School unrestricted fund - consent order deficit reduction	511,463	511,463	1,132,846	(621,383)
Other transfers	220,965	220,965	310,793	(89,828)
<b>Total transfers</b>	<u>30,355,777</u>	<u>30,355,777</u>	<u>31,066,988</u>	<u>(711,211)</u>
<b>Provision to reserve fund balance</b>	<u>503,717</u>	<u>503,717</u>	<u>503,717</u>	<u>-</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 109,303,663</u>	<u>\$ 109,303,663</u>	<u>\$ 107,382,353</u>	<u>\$ 1,921,310</u>

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF FUNDING PROGRESS

YEAR ENDED JUNE 30, 2013

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
<i>Municipal Employees Retirement System, General Employees</i>						
June 30, 2009	\$ 92,326,512	\$ 110,065,250	\$ (17,738,738)	83.88%	\$ 21,468,606	-82.63%
June 30, 2010	\$ 89,452,255	\$ 126,042,332	\$ (36,590,077)	70.97%	\$ 20,645,488	-177.23%
June 30, 2011	\$ 87,571,418	\$ 111,366,277	\$ (23,794,859)	78.63%	\$ 20,251,458	-117.50%
June 30, 2012	\$ 87,216,852	\$ 112,749,974	\$ (25,533,122)	77.35%	\$ 18,826,110	-135.63%
<i>Police and Firefighters Plan</i>						
June 30, 2009	\$ 54,729,846	\$ 185,122,805	\$ (130,392,959)	29.56%	\$ 17,731,200	-735.39%
June 30, 2010	\$ 60,989,068	\$ 201,065,830	\$ (140,076,762)	30.33%	\$ 18,858,528	-742.78%
June 30, 2011	\$ 73,435,524	\$ 218,309,558	\$ (144,874,034)	33.64%	\$ 18,519,001	-782.30%
June 30, 2012	\$ 82,981,582	\$ 243,784,564	\$ (160,802,982)	34.04%	\$ 19,551,974	-822.44%
<i>Other Postemployment Benefit Obligation</i>						
July 1, 2007	\$ -	\$ 414,578,000	\$ (414,578,000)	0.00%	N/A	N/A
July 1, 2009	\$ -	\$ 378,184,421	\$ (378,184,421)	0.00%	N/A	N/A
July 1, 2011	\$ -	\$ 311,500,000	\$ (311,500,000)	0.00%	N/A	N/A

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUE AND EXPENDITURES (BUDGETARY BASIS)

BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND

YEAR ENDED JUNE 30, 2013

	Original Budget	Revised Budget	Actual	Variance with Final Budget
Revenues:				
State aid	\$ 67,284,818	\$ 68,246,641	\$ 68,246,641	\$ -
Fees, services and miscellaneous revenue	1,885,633	1,785,633	1,910,134	124,501
<b>Total revenues</b>	<b>69,170,451</b>	<b>70,032,274</b>	<b>70,156,775</b>	<b>124,501</b>
Expenditures:				
Salaries	56,646,045	56,688,251	55,967,840	720,411
Fringe and fixed charges	26,511,494	26,473,880	25,645,434	828,446
Purchased services	12,404,810	12,160,622	13,147,753	(987,131)
Supplies and materials	2,354,857	2,544,242	2,629,322	(85,080)
Equipment/capital improvement	838,315	631,341	617,466	13,875
Other	38,279	81,307	87,732	(6,425)
<b>Total expenditures</b>	<b>98,793,800</b>	<b>98,579,643</b>	<b>98,095,547</b>	<b>484,096</b>
Excess of expenditures over revenues before other financing sources	(29,623,349)	(28,547,369)	(27,938,772)	608,597
Other financing source, operating transfer from General Fund - City appropriation	29,623,349	29,623,349	29,623,349	-
Excess of revenues and other financing sources over expenditures	-	1,075,980	1,684,577	608,597
Consent order transfer from General Fund for deficit reduction	-	-	1,132,846	1,132,846
Excess of revenues and other financing sources over expenditure after consent order transfer from General Fund for deficit reduction	\$ -	\$ 1,075,980	\$ 2,817,423	\$ 1,741,443

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30, 2013

*Police and Firefighters Plan*

Year ended June 30,	Annual Required Contribution	Percentage Contributed
2013	\$ 12,046,021	99%
2012	11,607,902	92%
2011	11,238,282	90%
2010	10,154,357	96%
2009	8,907,828	62%
2008	8,293,265	59%

*OPEB Plan*

Year ended June 30,	Annual Required Contribution	Percentage Contributed
2013	\$ 20,008,292	65%
2012	19,155,825	68%
2011	24,244,499	52%



CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2013

Budget preparation and budgetary basis of accounting:

In accordance with the City Charter, the Mayor must present to the City Council a recommended annual budget for the operations of all municipal departments prior to the commencement of each fiscal year. The recommended budget must include an appropriation to fund school expenditures in excess of their anticipated revenues as requested by the Superintendent and approved by the School Committee. Estimates of sums expected to become available from federal and state grants for the support of the public schools shall be included in the total requested for school expenditures. The City Council shall appropriate these funds for expenditure by the School Committee, and shall appropriate such additional funds from local tax revenues as may be required to meet the total school budget which the City Council approves. The School Committee shall not have the authority to obligate the City financially beyond the total budgetary amount voted by the City Council. The City Council can change only the total amount of the School Committee's recommended budget. The City Council can increase the total amount of the total budget, as presented by the Mayor, only if it makes provisions for increasing anticipated revenue to match increases in expenditures in the budget.

The General Fund and the School Unrestricted Fund annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include reappropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures may include provisions to build fund balance.

Adjustments from the budgetary basis to the U.S. GAAP basis of accounting are as follows:

	<u>General Fund</u>
Provision to reserve fund balance	\$ 503,717

Budget compliance:

Appropriations in addition to those contained in the annual operating budget require City Council approval. Amendments to the operating budget that do not result in additional appropriations may be made within departments by means of transfer. Transfers made within and outside the departmental level require City Council approval. The level at which the General Fund and School Unrestricted Fund budgeted expenditures may not legally exceed appropriations is at the department level. Unexpended appropriations lapse at fiscal year-end, but unexpended capital and special appropriations have historically been carried forward.

CITY OF PAWTUCKET, RHODE ISLAND  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2013

The assumptions for the Police and Firefighters Plan are consistent with the 2012 valuation.

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

*POLICE AND FIREFIGHTERS PLAN*

Valuation date	July 1, 2013
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Closed
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50% per annum
Projected salary increases	2.0% to 11.0% per annum
Cost-of-living adjustments	3.0% per annum

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

YEAR ENDED JUNE 30, 2013

*OPEB PLAN*

Valuation date	July 1, 2011
Actuarial cost method	Projected Unit Credit Cost Method
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return and discount rate	4.0% per annum
Participation	All eligible retirees are assumed to elect medical and dental coverage
	Current employees and spouses are assumed to continue the same coverage they have as of the valuation date
Health Care Cost Trend Rates	Medical - 10.0% per year decreasing to an ultimate rate of 5.0% per year; Dental - 8.0% per year decreasing to an ultimate rate of 5.0% per year

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	City Special Revenue Funds	HUD Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,404,704	\$ 1,204,708	\$ 261,957	\$ 5,574,424	\$ 126,704	\$ 10,572,497
Investments	11,159	-	-	-	606,551	617,710
Due from federal and state governments	864,376	233,765	1,475,622	-	-	2,573,763
Due from other funds	-	-	-	-	-	-
Accounts receivable	402,154	2,610,047	24,316	71,681	-	3,108,198
Notes receivable	-	-	-	-	310,000	310,000
<b>Total assets</b>	<b>\$ 4,682,393</b>	<b>\$ 4,048,520</b>	<b>\$ 1,761,895</b>	<b>\$ 5,646,105</b>	<b>\$ 1,043,255</b>	<b>\$ 17,182,168</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 404,791	\$ 254,646	\$ 239,668	\$ 457,914	\$ 171	\$ 1,357,190
Accrued expenditures	100,640	-	26,395	-	44	127,079
Due to other funds	959,246	-	1,237,886	87,496	3,581	2,288,209
Deferred revenue	-	2,583,450	-	-	-	2,583,450
Notes payable	-	-	-	8,300,000	-	8,300,000
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,464,677</b>	<b>2,838,096</b>	<b>1,503,949</b>	<b>8,845,410</b>	<b>3,796</b>	<b>14,655,928</b>
<b>FUND BALANCE</b>						
Nonspendable	18,649	-	-	-	1,039,459	1,058,108
Restricted	1,857,119	1,210,424	256,980	330,077	-	3,654,600
Committed	1,308,865	-	-	-	-	1,308,865
Assigned	22,146	-	-	-	-	22,146
Unassigned	10,937	-	966	(3,529,382)	-	(3,517,479)
<b>Total fund balance</b>	<b>3,217,716</b>	<b>1,210,424</b>	<b>257,946</b>	<b>(3,199,305)</b>	<b>1,039,459</b>	<b>2,526,240</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,682,393</b>	<b>\$ 4,048,520</b>	<b>\$ 1,761,895</b>	<b>\$ 5,646,105</b>	<b>\$ 1,043,255</b>	<b>\$ 17,182,168</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2013**

	City Special Revenue Funds	HUD Special Revenue Funds	School Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>						
Operating grants and contributions	\$ 3,115,021	\$ 1,982,064	\$ 13,502,776		-	\$ 18,599,861
Capital grants and contributions	95,838	-		\$ 725,386	-	821,224
Charges for services	2,905,149	25,111	-		\$ 11,765	2,942,025
Investment and interest income					66,889	66,889
Other revenue		-		-	-	-
<b>Total revenues</b>	<u>6,116,008</u>	<u>2,007,175</u>	<u>13,502,776</u>	<u>725,386</u>	<u>78,654</u>	<u>22,429,999</u>
<b>EXPENDITURES:</b>						
Legislative and executive	1,935,513	-			28,744	1,964,257
Planning	750,921	2,057,234		339,596	-	3,147,751
Public safety	3,051,182	-		1,319	-	3,052,501
Public works	291,050	-		878,474	1,332	1,170,856
Education		-	13,482,863	362,256	-	13,845,119
<b>Total expenditures</b>	<u>6,028,666</u>	<u>2,057,234</u>	<u>13,482,863</u>	<u>1,581,645</u>	<u>30,076</u>	<u>23,180,484</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>87,342</u>	<u>(50,059)</u>	<u>19,913</u>	<u>(856,259)</u>	<u>48,578</u>	<u>(750,485)</u>
<b>Other financing sources (uses):</b>						
Operating transfers from other funds	399,994	668,412	-	-	-	1,068,406
Operating transfers to other funds	(71,853)	(668,412)	-	(1,246)	(17,348)	(758,859)
<b>Total other financing sources (uses)</b>	<u>328,141</u>	<u>-</u>	<u>-</u>	<u>(1,246)</u>	<u>(17,348)</u>	<u>309,547</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<u>415,483</u>	<u>(50,059)</u>	<u>19,913</u>	<u>(857,505)</u>	<u>31,230</u>	<u>(440,938)</u>
<b>Fund balance, beginning of year</b>	2,802,233	1,260,483	238,033	(2,341,800)	1,008,229	2,967,178
<b>Fund balance, end of year</b>	<u>\$ 3,217,716</u>	<u>\$ 1,210,424</u>	<u>\$ 257,946</u>	<u>\$ (3,199,305)</u>	<u>\$ 1,039,459</u>	<u>\$ 2,526,240</u>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>Comp Cancer Control Prog 105</b>	<b>Public Fund 106</b>	<b>Convergence Fund 108</b>	<b>Polling Place Dis. Act. 109</b>	<b>Substance Abuse 113</b>	<b>EMA Small Grants 117</b>	<b>EMPG Equipment Fund 118</b>	<b>Citizens Corp CCP 119</b>	<b>EMA Dept Homeland Security 121</b>	<b>EM Dept Training Education 122</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 200	\$ -	\$ 59,162	\$ 148	\$ 54,827	\$ -	\$ 5,388	\$ -	\$ 1,717	\$ 10,034
Investments	-	-	-	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	5,000	-	-	-
Accounts receivable	-	-	-	-	13,758	9,266	-	8,032	-	-
<b>Total assets</b>	<b>200</b>	<b>-</b>	<b>59,162</b>	<b>148</b>	<b>68,585</b>	<b>9,266</b>	<b>10,388</b>	<b>8,032</b>	<b>1,717</b>	<b>10,034</b>
<b>LIABILITIES</b>										
Accounts payable	-	-	500	-	27,839	500	10,188	-	-	-
Accrued expenditures	-	-	-	-	2,350	-	-	-	-	-
Due to other funds	-	-	-	-	-	8,766	-	8,032	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>30,189</b>	<b>9,266</b>	<b>10,188</b>	<b>8,032</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	200	-	-	148	38,396	-	200	-	1,717	10,034
Committed	-	-	58,662	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>200</b>	<b>-</b>	<b>58,662</b>	<b>148</b>	<b>38,396</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>1,717</b>	<b>10,034</b>
<b>Total liabilities and fund balance</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 59,162</b>	<b>\$ 148</b>	<b>\$ 68,585</b>	<b>\$ 9,266</b>	<b>\$ 10,388</b>	<b>\$ 8,032</b>	<b>\$ 1,717</b>	<b>\$ 10,034</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	EMA Systems & Equipment 124	EMA Special Operations 125	Slater Park Permits 129	Dog Park 130	Recreation Trips 131	Dagget Farm 132	Carousel Enterprise 134	Tennis Single League 136	Summer Camp 137	Instructor Program 138
<b>ASSETS</b>										
Cash and cash equivalents	\$ 5,274	\$ 6,538	\$ 36,947	\$ 125	\$ 5,577	\$ 25,822	\$ 10,166	\$ 22,707	\$ 5,332	\$ 11,042
Investments	-	-	-	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>5,274</b>	<b>6,538</b>	<b>36,947</b>	<b>125</b>	<b>5,577</b>	<b>25,822</b>	<b>10,166</b>	<b>22,707</b>	<b>5,332</b>	<b>11,042</b>
<b>LIABILITIES</b>										
Accounts payable	6	1,768	290	-	1,639	95	45	936	-	-
Accrued expenditures	-	-	-	-	-	-	443	175	-	139
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>6</b>	<b>1,768</b>	<b>290</b>	<b>-</b>	<b>1,639</b>	<b>95</b>	<b>488</b>	<b>1,111</b>	<b>-</b>	<b>139</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted	5,268	4,770								
Committed			36,657	125	3,938	25,727	9,678	21,596	5,332	10,903
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>5,268</b>	<b>4,770</b>	<b>36,657</b>	<b>125</b>	<b>3,938</b>	<b>25,727</b>	<b>9,678</b>	<b>21,596</b>	<b>5,332</b>	<b>10,903</b>
<b>Total liabilities and fund balance</b>	<b>\$ 5,274</b>	<b>\$ 6,538</b>	<b>\$ 36,947</b>	<b>\$ 125</b>	<b>\$ 5,577</b>	<b>\$ 25,822</b>	<b>\$ 10,166</b>	<b>\$ 22,707</b>	<b>\$ 5,332</b>	<b>\$ 11,042</b>

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	Arts in The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141	Project Renew 144	Arts Support Initiative 145	Pawtucket Arts Funding 146	Youth Sports League 147	AED Fund 150	PRA Redevelopment 152	175 Main Street 154
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,100	\$ 38,370	\$ 47,803	\$ 5,360	\$ 4,428	\$ 5,229	\$ 24,253	\$ 9,993		
Investments	-	-	-	-	-	-	-	-		
Due from federal and state governments	-	-	-	-	-	-	-	-		
Accounts receivable	-	-	-	-	-	-	-	-	\$ 27,409	\$ 7,179
<b>Total assets</b>	<b>1,100</b>	<b>38,370</b>	<b>47,803</b>	<b>5,360</b>	<b>4,428</b>	<b>5,229</b>	<b>24,253</b>	<b>9,993</b>	<b>27,409</b>	<b>7,179</b>
<b>LIABILITIES</b>										
Accounts payable	-	6,656	5,651	1,143	-	607	-	-	-	-
Accrued expenditures	-	-	-	-	-	-	-	-	9,233	1,721
Due to other funds	-	-	-	-	-	-	-	-	13,045	2,584
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>6,656</b>	<b>5,651</b>	<b>1,143</b>	<b>-</b>	<b>607</b>	<b>-</b>	<b>-</b>	<b>22,278</b>	<b>4,305</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted					4,428				5,131	2,874
Committed	1,100	31,714	42,152	4,217		4,622	24,253	9,993		
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>1,100</b>	<b>31,714</b>	<b>42,152</b>	<b>4,217</b>	<b>4,428</b>	<b>4,622</b>	<b>24,253</b>	<b>9,993</b>	<b>5,131</b>	<b>2,874</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,100</b>	<b>\$ 38,370</b>	<b>\$ 47,803</b>	<b>\$ 5,360</b>	<b>\$ 4,428</b>	<b>\$ 5,229</b>	<b>\$ 24,253</b>	<b>\$ 9,993</b>	<b>\$ 27,409</b>	<b>\$ 7,179</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>Have a Heart Dinner 155</b>	<b>Vital Statistics Restoration 158</b>	<b>Animal Control 161</b>	<b>Land Records Restoration 162</b>	<b>Alcohol Prevention 163</b>	<b>Clerk's Remote Access 164</b>	<b>Recruitment Testing Fund 165</b>	<b>Document Preservation 166</b>	<b>Family Literacy Initiative 175</b>	<b>Mabel Anderson Fund 176</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 5,923	\$ 35,078	\$ 44,975	\$ 122,851	\$ 7,604	\$ -	\$ 7,501	\$ 324,027	\$ 4,570	\$ -
Investments	-	-	-	-	-	-	-	-	-	11,159
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>5,923</b>	<b>35,078</b>	<b>44,975</b>	<b>122,851</b>	<b>7,604</b>	<b>-</b>	<b>7,501</b>	<b>324,027</b>	<b>4,570</b>	<b>11,159</b>
<b>LIABILITIES</b>										
Accounts payable	-	-	-	1,042	-	-	-	-	140	5
Accrued expenditures	-	-	-	-	-	-	-	-	721	-
Due to other funds	-	-	-	-	-	-	-	-	-	44
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>49</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted	5,923			121,809			7,501		3,709	11,110
Committed		35,078	44,975		7,604	-		324,027		
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>5,923</b>	<b>35,078</b>	<b>44,975</b>	<b>121,809</b>	<b>7,604</b>	<b>-</b>	<b>7,501</b>	<b>324,027</b>	<b>3,709</b>	<b>11,110</b>
<b>Total liabilities and fund balance</b>	<b>\$ 5,923</b>	<b>\$ 35,078</b>	<b>\$ 44,975</b>	<b>\$ 122,851</b>	<b>\$ 7,604</b>	<b>\$ -</b>	<b>\$ 7,501</b>	<b>\$ 324,027</b>	<b>\$ 4,570</b>	<b>\$ 11,159</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>Goddard Rel Study 179</b>	<b>Children's Library Renovation 182</b>	<b>State Grant In Aid 184</b>	<b>Library Donations 185</b>	<b>Champlin Grant 186</b>	<b>Mayor's Business Summit 190</b>	<b>Holiday Basket Drive 191</b>	<b>Foundation Contribution Fund 193</b>	<b>Insurance Deductible Reserve 501</b>	<b>Fire Equipment Fund 510</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 11,868	\$ 1,691	\$ 26,075	\$ 125,837	\$ 28,764	\$ -	\$ 9,309	\$ 12,837	\$ 300,000	\$ 17,152
Investments										
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>11,868</b>	<b>1,691</b>	<b>26,075</b>	<b>125,837</b>	<b>28,764</b>	<b>-</b>	<b>9,309</b>	<b>12,837</b>	<b>300,000</b>	<b>17,152</b>
<b>LIABILITIES</b>										
Accounts payable	10	-	424	-	6,100	-	-	-	-	-
Accrued expenditures			14,714	1,282						
Due to other funds			-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>10</b>	<b>-</b>	<b>15,138</b>	<b>1,282</b>	<b>6,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted	11,858	1,691			22,664					
Committed				124,555					300,000	17,152
Assigned							9,309	12,837		
Unassigned			10,937							
<b>Total fund balance</b>	<b>11,858</b>	<b>1,691</b>	<b>10,937</b>	<b>124,555</b>	<b>22,664</b>	<b>-</b>	<b>9,309</b>	<b>12,837</b>	<b>300,000</b>	<b>17,152</b>
<b>Total liabilities and fund balance</b>	<b>\$ 11,868</b>	<b>\$ 1,691</b>	<b>\$ 26,075</b>	<b>\$ 125,837</b>	<b>\$ 28,764</b>	<b>\$ -</b>	<b>\$ 9,309</b>	<b>\$ 12,837</b>	<b>\$ 300,000</b>	<b>\$ 17,152</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>MCI Grant 530</b>	<b>Fire Prevention 550</b>	<b>Fire Apparatus 551</b>	<b>FEMA Operations Safety 552</b>	<b>AFG 555</b>	<b>Safer 556</b>	<b>Federal Forfeited Property 603</b>	<b>State Share Drugs 604</b>	<b>Reim O/T Special Squad 607</b>	<b>RI Traffic Tribunal 609</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 120,426	\$ 5,111	\$ 15,414	\$ 47,993	\$ -	\$ 463,655	\$ 320,499	\$ -	\$ 155,719
Investments	-	-	-	-	191,970	160,406	-	-	-	8,081
Due from federal and state governments	-	-	-	-	-	-	228	-	8,946	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>120,426</b>	<b>5,111</b>	<b>15,414</b>	<b>239,963</b>	<b>160,406</b>	<b>463,883</b>	<b>320,499</b>	<b>8,946</b>	<b>163,800</b>
<b>LIABILITIES</b>										
Accounts payable	-	780	-	-	239,963	-	-	-	-	80,488
Accrued expenditures	-	-	-	-	-	18,325	-	-	965	2,223
Due to other funds	-	-	-	-	-	142,081	-	-	6,545	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>780</b>	<b>-</b>	<b>-</b>	<b>239,963</b>	<b>160,406</b>	<b>-</b>	<b>-</b>	<b>7,510</b>	<b>82,711</b>
<b>FUND BALANCE</b>										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	119,646	-	15,414	-	-	463,883	320,499	1,436	81,089
Committed	-	-	5,111	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>119,646</b>	<b>5,111</b>	<b>15,414</b>	<b>-</b>	<b>-</b>	<b>463,883</b>	<b>320,499</b>	<b>1,436</b>	<b>81,089</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 120,426</b>	<b>\$ 5,111</b>	<b>\$ 15,414</b>	<b>\$ 239,963</b>	<b>\$ 160,406</b>	<b>\$ 463,883</b>	<b>\$ 320,499</b>	<b>\$ 8,946</b>	<b>\$ 163,800</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>JAG 615</b>	<b>Cops 616</b>	<b>Bike Patrol 625</b>	<b>Juvenile Board 633</b>	<b>RI Foundation Sound Proof 637</b>	<b>D.A.R.E. 638</b>	<b>PTE Overtime 641</b>	<b>Police Equipment 643</b>	<b>BJA 2010 DJ-BX-1172 645</b>	<b>JAG BJA 2011 647</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ -	\$ 46,114	\$ 2,154	\$ 5,510	\$ 9,072	\$ -	\$ 106,875	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	2,542
Due from federal and state governments	-	-	-	-	-	-	-	-	-	788
Accounts receivable	-	125,302	-	-	-	-	-	-	-	-
<b>Total assets</b>	-	125,302	46,114	2,154	5,510	9,072	-	106,875	-	3,330
<b>LIABILITIES</b>										
Accounts payable	-	-	-	-	5,510	2	-	-	-	-
Accrued expenditures	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	125,302	-	-	-	-	-	-	-	3,330
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	-	125,302	-	-	5,510	2	-	-	-	3,330
<b>FUND BALANCE</b>										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	46,114	2,154	-	-	-	-	-	-
Committed	-	-	-	-	-	9,070	-	106,875	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	-	-	46,114	2,154	-	9,070	-	106,875	-	-
<b>Total liabilities and fund balance</b>	\$ -	\$ 125,302	\$ 46,114	\$ 2,154	\$ 5,510	\$ 9,072	\$ -	\$ 106,875	\$ -	\$ 3,330

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Asst 653	Spay & Neuter Pound Fund 654	Comm Works 656	NHTSA 164 AL 2012 657	Community Underage Drinking 658	Community Works 4/12-10/12 659	Highway Safety 2013 660	Seized Vehicles (State) 662
<b>ASSETS</b>										
Cash and cash equivalents	\$ 43,929	\$ 43,456	\$ 3,864	\$ 3,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,685
Investments										
Due from federal and state governments	-	-	-	-	364	-	9,800	-	4,858	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>43,929</b>	<b>43,456</b>	<b>3,864</b>	<b>3,864</b>	<b>364</b>	<b>-</b>	<b>9,800</b>	<b>-</b>	<b>4,858</b>	<b>27,685</b>
<b>LIABILITIES</b>										
Accounts payable	180	118	-	-	-	-	-	-	-	3,940
Accrued expenditures							1,159		875	
Due to other funds	-	-	-	-	364	-	8,588	-	3,983	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>180</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>364</b>	<b>-</b>	<b>9,747</b>	<b>-</b>	<b>4,858</b>	<b>3,940</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted		43,338	3,864	3,864	-	-	53	-	-	23,745
Committed	43,749									
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>43,749</b>	<b>43,338</b>	<b>3,864</b>	<b>3,864</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>23,745</b>
<b>Total liabilities and fund balance</b>	<b>\$ 43,929</b>	<b>\$ 43,456</b>	<b>\$ 3,864</b>	<b>\$ 3,864</b>	<b>\$ 364</b>	<b>\$ -</b>	<b>\$ 9,800</b>	<b>\$ -</b>	<b>\$ 4,858</b>	<b>\$ 27,685</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	Tobacco Enforcement 663	Pending Forfeiture (Cambell) 664	OJJDP FY 2010 675	Sex Offenders 677	Sex Offenders 10/1-9/13 678	Details Private Company Reimbursements 690	Detail Private Company Reimb 694	JAG Grant 695	Evidence Money 697	Small Grants Police 698
<b>ASSETS</b>										
Cash and cash equivalents	\$ -	\$ 101,639	\$ -	\$ -	\$ -	\$ 149,017	\$ -	\$ -	\$ 18,649	\$ -
Investments										
Due from federal and state governments	5,509	-	-	-	6,201	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	192,136	-	-	8,110
<b>Total assets</b>	<b>5,509</b>	<b>101,639</b>	<b>-</b>	<b>-</b>	<b>6,201</b>	<b>149,017</b>	<b>192,136</b>	<b>-</b>	<b>18,649</b>	<b>8,110</b>
<b>LIABILITIES</b>										
Accounts payable	-	-	-	-	496	-	-	-	-	-
Accrued expenditures	772	-	-	-	-	-	31,306	-	-	-
Due to other funds	4,737	-	-	-	5,705	-	160,830	-	-	8,110
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>5,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,201</b>	<b>-</b>	<b>192,136</b>	<b>-</b>	<b>-</b>	<b>8,110</b>
<b>FUND BALANCE</b>										
Non-spendable									18,649	
Restricted	-	101,639	-	-	-	149,017	-	-		-
Committed										
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>-</b>	<b>101,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,017</b>	<b>-</b>	<b>-</b>	<b>18,649</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 5,509</b>	<b>\$ 101,639</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,201</b>	<b>\$ 149,017</b>	<b>\$ 192,136</b>	<b>\$ -</b>	<b>\$ 18,649</b>	<b>\$ 8,110</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	<b>Municipal Waste Reduction 706</b>	<b>Trust Safety Sewer Grant 710</b>	<b>FY 05 Homeland Security 725</b>	<b>Buffer Zone Protection 729</b>	<b>T.S. Irene 2011 EMA 730</b>	<b>Blackstone Wall Rep 2 731</b>	<b>Blizzard 2013 732</b>	<b>Summer Youth Initiative 745</b>	<b>Pleasant View Weed &amp; Seed Year 5 754</b>	<b>WDL United Way 755</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 198,145		\$ 16,098	\$ -	\$ -	\$ -	\$ 3,000	\$ 1,001	\$ 2,283	
Investments										
Due from federal and state governments	-	-	-	-	358,107	3,807	49,044	-	-	-
Accounts receivable	-	1,000	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>198,145</b>	<b>1,000</b>	<b>16,098</b>	<b>-</b>	<b>358,107</b>	<b>3,807</b>	<b>49,044</b>	<b>3,000</b>	<b>1,001</b>	<b>2,283</b>
<b>LIABILITIES</b>										
Accounts payable	1,302	-	-	-	-	-	-	-	-	-
Accrued expenditures										
Due to other funds	-	1,000	-	-	358,107	3,807	49,044	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,302</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>358,107</b>	<b>3,807</b>	<b>49,044</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>										
Non-spendable										
Restricted	196,843	-	16,098	-	-	-	3,000	1,001	2,283	
Committed										
Assigned										
Unassigned										
<b>Total fund balance</b>	<b>196,843</b>	<b>-</b>	<b>16,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>1,001</b>	<b>2,283</b>	
<b>Total liabilities and fund balance</b>	<b>\$ 198,145</b>	<b>\$ 1,000</b>	<b>\$ 16,098</b>	<b>\$ -</b>	<b>\$ 358,107</b>	<b>\$ 3,807</b>	<b>\$ 49,044</b>	<b>\$ 3,000</b>	<b>\$ 1,001</b>	<b>\$ 2,283</b>

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**City Special Revenue Funds**  
**June 30, 2013**

	Woodlawn Weed & Seed Year 3 762	Woodlawn Weed & Seed Year 5 764	Senior Center 817	Senior Center II 818	Medicare Outreach Program 819	Senate Grant Senior Suttle 822	Senior Center City 824	Information Specialist 825	Senior Center Title III 828	Special Revenue Funds-City TOTALS
<b>ASSETS</b>										
Cash and cash equivalents	\$ 65	\$ 585	\$ 200	\$ 1,017	\$ 388	\$ 892	\$ 4,665	\$ 2,116	\$ -	\$ 3,404,704
Investments										11,159
Due from federal and state governments	-	-	48,687	-	-	-	-	-	10,000	864,376
Accounts receivable	-	-	-	-	-	-	-	-	-	402,154
<b>Total assets</b>	<b>65</b>	<b>585</b>	<b>48,887</b>	<b>1,017</b>	<b>388</b>	<b>892</b>	<b>4,665</b>	<b>2,116</b>	<b>10,000</b>	<b>4,682,393</b>
<b>LIABILITIES</b>										
Accounts payable	-	-	6,428	-	-	-	-	-	-	404,791
Accrued expenditures	-	-	2,908	1,017	388	892	4,665	2,116	2,251	100,640
Due to other funds	-	-	39,551	-	-	-	-	-	5,691	959,246
Deferred revenue	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>48,887</b>	<b>1,017</b>	<b>388</b>	<b>892</b>	<b>4,665</b>	<b>2,116</b>	<b>7,942</b>	<b>1,464,677</b>
<b>FUND BALANCE</b>										
Non-spendable										18,649
Restricted	65	585	-	-	-	-	-	-	2,058	1,857,119
Committed										1,308,865
Assigned										22,146
Unassigned										10,937
<b>Total fund balance</b>	<b>65</b>	<b>585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,058</b>	<b>3,217,716</b>
<b>Total liabilities and fund balance</b>	<b>\$ 65</b>	<b>\$ 585</b>	<b>\$ 48,887</b>	<b>\$ 1,017</b>	<b>\$ 388</b>	<b>\$ 892</b>	<b>\$ 4,665</b>	<b>\$ 2,116</b>	<b>\$ 10,000</b>	<b>\$ 4,682,393</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	<b>Comp Cancer Control Prog 105</b>	<b>Public Fund 106</b>	<b>Convergence Fund 108</b>	<b>Polling Place Dis. Act. 109</b>	<b>Substance Abuse 113</b>	<b>EMA Small Grants 117</b>	<b>EMPG Equipment Fund 118</b>	<b>Citizens Corp CCP 119</b>	<b>EMA Dept Homeland Security 121</b>	<b>EMA Dept Training Education 122</b>	<b>Citizens Corp EMA 123</b>
<b>REVENUES:</b>											
Operating grants and contributions	\$ -		\$ 99,350	\$ -	\$ 144,521	\$ 9,266	\$ 5,000	\$ 8,032	\$ 1,717	\$ 500	\$ -
Capital grants and contributions											
Charges for service	-	\$ 1,309,330	28,445	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>1,309,330</b>	<b>127,795</b>	<b>-</b>	<b>144,521</b>	<b>9,266</b>	<b>5,000</b>	<b>8,032</b>	<b>1,717</b>	<b>500</b>	<b>-</b>
<b>EXPENDITURES:</b>											
Legislative and executive	-	1,309,330	-	-	-	-	-	-	-	-	-
Planning	-	-	113,246	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	161,993	9,266	10,188	8,032	-	1,494	-
Public works	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,309,330</b>	<b>113,246</b>	<b>-</b>	<b>161,993</b>	<b>9,266</b>	<b>10,188</b>	<b>8,032</b>	<b>-</b>	<b>1,494</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>14,549</b>	<b>-</b>	<b>(17,472)</b>	<b>-</b>	<b>(5,188)</b>	<b>-</b>	<b>1,717</b>	<b>(994)</b>	<b>-</b>
<b>Other financing sources (uses):</b>											
Operating transfers from other funds	-	-	2,000	-	-	-	5,388	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>-</b>	<b>-</b>	<b>16,549</b>	<b>-</b>	<b>(17,472)</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>1,717</b>	<b>(994)</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>200</b>	<b>-</b>	<b>42,113</b>	<b>148</b>	<b>55,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,028</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 58,662</b>	<b>\$ 148</b>	<b>\$ 38,396</b>	<b>\$ -</b>	<b>\$ 200</b>	<b>\$ -</b>	<b>\$ 1,717</b>	<b>\$ 10,034</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	EMA Systems & Equipments 124	EMA Special Operations 125	Slater Park Permits 129	Dog Park 130	Recreation Trips 131	Daggert Farm 132	Carousel Enterprise 134	Tennis Single League 136	Summer Camp 137	Instructor Program 138
<b>REVENUES:</b>										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,100	\$ 618			
Capital grants and contributions										
Charges for service	-	-	23,450	-	7,249	-	33,449	16,636	(2,554)	27,606
<b>Total revenues</b>	-	-	23,450	-	7,249	15,100	34,067	16,636	(2,554)	27,606
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	882	2,905	-	-	-	-	-	-	-	-
Public works	-	-	15,236	559	8,076	3,325	34,066	12,904	290	27,587
<b>Total expenditures</b>	882	2,905	15,236	559	8,076	3,325	34,066	12,904	290	27,587
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	(882)	(2,905)	8,214	(559)	(827)	11,775	1	3,732	(2,844)	19
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	(5,388)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	(5,388)	-	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(882)	(8,293)	8,214	(559)	(827)	11,775	1	3,732	(2,844)	19
<b>Fund balance, beginning of year</b>	6,150	13,063	28,443	684	4,765	13,952	9,677	17,864	8,176	10,884
<b>Fund balance, end of year</b>	\$ 5,268	\$ 4,770	\$ 36,657	\$ 125	\$ 3,938	\$ 25,727	\$ 9,678	\$ 21,596	\$ 5,332	\$ 10,903

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Arts in The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141	Project Renew 144	Arts Support Initiative 145	Pawtucket Arts Funding 146	Youth Sports League 147	AED 150	PRA Redevelopment 152	175 Main Street 154
<b>REVENUES:</b>										
Operating grants and contributions	\$ 600		\$ 5,550	\$ 5,360		\$ -	\$ -	\$ -	110,086	\$ 65,939
Capital grants and contributions										
Charges for service	-	\$ 44,479	17,863	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>600</b>	<b>44,479</b>	<b>23,413</b>	<b>5,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,086</b>	<b>65,939</b>
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	14,048	-	24,000	7,107	-	-	-	-
Planning	-	-	-	-	-	-	-	-	110,086	65,939
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	38,878	-	1,143	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>38,878</b>	<b>14,048</b>	<b>1,143</b>	<b>24,000</b>	<b>7,107</b>	<b>-</b>	<b>-</b>	<b>110,086</b>	<b>65,939</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>600</b>	<b>5,601</b>	<b>9,365</b>	<b>4,217</b>	<b>(24,000)</b>	<b>(7,107)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	-	-	25,858	10,107	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	(2,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,858</b>	<b>8,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>600</b>	<b>5,601</b>	<b>9,365</b>	<b>4,217</b>	<b>1,858</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>500</b>	<b>26,113</b>	<b>32,787</b>	<b>-</b>	<b>2,570</b>	<b>3,622</b>	<b>24,253</b>	<b>9,993</b>	<b>5,131</b>	<b>2,874</b>
<b>Fund balance, end of year</b>	<b>\$ 1,100</b>	<b>\$ 31,714</b>	<b>\$ 42,152</b>	<b>\$ 4,217</b>	<b>\$ 4,428</b>	<b>\$ 4,622</b>	<b>\$ 24,253</b>	<b>\$ 9,993</b>	<b>\$ 5,131</b>	<b>\$ 2,874</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Have a Heart Dinner 155	Vital Statistics Restoration 158	Animal Control 161	Land Records Restoration 162	Alcohol Prevention 163	Clerk's Remote Access 164	Recruitment Testing Fund 165	Document Preservation 166	Family Literacy Initiative 175	Mabel Anderson Fund 176
<b>REVENUES:</b>										
Operating grants and contributions	\$ 1,050				\$ -	\$ -	\$ -	\$ 51,564	\$ 38,694	\$ 1,129
Capital grants and contributions										
Charges for service	-	\$ 12,292	\$ 13,481	\$ 8,816						
<b>Total revenues</b>	<b>1,050</b>	<b>12,292</b>	<b>13,481</b>	<b>8,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,564</b>	<b>38,694</b>	<b>1,129</b>
<b>EXPENDITURES:</b>										
Legislative and executive				741			7	24,597	35,956	49
Planning										
Public safety										
Public works	811									
<b>Total expenditures</b>	<b>811</b>			<b>741</b>			<b>7</b>	<b>24,597</b>	<b>35,956</b>	<b>49</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>239</b>	<b>12,292</b>	<b>13,481</b>	<b>8,075</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>26,967</b>	<b>2,738</b>	<b>1,080</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds								1,050		
Operating transfers to other funds						(1,050)				
<b>Total other financing sources (uses)</b>						<b>(1,050)</b>		<b>1,050</b>		
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>239</b>	<b>12,292</b>	<b>13,481</b>	<b>8,075</b>	<b>-</b>	<b>(1,050)</b>	<b>(7)</b>	<b>28,017</b>	<b>2,738</b>	<b>1,080</b>
<b>Fund balance, beginning of year</b>	<b>5,684</b>	<b>22,786</b>	<b>31,494</b>	<b>113,734</b>	<b>7,604</b>	<b>1,050</b>	<b>7,508</b>	<b>296,010</b>	<b>971</b>	<b>10,030</b>
<b>Fund balance, end of year</b>	<b>\$ 5,923</b>	<b>\$ 35,078</b>	<b>\$ 44,975</b>	<b>\$ 121,809</b>	<b>\$ 7,604</b>	<b>\$ -</b>	<b>\$ 7,501</b>	<b>\$ 324,027</b>	<b>\$ 3,709</b>	<b>\$ 11,110</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Goddard Rel Study 179	Children's Library Renovation 182	State Grant In Aid 184	Library Donations 185	Champlin Grant 186	Mayor's Business Summit 190	Holiday Basket Drive 191	Foundation Contribution Func 193	Insurance Deductible Reserve 501	Fire Equipment Fund 510
<b>REVENUES:</b>										
Operating grants and contributions	\$ 234	\$ 425	\$ 369,002	\$ 50	\$ 28,498	\$ -	\$ 10,812	\$ -	\$ 379	
Capital grants and contributions										
Charges for service		-	-	40,670					108,059	\$ 1,260
<b>Total revenues</b>	<b>234</b>	<b>425</b>	<b>369,002</b>	<b>40,720</b>	<b>28,498</b>	<b>-</b>	<b>10,812</b>	<b>-</b>	<b>108,438</b>	<b>1,260</b>
<b>EXPENDITURES:</b>										
Legislative and executive	307	-	358,047	111,135	36,308	600	8,781	4,500	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>307</b>	<b>-</b>	<b>358,047</b>	<b>111,135</b>	<b>36,308</b>	<b>600</b>	<b>8,781</b>	<b>4,500</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>(73)</b>	<b>425</b>	<b>10,955</b>	<b>(70,415)</b>	<b>(7,810)</b>	<b>(600)</b>	<b>2,031</b>	<b>(4,500)</b>	<b>108,438</b>	<b>1,260</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	-	17,348	-	-	-	-	-	-
Operating transfers to other funds										
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(73)</b>	<b>425</b>	<b>10,955</b>	<b>(53,067)</b>	<b>(7,810)</b>	<b>(600)</b>	<b>2,031</b>	<b>(4,500)</b>	<b>108,438</b>	<b>1,260</b>
<b>Fund balance, beginning of year</b>	<b>11,931</b>	<b>1,266</b>	<b>(18)</b>	<b>177,622</b>	<b>30,474</b>	<b>600</b>	<b>7,278</b>	<b>17,337</b>	<b>191,562</b>	<b>15,892</b>
<b>Fund balance, end of year</b>	<b>\$ 11,858</b>	<b>\$ 1,691</b>	<b>\$ 10,937</b>	<b>\$ 124,555</b>	<b>\$ 22,664</b>	<b>\$ -</b>	<b>\$ 9,309</b>	<b>\$ 12,837</b>	<b>\$ 300,000</b>	<b>\$ 17,152</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	MCI Grant 530	Fire Prevention 550	Fire Apparatus 551	FEMA Operations Safety 552	AFG 555	Safer 556	Federal Forfeited Property 603	State Share Drugs 604	Reim O/T Special Squad 607	RI Traffic Tribunal 609
<b>REVENUES:</b>										
Operating grants and contributions	\$ -		\$ -	\$ -	\$ 528,036	\$ 160,406	\$ 103,883	\$ 49,379		
Capital grants and contributions										
Charges for service	-	\$ 62,731	-	-				\$ 49,545		49,529
<b>Total revenues</b>	-	62,731	-	-	528,036	160,406	103,883	49,379	49,545	49,529
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	20,657	-	-	660,045	160,406	91,996	12,000	48,109	30,021
Public works	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	20,657	-	-	660,045	160,406	91,996	12,000	48,109	30,021
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	-	42,074	-	-	(132,009)	-	11,887	37,379	1,436	19,508
<b>Other financing sources (uses):</b>										
Operating transfers from other funds		-		6,201	132,009	-	-	-	-	-
Operating transfers to other funds	(6,201)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	(6,201)	-	-	6,201	132,009	-	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(6,201)	42,074	-	6,201	-	-	11,887	37,379	1,436	19,508
<b>Fund balance, beginning of year</b>	6,201	77,572	5,111	9,213	-	-	451,996	283,120	-	61,581
<b>Fund balance, end of year</b>	\$ -	\$ 119,646	\$ 5,111	\$ 15,414	\$ -	\$ -	\$ 463,883	\$ 320,499	\$ 1,436	\$ 81,089

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	JAG 615	Cops 616	Bike Patrol 625	Juvenile Board 633	RI Foundation Sound Proof 637	D.A.R.E. 638	PTE Overtime 641	Police Equipment 643	BJA 2010 DJ-BX-1172 645	JAG BJA 2011 647
<b>REVENUES:</b>										
Operating grants and contributions	\$ 30,445	\$ 496,044	\$ -	\$ -	\$ -	\$ 18			\$ 24,342	\$ 21,799
Capital grants and contributions										
Charges for service	-	-	-	-	-	16,155	\$ 218,900	\$ 64,052	-	-
<b>Total revenues</b>	<b>30,445</b>	<b>496,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,173</b>	<b>218,900</b>	<b>64,052</b>	<b>24,342</b>	<b>21,799</b>
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	30,445	500,844	-	(773)	20,000	7,505	218,900	5,150	24,342	21,799
Public works	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>30,445</b>	<b>500,844</b>	<b>-</b>	<b>(773)</b>	<b>20,000</b>	<b>7,505</b>	<b>218,900</b>	<b>5,150</b>	<b>24,342</b>	<b>21,799</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>-</b>	<b>(4,800)</b>	<b>-</b>	<b>773</b>	<b>(20,000)</b>	<b>8,668</b>	<b>-</b>	<b>58,902</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	45,000	-	-	2,500	-	8,423	-	-
Operating transfers to other funds	-	-	(2,500)	(3,672)	-	(30,000)	-	(16,291)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>42,500</b>	<b>(3,672)</b>	<b>-</b>	<b>(27,500)</b>	<b>-</b>	<b>(7,868)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>-</b>	<b>(4,800)</b>	<b>42,500</b>	<b>(2,899)</b>	<b>(20,000)</b>	<b>(18,832)</b>	<b>-</b>	<b>51,034</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>4,800</b>	<b>3,614</b>	<b>5,053</b>	<b>20,000</b>	<b>27,902</b>	<b>-</b>	<b>55,841</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,114</b>	<b>\$ 2,154</b>	<b>\$ -</b>	<b>\$ 9,070</b>	<b>\$ -</b>	<b>\$ 106,875</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Asst 653	Spay & Neuter Pound Fund 654	COMM Works 656	NHTSA 164 AL 2012 657	Community Underage Drinking 658	Community Works 4/12-10/12 659	Highway Safety 2013 660	Seized Vehicles (State) 662
<b>REVENUES:</b>										
Operating grants and contributions		\$ 11,291			\$ 364	\$ 5,253	\$ 9,799	\$ 12,725	\$ 47,384	\$ -
Capital grants and contributions		4,600								
Charges for service	\$ 5,640		\$ 528	\$ 528	-	-	-	-	-	28,074
<b>Total revenues</b>	<b>5,640</b>	<b>15,891</b>	<b>528</b>	<b>528</b>	<b>364</b>	<b>5,253</b>	<b>9,799</b>	<b>12,725</b>	<b>47,384</b>	<b>28,074</b>
<b>EXPENDITURES:</b>										
Legislative and executive	-		-	-	-	-	-	-	-	-
Planning	-		-	-	-	-	-	-	-	-
Public safety	5,210	(701)	-	-	364	13,958	9,746	12,725	47,384	63,247
Public works	-		-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>5,210</b>	<b>(701)</b>	<b>-</b>	<b>-</b>	<b>364</b>	<b>13,958</b>	<b>9,746</b>	<b>12,725</b>	<b>47,384</b>	<b>63,247</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>430</b>	<b>16,592</b>	<b>528</b>	<b>528</b>	<b>-</b>	<b>(8,705)</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>(35,173)</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	(4,751)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,751)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>430</b>	<b>16,592</b>	<b>528</b>	<b>528</b>	<b>-</b>	<b>(13,456)</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>(35,173)</b>
<b>Fund balance, beginning of year</b>	<b>43,319</b>	<b>26,746</b>	<b>3,336</b>	<b>3,336</b>	<b>-</b>	<b>13,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,918</b>
<b>Fund balance, end of year</b>	<b>\$ 43,749</b>	<b>\$ 43,338</b>	<b>\$ 3,864</b>	<b>\$ 3,864</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,745</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Tobacco Enforcement 663	Pending Forfeiture (Cambell) 664	OJJDP FY 2010 675	Sex Offenders 677	Sex Offenders 10/1-9/13 678	Details Private Company Reimbursements 690	Detail Private Company Reimb 694	JAG Grant 695	Evidence Money 697	Small Grants Police 698
<b>REVENUES:</b>										
Operating grants and contributions	\$ 8,027	\$ 16,796	\$ 67,106	\$ 6,749	\$ 8,262			\$ -		\$ 10,610
Capital grants and contributions										
Charges for service	-	-	-	-	-	\$ 149,017	\$ 569,089	-	\$ 830	-
<b>Total revenues</b>	<b>8,027</b>	<b>16,796</b>	<b>67,106</b>	<b>6,749</b>	<b>8,262</b>	<b>149,017</b>	<b>569,089</b>	<b>-</b>	<b>830</b>	<b>10,610</b>
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	8,027	43,339	68,097	6,749	8,262	-	651,529	-	7,386	10,610
Public works	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>8,027</b>	<b>43,339</b>	<b>68,097</b>	<b>6,749</b>	<b>8,262</b>	<b>-</b>	<b>651,529</b>	<b>-</b>	<b>7,386</b>	<b>10,610</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>-</b>	<b>(26,543)</b>	<b>(991)</b>	<b>-</b>	<b>-</b>	<b>149,017</b>	<b>(82,440)</b>	<b>-</b>	<b>(6,556)</b>	<b>-</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	991	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>-</b>	<b>(26,543)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,017</b>	<b>(82,440)</b>	<b>-</b>	<b>(6,556)</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>128,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,440</b>	<b>-</b>	<b>25,205</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 101,639</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 149,017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,649</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Municipal Waste Reduction 706	Trust Safety Sewer Grant 710	FY 05 Homeland Security 725	Buffer Zone Protection 729	T.S. Irene 2011 EMA 730	Blackstone Wall Rep 2 731	Blizzard 2013 732	Summer Youth Initiative 745	Pleasant View Weed & Seed Year 5 754	WDL United Way 755
<b>REVENUES:</b>										
Operating grants and contributions	\$ 109,680	\$ 1,000	\$ -	\$ 64,792			\$ 49,044	\$ 3,000	\$ -	\$ -
Capital grants and contributions					\$ 24,858	\$ 66,380				
Charges for service	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>109,680</b>	<b>1,000</b>	<b>-</b>	<b>64,792</b>	<b>24,858</b>	<b>66,380</b>	<b>49,044</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	49,044	-	-	-
Public works	14,649	1,000	-	65,092	1,054	66,380	-	-	-	-
<b>Total expenditures</b>	<b>14,649</b>	<b>1,000</b>	<b>-</b>	<b>65,092</b>	<b>1,054</b>	<b>66,380</b>	<b>49,044</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>95,031</b>	<b>-</b>	<b>-</b>	<b>(300)</b>	<b>23,804</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	-	300	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>95,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,804</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>101,812</b>	<b>-</b>	<b>16,098</b>	<b>-</b>	<b>(23,804)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,001</b>	<b>2,283</b>
<b>Fund balance, end of year</b>	<b>\$ 196,843</b>	<b>\$ -</b>	<b>\$ 16,098</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 1,001</b>	<b>\$ 2,283</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**City Special Revenue Funds**  
**For the year ended June 30, 2013**

	Woodlawn Weed & Seed Year 3 762	Woodlawn Weed & Seed Year 5 764	Senior Center 817	Senior Center II 818	Medicare Outreach Program 819	Senate Grant Senior Shuttle 822	Senior Center City 824	Information Specialist 825	Senior Center Title III 828	Special Revenue Funds-City TOTALS
<b>REVENUES:</b>										
Operating grants and contributions	\$ -	\$ -	\$ 194,521	\$ 29,790	\$ -	\$ 2,000	\$ -	\$ 40,000	\$ 29,000	\$ 3,115,021
Capital grants and contributions										95,838
Charges for service	-	-	-	-	-	-	-	-	-	2,905,149
<b>Total revenues</b>	-	-	194,521	29,790	-	2,000	-	40,000	29,000	6,116,008
<b>EXPENDITURES:</b>										
Legislative and executive	-	-	-	-	-	-	-	-	-	1,935,513
Planning	-	-	213,586	29,790	-	2,000	135,000	40,000	41,274	750,921
Public safety	-	-	-	-	-	-	-	-	-	3,051,182
Public works	-	-	-	-	-	-	-	-	-	291,050
<b>Total expenditures</b>	-	-	213,586	29,790	-	2,000	135,000	40,000	41,274	6,028,666
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	-	-	(19,065)	-	-	-	(135,000)	-	(12,274)	87,342
<b>Other financing sources (uses):</b>										
Operating transfers from other funds	-	-	7,819	-	-	-	135,000	-	-	399,994
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	(71,853)
<b>Total other financing sources (uses)</b>	-	-	7,819	-	-	-	135,000	-	-	328,141
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	-	-	(11,246)	-	-	-	-	-	(12,274)	415,483
<b>Fund balance, beginning of year</b>	65	585	11,246	-	-	-	-	-	14,332	2,802,233
<b>Fund balance, end of year</b>	\$ 65	\$ 585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,058	\$ 3,217,716

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**HUD Special Revenue Funds**  
**June 30, 2013**

	<b>Planning Department</b>					
	<b>CDBG Community Development 01</b>	<b>Home Program 02</b>	<b>Emergency Shelter 03</b>	<b>CDBG Public Service 04</b>	<b>Plaza Shops City 06</b>	<b>Visitors Center City 07</b>
<b>ASSETS</b>						
Cash	\$ -	\$ 35	\$ 25	\$ -	\$ 314	\$ 7,863
Intergovernmental receivables	83,475	15,336	43,399	57,237	-	-
Other receivables	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 83,475</b>	<b>\$ 15,371</b>	<b>\$ 43,424</b>	<b>\$ 57,237</b>	<b>\$ 314</b>	<b>\$ 7,863</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 83,475	\$ 15,371	\$ 43,399	\$ 57,237	\$ 452	\$ 12,155
Unearned revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>83,475</b>	<b>15,371</b>	<b>43,399</b>	<b>57,237</b>	<b>452</b>	<b>12,155</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	-	-	25	-	(138)	(4,292)
Committed						
Assigned						
Unassigned						
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>(138)</b>	<b>(4,292)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 83,475</b>	<b>\$ 15,371</b>	<b>\$ 43,424</b>	<b>\$ 57,237</b>	<b>\$ 314</b>	<b>\$ 7,863</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**HUD Special Revenue Funds**  
**June 30, 2013**

	<b>Redevelopment Agency</b>			
	<b>UDAG City 05</b>	<b>CDBG Community Development 09</b>	<b>Cash Escrow 11</b>	<b>HUD Restricted Funds TOTALS</b>
<b>ASSETS</b>				
Cash	\$ 456,412	\$ 628,622	\$ 111,437	\$ 1,204,708
Intergovernmental receivables	-	34,318	-	233,765
Other receivables	-	2,610,047	-	2,610,047
<b>Total assets</b>	<b>\$ 456,412</b>	<b>\$ 3,272,987</b>	<b>\$ 111,437</b>	<b>\$ 4,048,520</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 42,557	\$ -	\$ 254,646
Unearned revenue	-	2,583,450	-	2,583,450
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>2,626,007</b>	<b>-</b>	<b>2,838,096</b>
<b>FUND BALANCE</b>				
Non-Spendable				
Restricted	456,412	646,980	111,437	1,210,424
Committed				-
Assigned				-
Unassigned				-
<b>Total fund balance</b>	<b>456,412</b>	<b>646,980</b>	<b>111,437</b>	<b>1,210,424</b>
<b>Total liabilities and fund balance</b>	<b>\$ 456,412</b>	<b>\$ 3,272,987</b>	<b>\$ 111,437</b>	<b>\$ 4,048,520</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**HUD Special Revenue Funds**  
**For the year ended June 30, 2013**

	Planning				
	CDBG Community Development 01	Home Program 02	Emergency Shelter 03	CDBG Public Service 04	Plaza Shops City 06
<b>REVENUES:</b>					
Operating grants and contributions	\$ 1,199,581	\$ 400,111	\$ 171,549	\$ -	\$ -
Capital grants and contributions	-	-	-	-	-
Charges for service					8,612
<b>Total revenues</b>	<u>1,199,581</u>	<u>400,111</u>	<u>171,549</u>	<u>-</u>	<u>8,612</u>
<b>EXPENDITURES:</b>					
Legislative	-	-	-	-	-
Planning	618,269	474,661	171,549	391,542	11,834
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
<b>Total expenditures</b>	<u>618,269</u>	<u>474,661</u>	<u>171,549</u>	<u>391,542</u>	<u>11,834</u>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	581,312	(74,550)	-	(391,542)	(3,222)
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	-	-	391,542	2,000
Transfers to other funds	(581,312)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(581,312)</u>	<u>-</u>	<u>-</u>	<u>391,542</u>	<u>2,000</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	-	(74,550)	-	-	(1,222)
<b>Fund balance, beginning of year</b>		74,550	25	-	1,084
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ (138)</u>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**HUD Special Revenue Funds**  
**For the year ended June 30, 2013**

	Planning		Redevelopment Agency		
	Visitors Center City 07	UDAG City 05	Community Development 09	Cash Escrow 11	HUD Restricted Funds TOTALS
<b>REVENUES:</b>					
Operating grants and contributions	\$ 30,188	\$ 883	\$ 169,256	\$ 10,496	\$ 1,982,064
Capital grants and contributions					-
Charges for service	16,499				25,111
<b>Total revenues</b>	46,687	883	169,256	10,496	2,007,175
<b>EXPENDITURES:</b>					
Legislative	-	-	-	-	-
Planning	51,802	1,446	220,619	115,512	2,057,234
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
<b>Total expenditures</b>	51,802	1,446	220,619	115,512	2,057,234
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	(5,115)	(563)	(51,363)	(105,016)	(50,059)
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	-	189,770	85,100	668,412
Transfers to other funds	-	(2,000)	(85,100)	-	(668,412)
<b>Total other financing sources (uses)</b>	-	(2,000)	104,670	85,100	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(5,115)	(2,563)	53,307	(19,916)	(50,059)
<b>Fund balance, beginning of year</b>	823	458,975	593,673	131,353	1,260,483
<b>Fund balance, end of year</b>	\$ (4,292)	\$ 456,412	\$ 646,980	\$ 111,437	\$ 1,210,424



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	<b>RI Literacy &amp; Drop Out Prevention 202</b>	<b>VSA Art Potter 203</b>	<b>21st Century Learning 204</b>	<b>Title I School Improvement 205</b>	<b>Riter Miscellaneous 206/239/287</b>	<b>Fresh Fruit &amp; Veg. Program 207</b>	<b>Laura Bush Fdn 208</b>
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 616	\$ 46,916	\$ -
Due from Federal and State Governments	-	-	-	115,875	-	1,044	-
Accounts receivable	-	-	13,577	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,577</b>	<b>\$ 115,875</b>	<b>\$ 616</b>	<b>\$ 47,960</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 26	\$ 4,190	\$ -	\$ -	\$ -
Due to other funds	-	-	13,551	111,685	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>13,577</b>	<b>115,875</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	-	-	-	-	616	47,960	-
Committed							
Assigned							
Unassigned							
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>47,960</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,577</b>	<b>\$ 115,875</b>	<b>\$ 616</b>	<b>\$ 47,960</b>	<b>\$ -</b>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND  
 Combining Balance Sheet  
 School Restricted Funds  
 June 30, 2013

	RI School Improve - Baldwin 209	School Improvement Tolman 210	Dental Program Medical Reimb. 211	Title III Immigrant Assistance 212	Luke Charitable FDN 214	Pawtucket Rotary 215	Legis After School Fallon 216
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ 28,163	\$ 6,233	\$ 1,462	\$ -	\$ -
Due from Federal and State Governments	-	78,130	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 78,130</b>	<b>\$ 28,163</b>	<b>\$ 6,233</b>	<b>\$ 1,462</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 500	\$ -	\$ -	\$ 691	\$ -	\$ -
Due to other funds	-	77,630	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>78,130</b>	<b>-</b>	<b>-</b>	<b>691</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	-	-	28,163	6,233	771	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>28,163</b>	<b>6,233</b>	<b>771</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 78,130</b>	<b>\$ 28,163</b>	<b>\$ 6,233</b>	<b>\$ 1,462</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	RIDOT URI - Tollman 217	NE Dairy 218	Title IV Cent Cohort 219	General Assembly Baldwin 220	Bristol County 229	Perkins Grants 251	Title III LEP 222
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ 140	\$ 9,093	\$ -	\$ -
Due from Federal and State Governments	-	-	142,835	-	-	83,201	1,166
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,835</b>	<b>\$ 140</b>	<b>\$ 9,093</b>	<b>\$ 83,201</b>	<b>\$ 1,166</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 1,486	\$ -	\$ -	\$ 21,497	\$ 556
Due to other funds	-	-	138,535	-	-	51,241	610
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	2,814	-	-	1,335	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>142,835</b>	<b>-</b>	<b>-</b>	<b>74,073</b>	<b>1,166</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	-	-	-	140	9,093	9,128	-
Committed							
Assigned							
Unassigned							
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140</b>	<b>9,093</b>	<b>9,128</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,835</b>	<b>\$ 140</b>	<b>\$ 9,093</b>	<b>\$ 83,201</b>	<b>\$ 1,166</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	Title I - Part A 224	Legislative After School - Varieur 226	IDEA Part B 227	Child Opportunity Zones 213 & 230	Adult Ed/ Event Start 231
<b>ASSETS</b>					
Cash	\$ -	\$ 2,831	\$ 9,834	\$ -	\$ -
Due from Federal and State Governments	608,739	-	111,832	5,074	129,674
Accounts receivable	10,739	-	-	-	-
<b>Total assets</b>	<b>\$ 619,478</b>	<b>\$ 2,831</b>	<b>\$ 121,666</b>	<b>\$ 5,074</b>	<b>\$ 129,674</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 64,737	\$ 1,787	\$ 119,553	\$ -	\$ 3,422
Due to other funds	548,595	-	-	4,688	118,150
Unearned revenues	-	-	-	-	-
Accrued salaries	6,146	-	2,113	386	8,125
<b>Total liabilities</b>	<b>619,478</b>	<b>1,787</b>	<b>121,666</b>	<b>5,074</b>	<b>129,697</b>
<b>FUND BALANCE</b>					
Non-Spendable					
Restricted	-	1,044	-	-	(23)
Committed					
Assigned					
Unassigned					
<b>Total fund balance</b>	<b>-</b>	<b>1,044</b>	<b>-</b>	<b>-</b>	<b>(23)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 619,478</b>	<b>\$ 2,831</b>	<b>\$ 121,666</b>	<b>\$ 5,074</b>	<b>\$ 129,674</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	Title II - Professional Dev. 232	URI Ritter #4 Mentor 233	Phi Delta Kappa - Curvin 234	RI Council for Humanities 235	Race to the Top 236	Hannah and Friends 240
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ 233	\$ -	\$ -
Due from Federal and State Governments	24,144	-	-	-	64,362	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 24,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 233</b>	<b>\$ 64,362</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 9,198	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,952	-	-	-	65,527	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	4,390	-	-	-	-	-
<b>Total liabilities</b>	<b>23,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,527</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	604	-	-	233	(1,165)	-
Committed						-
Assigned						-
Unassigned						-
<b>Total fund balance</b>	<b>604</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>(1,165)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 24,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 233</b>	<b>\$ 64,362</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	Friends of Varieur 241	Kitchen Equipment Stimulus 242	RISCA JMW 243	Champlin Foundation Slater 244	Tolman High Team Planning 245	CTE Categorical Funding 246
<b>ASSETS</b>						
Cash	\$ 1,523	\$ 2,834	\$ 605	\$ 46,430	\$ -	\$ 50,000
Due from Federal and State Governments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,523</b>	<b>\$ 2,834</b>	<b>\$ 605</b>	<b>\$ 46,430</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>LIABILITIES</b>						
Accounts payable	-	-	605	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>605</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	1,523	2,834	-	46,430	-	50,000
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>1,523</b>	<b>2,834</b>	<b>-</b>	<b>46,430</b>	<b>-</b>	<b>50,000</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,523</b>	<b>\$ 2,834</b>	<b>\$ 605</b>	<b>\$ 46,430</b>	<b>\$ -</b>	<b>\$ 50,000</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	Title I School Improv. 247	PSA Mott Study 248	Curtis Care After School Prog.- 249	CTE 250	Carl D. Perkins 252	RI Dept. Health 253	Johnson and Johnson 254
<b>ASSETS</b>							
Cash	\$ -	\$ 9,022	\$ -	\$ 10,833	\$ -	\$ 454	\$ -
Due from Federal and State Governments	-	-	8,428	-	-	2,443	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 9,022</b>	<b>\$ 8,428</b>	<b>\$ 10,833</b>	<b>\$ -</b>	<b>\$ 2,897</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 7,175	\$ -	\$ -	\$ 54	\$ -	\$ -
Due to other funds	233	-	13,902	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	948	-	-	138	-
<b>Total liabilities</b>	<b>233</b>	<b>7,175</b>	<b>14,850</b>	<b>-</b>	<b>54</b>	<b>138</b>	<b>-</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	(233)	1,847	(6,422)	10,833	(54)	2,759	-
Committed							
Assigned							
Unassigned							
<b>Total fund balance</b>	<b>(233)</b>	<b>1,847</b>	<b>(6,422)</b>	<b>10,833</b>	<b>(54)</b>	<b>2,759</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 9,022</b>	<b>\$ 8,428</b>	<b>\$ 10,833</b>	<b>\$ -</b>	<b>\$ 2,897</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	ARRA Race to the Top 256	CTR for Civic Education 257	JMW General Assembly Grant 258	American Medical Corp. 259	Jenks Get Up & Go Program 261	General Assembly - JMW 262
<b>ASSETS</b>						
Cash	\$ -	\$ 600	\$ -	\$ 5,000	\$ 45	\$ -
Due from Federal and State Governments	8,811	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 8,811</b>	<b>\$ 600</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 45</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	8,811	-	603	-	-	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>8,811</b>	<b>-</b>	<b>603</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	-	600	(603)	5,000	45	-
Committed						
Assigned						
Unassigned						
<b>Total fund balance</b>	<b>-</b>	<b>600</b>	<b>(603)</b>	<b>5,000</b>	<b>45</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 8,811</b>	<b>\$ 600</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 45</b>	<b>\$ -</b>

(Continued)



CITY OF PAWTUCKET, RHODE ISLAND  
 Combining Balance Sheet  
 School Restricted Funds  
 June 30, 2013

	RIF - Shea 263	Risca Baldwin Art Grant 264	Verizon Foundation Think 265	Nickelodeon Potter Burns 266	RISCA Project Play 267	Goff Comm. School Cox Charity 268
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from Federal and State Governments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	-	-	-	-	-	-
Committed						
Assigned						
Unassigned						
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	VSA Arts Curvin 270	JMW Adult Visiting Program 271	RI Arts Association 272	21st Century Learning 273	21st Century Learning - Expansion 276	JMW Art Schl Legis Grant 277
<b>ASSETS</b>						
Cash	\$ -	\$ 1,497	\$ -	\$ -	\$ -	\$ -
Due from Federal and State Governments	-	-	-	28,616	7,520	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ -</b>	<b>\$ 28,616</b>	<b>\$ 7,520</b>	<b>\$ -</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	531	28,616	7,519	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>531</b>	<b>28,616</b>	<b>7,519</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	-			-	1	-
Committed						
Assigned						
Unassigned		1,497	(531)			
<b>Total fund balance</b>	<b>-</b>	<b>1,497</b>	<b>(531)</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ -</b>	<b>\$ 28,616</b>	<b>\$ 7,520</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	<b>RIDE Project Recruit 278</b>	<b>IDEA Sec. 619 279</b>	<b>Music Drives Us - Jenks 281</b>	<b>Evaluations of Safe Dates 282</b>	<b>Title IV 21st Century COH 283</b>	<b>Junior High Sports 284</b>
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,466
Due from Federal and State Governments	-	5,682	-	-	-	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 5,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,466</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	99	5,682	-	-	1	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>99</b>	<b>5,682</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted	(99)	-	-	-	(1)	13,466
Committed						
Assigned						
Unassigned						
<b>Total fund balance</b>	<b>(99)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>13,466</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 5,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,466</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	JMW Kennedy Grant 288	Adult Ed - COZ 289	Legislative Start w/Arts 290	Homeland Security Grant 291	Cunningham Yellow Bus 292	PEASPS 294
<b>ASSETS</b>						
Cash	\$ -	\$ 5,526	\$ -	\$ -	\$ -	\$ 1
Due from Federal and State Governments	20,706	-	-	27,340	-	-
Accounts receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 20,706</b>	<b>\$ 5,526</b>	<b>\$ -</b>	<b>\$ 27,340</b>	<b>\$ -</b>	<b>\$ 1</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,592	\$ 498	\$ -	\$ -	\$ -	\$ 1
Due to other funds	17,114	-	-	14,611	-	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
<b>Total liabilities</b>	<b>20,706</b>	<b>498</b>	<b>-</b>	<b>14,611</b>	<b>-</b>	<b>1</b>
<b>FUND BALANCE</b>						
Non-Spendable						
Restricted		5,028	-	12,729	-	-
Committed						
Assigned						
Unassigned	-					
<b>Total fund balance</b>	<b>-</b>	<b>5,028</b>	<b>-</b>	<b>12,729</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 20,706</b>	<b>\$ 5,526</b>	<b>\$ -</b>	<b>\$ 27,340</b>	<b>\$ -</b>	<b>\$ 1</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**School Restricted Funds**  
**June 30, 2013**

	Title I School Improvement 295	Pepsi Scholarship Fund 296	RI Council on Arts - Tolman 297	Legislative Grant Slater 298	Special Revenue Funds - School TOTAL
<b>ASSETS</b>					
Cash	\$ -	\$ 8,500	\$ -	\$ 100	\$ 261,957
Due from Federal and State Governments	-	-	-	-	1,475,622
Accounts receivable	-	-	-	-	24,316
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 8,500</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 1,761,895</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 100	\$ 239,668
Due to other funds	-	-	-	-	1,237,886
Unearned revenues	-	-	-	-	-
Accrued salaries	-	-	-	-	26,395
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>1,503,949</b>
<b>FUND BALANCE</b>					
Non-Spendable					-
Restricted	-	8,500	-	-	256,980
Committed					-
Assigned					-
Unassigned					966
<b>Total fund balance</b>	<b>-</b>	<b>8,500</b>	<b>-</b>	<b>-</b>	<b>257,946</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 8,500</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 1,761,895</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Fund**  
**For the year ended June 30, 2013**

	RI Literacy & Drop Out Prevention 202	VSA Art Potter 203	21st Century Learning 204	Title I School Improvement 205	Riter Miscellaneous 206, 239, 287	Fresh Fruit & Veg. Program 207	Laura Bush Fdn 208
<b>REVENUES:</b>							
Operating grants and contributions	\$ -	\$ -	\$ 159,626	\$ 360,508	\$ 2,020	\$ 313,705	\$ -
Charges for services	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>159,626</b>	<b>360,508</b>	<b>2,020</b>	<b>313,705</b>	<b>-</b>
<b>EXPENDITURES:</b>							
Education	-	5,917	159,626	360,508	8,956	280,807	202
<b>Total expenditures</b>	<b>-</b>	<b>5,917</b>	<b>159,626</b>	<b>360,508</b>	<b>8,956</b>	<b>280,807</b>	<b>202</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(5,917)</b>	<b>-</b>	<b>-</b>	<b>(6,936)</b>	<b>32,898</b>	<b>(202)</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>5,917</b>	<b>-</b>	<b>-</b>	<b>7,552</b>	<b>15,062</b>	<b>202</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 616</b>	<b>\$ 47,960</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>RI School Improve - Baldwin 209</b>	<b>School Improvement Tolman 210</b>	<b>Dental Program Medical Reimb. 211</b>	<b>Title III Immigrant Assistance 212</b>	<b>Luke Charitable FDN 214</b>	<b>Pawtucket Rotary 215</b>	<b>Legis After School Fallon 216</b>
<b>REVENUES:</b>							
Operating grants and contributions	\$ 2,500	\$ 259,543	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,500</b>	<b>259,543</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>							
Education	2,500	259,543	54,587	-	981	500	1,375
<b>Total expenditures</b>	<b>2,500</b>	<b>259,543</b>	<b>54,587</b>	<b>-</b>	<b>981</b>	<b>500</b>	<b>1,375</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>(54,587)</b>	<b>-</b>	<b>19</b>	<b>(500)</b>	<b>(1,375)</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>82,750</b>	<b>6,233</b>	<b>752</b>	<b>500</b>	<b>1,375</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,163</b>	<b>\$ 6,233</b>	<b>\$ 771</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>RIDOT URI - Tollman 217</b>	<b>NE Dairy 218</b>	<b>Title IV Cent Cohort 219</b>	<b>General Assembly Baldwin 220</b>	<b>Bristol County 229</b>	<b>Perkins Grants 238, 251</b>	<b>Title III LEP 222</b>
<b>REVENUES:</b>							
Operating grants and contributions	\$ 11,897	\$ -	\$ 233,468	\$ -	\$ 20,000	\$ 165,981	\$ 140,290
Charges for services	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>11,897</b>	<b>-</b>	<b>233,468</b>	<b>-</b>	<b>20,000</b>	<b>165,981</b>	<b>140,290</b>
<b>EXPENDITURES:</b>							
Education	11,897	450	233,468	-	28,097	165,891	140,290
<b>Total expenditures</b>	<b>11,897</b>	<b>450</b>	<b>233,468</b>	<b>-</b>	<b>28,097</b>	<b>165,891</b>	<b>140,290</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(450)</b>	<b>-</b>	<b>-</b>	<b>(8,097)</b>	<b>90</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>450</b>	<b>-</b>	<b>140</b>	<b>17,190</b>	<b>9,038</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 9,093</b>	<b>\$ 9,128</b>	<b>\$ -</b>

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Title I - Part A 224	Legislative After School - Varieur 226	IDEA Part B 227	Child Opportunity Zones 213, 230	Adult Ed/ Event Start 231
<b>REVENUES:</b>					
Operating grants and contributions	\$ 5,104,532	\$ 3,500	\$ 2,544,302	\$ 21,200	\$ 358,828
Charges for services	-	-	-	-	-
<b>Total revenues</b>	<b>5,104,532</b>	<b>3,500</b>	<b>2,544,302</b>	<b>21,200</b>	<b>358,828</b>
<b>EXPENDITURES:</b>					
Education	5,104,532	3,316	2,544,302	21,200	358,851
<b>Total expenditures</b>	<b>5,104,532</b>	<b>3,316</b>	<b>2,544,302</b>	<b>21,200</b>	<b>358,851</b>
<b>Excess (deficiency) of revenues over expenditures</b>	-	184	-	-	(23)
<b>Fund balance, beginning of year</b>	-	860	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 1,044</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(23)</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Title II - Professional Dev. 232	URI Ritter #4 Mentor 233	Phi Delta Kappa - Curvin 234	RI Council for Humanities 235	Race to the Top 236	Hannah and Friends 240
<b>REVENUES:</b>						
Operating grants and contributions	\$ 816,020	\$ -	\$ -	\$ 2,113	\$ 1,876,638	\$ 400
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>816,020</b>	<b>-</b>	<b>-</b>	<b>2,113</b>	<b>1,876,638</b>	<b>400</b>
<b>EXPENDITURES:</b>						
Education	815,416	850	1,561	1,880	1,877,803	400
<b>Total expenditures</b>	<b>815,416</b>	<b>850</b>	<b>1,561</b>	<b>1,880</b>	<b>1,877,803</b>	<b>400</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>604</b>	<b>(850)</b>	<b>(1,561)</b>	<b>233</b>	<b>(1,165)</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>850</b>	<b>1,561</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 233</b>	<b>\$ (1,165)</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Friends of Varieur 241	Kitchen Equipment Stimulus 242	RISCA JMW 243	Champlin Foundation Slater 244	Tolman High Team Planning 245	CTE Categorical Funding 246
<b>REVENUES:</b>						
Operating grants and contributions	\$ 3,000	\$ 2,834	\$ 1,085	\$ 46,430	\$ -	\$ 50,000
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,000</b>	<b>2,834</b>	<b>1,085</b>	<b>46,430</b>	<b>-</b>	<b>50,000</b>
<b>EXPENDITURES:</b>						
Education	3,077	-	1,085	-	-	-
<b>Total expenditures</b>	<b>3,077</b>	<b>-</b>	<b>1,085</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(77)</b>	<b>2,834</b>	<b>-</b>	<b>46,430</b>	<b>-</b>	<b>50,000</b>
<b>Fund balance, beginning of year</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,523</b>	<b>\$ 2,834</b>	<b>\$ -</b>	<b>\$ 46,430</b>	<b>\$ -</b>	<b>\$ 50,000</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Title I School Improv. 247	PSA Mott Study 248	Curtis Care After School Prog.- 249	CTE 250	Carl D. Perkins 252	RI Dept. Health 253	Johnson and Johnson 254
<b>REVENUES:</b>							
Operating grants and contributions	\$ 101,525	\$ 115,964	\$ 29,245	\$ 11,411	\$ -	\$ 9,909	\$ -
Charges for services	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>101,525</u>	<u>115,964</u>	<u>29,245</u>	<u>11,411</u>	<u>-</u>	<u>9,909</u>	<u>-</u>
<b>EXPENDITURES:</b>							
Education	101,758	152,488	35,667	578	4,454	7,150	1,119
<b>Total expenditures</b>	<u>101,758</u>	<u>152,488</u>	<u>35,667</u>	<u>578</u>	<u>4,454</u>	<u>7,150</u>	<u>1,119</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(233)	(36,524)	(6,422)	10,833	(4,454)	2,759	(1,119)
<b>Fund balance, beginning of year</b>	-	38,371	-	-	4,400	-	1,119
<b>Fund balance, end of year</b>	<u>\$ (233)</u>	<u>\$ 1,847</u>	<u>\$ (6,422)</u>	<u>\$ 10,833</u>	<u>\$ (54)</u>	<u>\$ 2,759</u>	<u>\$ -</u>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	ARRA Race to the Top 256	CTR for Civic Education 257	JMW General Assembly Grant 258	American Medical Corp. 259	Jenks Get Up & Go Program 261	General Assembly - JMW 262
<b>REVENUES:</b>						
Operating grants and contributions	\$ 12,047	\$ 600	\$ -	\$ 5,245	\$ 2,500	\$ -
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>12,047</b>	<b>600</b>	<b>-</b>	<b>5,245</b>	<b>2,500</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Education	12,047	-	603	245	5,542	999
<b>Total expenditures</b>	<b>12,047</b>	<b>-</b>	<b>603</b>	<b>245</b>	<b>5,542</b>	<b>999</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>600</b>	<b>(603)</b>	<b>5,000</b>	<b>(3,042)</b>	<b>(999)</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,087</b>	<b>999</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 600</b>	<b>\$ (603)</b>	<b>\$ 5,000</b>	<b>\$ 45</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	RIF - Shea 263	Risca Baldwin Art Grant 264	Verizon Foundation Think 265	Nickelodeon Potter Burns 266	RISCA Project Play 267	Goff Comm. School Cox Charity 268
<b>REVENUES:</b>						
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Education	681	-	51	620	45	686
<b>Total expenditures</b>	<b>681</b>	<b>-</b>	<b>51</b>	<b>620</b>	<b>45</b>	<b>686</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(681)</b>	<b>-</b>	<b>(51)</b>	<b>(620)</b>	<b>(45)</b>	<b>(686)</b>
<b>Fund balance, beginning of year</b>	<b>681</b>	<b>-</b>	<b>51</b>	<b>620</b>	<b>45</b>	<b>686</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	VSA Arts Curvin 270	JMW Adult Visiting Program 271	RI Arts Association 272	21st Century Learning 273	21st Century Learning - Expansion 276	JMW Art Schl Legis Grant 277
<b>REVENUES:</b>						
Operating grants and contributions	\$ -	\$ 2,000	\$ -	\$ 120,000	\$ 163,733	\$ 1,085
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>120,000</b>	<b>163,733</b>	<b>1,085</b>
<b>EXPENDITURES:</b>						
Education	801	500	-	120,000	163,732	1,335
<b>Total expenditures</b>	<b>801</b>	<b>500</b>	<b>-</b>	<b>120,000</b>	<b>163,732</b>	<b>1,335</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(801)</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(250)</b>
<b>Fund balance, beginning of year</b>	<b>801</b>	<b>(3)</b>	<b>(531)</b>	<b>-</b>	<b>-</b>	<b>250</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ (531)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<b>RIDE Project Recruit 278</b>	<b>IDEA Sec. 619 279</b>	<b>Music Drives Us - Jenks 281</b>	<b>Evaluations of Safe Dates 282</b>	<b>Title IV 21st Century COH 283</b>	<b>Junior High Sports 284</b>
<b>REVENUES:</b>						
Operating grants and contributions	\$ -	\$ 84,218	\$ -	\$ -	\$ 225,000	\$ 15,000
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>84,218</b>	<b>-</b>	<b>-</b>	<b>225,000</b>	<b>15,000</b>
<b>EXPENDITURES:</b>						
Education	12,800	84,218	4	500	225,001	8,612
<b>Total expenditures</b>	<b>12,800</b>	<b>84,218</b>	<b>4</b>	<b>500</b>	<b>225,001</b>	<b>8,612</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(12,800)</b>	<b>-</b>	<b>(4)</b>	<b>(500)</b>	<b>(1)</b>	<b>6,388</b>
<b>Fund balance, beginning of year</b>	<b>12,701</b>	<b>-</b>	<b>4</b>	<b>500</b>	<b>-</b>	<b>7,078</b>
<b>Fund balance, end of year</b>	<b>\$ (99)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ 13,466</b>

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	JMW Kennedy Grant 288	Adult Ed - COZ 289	Legislative Start w/Arts 290	Homeland Security Grant 291	Cunningham Yellow Bus 292	PEASPS 294
<b>REVENUES:</b>						
Operating grants and contributions	\$ 48,942	\$ 6,832	\$ -	\$ 40,000	\$ 3,600	\$ -
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>48,942</b>	<b>6,832</b>	<b>-</b>	<b>40,000</b>	<b>3,600</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Education	20,706	14,316	5,428	40,000	5,139	410
<b>Total expenditures</b>	<b>20,706</b>	<b>14,316</b>	<b>5,428</b>	<b>40,000</b>	<b>5,139</b>	<b>410</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>28,236</b>	<b>(7,484)</b>	<b>(5,428)</b>	<b>-</b>	<b>(1,539)</b>	<b>(410)</b>
<b>Fund balance, beginning of year</b>	<b>(28,236)</b>	<b>12,512</b>	<b>5,428</b>	<b>12,729</b>	<b>1,539</b>	<b>410</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 5,028</b>	<b>\$ -</b>	<b>\$ 12,729</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**School Restricted Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Title I School Improvement 295	Pepsi Scholarship Fund 296	RI Council on Arts - Tolman 297	Legislative Grant Slater 298	Special Revenue Funds - School TOTAL
<b>REVENUES:</b>					
Operating grants and contributions	\$ -	\$ -	\$ -	\$ 2,500	\$ 13,502,776
Charges for services	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>13,502,776</b>
<b>EXPENDITURES:</b>					
Education	-	2,000	260	2,500	13,482,863
<b>Total expenditures</b>	<b>-</b>	<b>2,000</b>	<b>260</b>	<b>2,500</b>	<b>13,482,863</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(2,000)</b>	<b>(260)</b>	<b>-</b>	<b>19,913</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>10,500</b>	<b>260</b>	<b>-</b>	<b>238,033</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 8,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 257,946</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Capital Projects Funds**  
**June 30, 2013**

	Construction Bond 400	CH 44/51 PL2008 Streets & Sidewalks 408	CH34/44 PL2010 Streets & Sidewalks 413	CH 37/46 PL2006 Renovate & Improve Public Building 420	CH 34/43 PL2008 Renovate & Improve Public Building 426	CH 52/40 PL 2008 Renovate & Equip Recreation 430	CH 37/45 PL 2010 Renovate & Equip Recreation 431
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 480	\$ 481,662	\$ 10,122	\$ 180,998	\$ 358,970	\$ 600,000
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 480</b>	<b>\$ 481,662</b>	<b>\$ 10,122</b>	<b>\$ 180,998</b>	<b>\$ 358,970</b>	<b>\$ 600,000</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 13,569	\$ -	\$ -	\$ 3,153	\$ -
Due to other funds	-	-	-	-	-	-	-
Notes payable	-	500,000	1,000,000	-	350,000	300,000	600,000
Accrued salaries	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>500,000</b>	<b>1,013,569</b>	<b>-</b>	<b>350,000</b>	<b>303,153</b>	<b>600,000</b>
<b>FUND BALANCE</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	-	-	-	10,122	-	55,817	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(499,520)	(531,907)	-	(169,002)	-	-
<b>Total fund balance</b>	<b>-</b>	<b>(499,520)</b>	<b>(531,907)</b>	<b>10,122</b>	<b>(169,002)</b>	<b>55,817</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 480</b>	<b>\$ 481,662</b>	<b>\$ 10,122</b>	<b>\$ 180,998</b>	<b>\$ 358,970</b>	<b>\$ 600,000</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Capital Projects Funds**  
**June 30, 2013**

	CH 123/146 PL 2006 Renovate & Equip Recreation 435	CH 35/43 PL2010 Sewer & Sanitary System 450	CH 35/53 PL2008 Sewer & Sanitary System 451	CH 35/145 PL2006 Sewer & Sanitary System 452	CH 290 PL2002 Renovate & Equip School Building 460	CH 79 PL2004 Renovate & Equip School Building 461	CH 38/49 PL2006 Renovate & Equip School Building 462
<b>ASSETS</b>							
Cash and cash equivalents	\$ 33,349	\$ 239,251	\$ -	\$ -	\$ 24,069	\$ 11,799	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 33,349</b>	<b>\$ 239,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,069</b>	<b>\$ 11,799</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 166,681	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Notes payable	-	300,000	150,000	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>466,681</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	33,349	-	-	-	24,069	11,799	-
Committed							
Assigned							
Unassigned		(227,430)	(150,000)	-	-	-	-
<b>Total fund balance</b>	<b>33,349</b>	<b>(227,430)</b>	<b>(150,000)</b>	<b>-</b>	<b>24,069</b>	<b>11,799</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 33,349</b>	<b>\$ 239,251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,069</b>	<b>\$ 11,799</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Capital Projects Funds**  
**June 30, 2013**

	<b>CH270/426 PL2008</b>	<b>CH38/33 PL2010</b>	<b>CH 39/50 PL2006</b>	<b>CH 39/42 PL2010</b>	<b>CH 33/41 PL2008</b>	<b>CH 35/45 PL2008</b>	<b>CH 46/48 PL2010</b>
	<b>Renovate &amp; Equip</b>	<b>Renovate &amp; Equip</b>	<b>Road &amp;</b>	<b>Road &amp;</b>	<b>Road &amp;</b>	<b>Highway</b>	<b>Highway</b>
	<b>School Building</b>	<b>School Building</b>	<b>Traffic</b>	<b>Traffic</b>	<b>Traffic</b>	<b>Bridges</b>	<b>Bridges</b>
	<b>466</b>	<b>467</b>	<b>472</b>	<b>473</b>	<b>474</b>	<b>478</b>	<b>479</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 129,802	\$ 2,769,500	\$ 32,733	\$ 200,000	\$ 200,000	\$ 50,259	\$ 200,000
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 129,802</b>	<b>\$ 2,769,500</b>	<b>\$ 32,733</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 50,259</b>	<b>\$ 200,000</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 255,563	\$ 1,620	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Notes payable	1,500,000	3,000,000	-	200,000	100,000	100,000	200,000
Accrued salaries	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,500,000</b>	<b>3,255,563</b>	<b>1,620</b>	<b>200,000</b>	<b>100,000</b>	<b>100,000</b>	<b>200,000</b>
<b>FUND BALANCE</b>							
Non-Spendable							
Restricted	-		31,113	-	100,000	-	-
Committed							
Assigned							
Unassigned	(1,370,198)	(486,063)	-	-	-	(49,741)	-
<b>Total fund balance</b>	<b>(1,370,198)</b>	<b>(486,063)</b>	<b>31,113</b>	<b>-</b>	<b>100,000</b>	<b>(49,741)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 129,802</b>	<b>\$ 2,769,500</b>	<b>\$ 32,733</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 50,259</b>	<b>\$ 200,000</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Capital Projects Funds**  
**June 30, 2013**

	<b>RIDEM Land Acquisition 808</b>	<b>Newman Crosby Soccer Complex 812</b>	<b>State Preservation Grant 835</b>	<b>Healthy Places By Design 840</b>	<b>State Pier Town Landing 841</b>	<b>Galego Court Soccer Field 844</b>	<b>Preserve America 845</b>	<b>Energy Effic. &amp; Conserv BG 847</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 7,084	\$ 125	\$ 18,295	\$ -	\$ 25,926	\$ -	\$ -
Investments		-	-	-	-	-	-	-
Accounts receivable	3,500	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,500</b>	<b>\$ 7,084</b>	<b>\$ 125</b>	<b>\$ 18,295</b>	<b>\$ -</b>	<b>\$ 25,926</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,500	-	-	-	-	-	81	14,394
Notes payable	-	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>14,394</b>
<b>FUND BALANCE</b>								
Non-Spendable								
Restricted	-	7,084	125	18,295	-	25,926	-	(14,394)
Committed								
Assigned								
Unassigned	-	-	-	-	-	-	(81)	-
<b>Total fund balance</b>	<b>-</b>	<b>7,084</b>	<b>125</b>	<b>18,295</b>	<b>-</b>	<b>25,926</b>	<b>(81)</b>	<b>(14,394)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 3,500</b>	<b>\$ 7,084</b>	<b>\$ 125</b>	<b>\$ 18,295</b>	<b>\$ -</b>	<b>\$ 25,926</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Capital Projects Funds**  
**June 30, 2013**

	River Corridor Dev. Plan 848	Friendship Gardens Improv 849	ST-Pier Brownfields 853	Leap 1 Federal and State 856	Leap 2 State 857	Lease FY 2005 895	Lease FY 2009 899	Capital Projects Funds TOTALS
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,574,424
Investments			-	-				-
Accounts receivable	30,636	14,034	5,179	-	-	-	18,332	71,681
<b>Total assets</b>	<b>\$ 30,636</b>	<b>\$ 14,034</b>	<b>\$ 5,179</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,332</b>	<b>\$ 5,646,105</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 17,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	457,914
Due to other funds	13,308	5,594	5,747	17,443	27,429			87,496
Notes payable	-	-	-	-	-			8,300,000
Accrued salaries	-	-	-	-	-			-
<b>Total liabilities</b>	<b>30,636</b>	<b>5,594</b>	<b>5,747</b>	<b>17,443</b>	<b>27,429</b>	<b>-</b>	<b>-</b>	<b>8,845,410</b>
<b>FUND BALANCE</b>								
Non-Spendable								-
Restricted	-	8,440	-		-		18,332	330,077
Committed								-
Assigned								-
Unassigned	-	-	(568)	(17,443)	(27,429)	-	-	(3,529,382)
<b>Total fund balance</b>	<b>-</b>	<b>8,440</b>	<b>(568)</b>	<b>(17,443)</b>	<b>(27,429)</b>	<b>-</b>	<b>18,332</b>	<b>(3,199,305)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 30,636</b>	<b>\$ 14,034</b>	<b>\$ 5,179</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,332</b>	<b>\$ 5,646,105</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Capital Projects Funds**  
**For the year ended June 30, 2013**

	Construction Bond 400	CH 44/51 PL2008 Streets & Sidewalks 408	CH34/44 PL2010 Streets & Sidewalks 413	CH 37/46 PL2006 Renovate & Improve Public Building 420	CH 34/43 PL2008 Renovate & Improve Public Building 426	CH 52/40 PL 2008 Renovate & Equip Recreation 430	CH 37/45 PL 2010 Renovate & Equip Recreation 431
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-	-	-	-
<b>EXPENDITURES:</b>							
Legislative	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-
Public safety	-	-	-	1,319	-	-	-
Public works	-	438	407,793	-	(1,329)	222,746	-
Education	-	-	-	-	-	-	-
<b>Total expenditures</b>	-	438	407,793	1,319	(1,329)	222,746	-
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	-	(438)	(407,793)	(1,319)	1,329	(222,746)	-
<b>Other financing sources (uses):</b>							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	-	(438)	(407,793)	(1,319)	1,329	(222,746)	-
<b>Fund balance, beginning of year</b>	-	(499,082)	(124,114)	11,441	(170,331)	278,563	-
<b>Fund balance, end of year</b>	\$ -	\$ (499,520)	\$ (531,907)	\$ 10,122	\$ (169,002)	\$ 55,817	\$ -

(Continued)



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Capital Projects Funds**  
**For the year ended June 30, 2013**

	CH 123/146 PL 2006 Renovate & Equip Recreation 435	CH 35/43 PL2010 Sewer & Sanitary System 450	CH 35/53 PL2008 Sewer & Sanitary System 451	CH 35/145 PL2006 Sewer & Sanitary System 452	CH 290 PL2002 Renovate & Equip School Building 460	CH 79 PL2004 Renovate & Equip School Building 461	CH 38/49 PL2006 Renovate & Equip School Building 462
<b>REVENUES:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>							
Legislative	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	212,640	-	429	-	-	-
Education	-	-	-	-	-	-	(146,695)
<b>Total expenditures</b>	<b>-</b>	<b>212,640</b>	<b>-</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>(146,695)</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>-</b>	<b>(212,640)</b>	<b>-</b>	<b>(429)</b>	<b>-</b>	<b>-</b>	<b>146,695</b>
<b>Other financing sources (uses):</b>							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>-</b>	<b>(212,640)</b>	<b>-</b>	<b>(429)</b>	<b>-</b>	<b>-</b>	<b>146,695</b>
<b>Fund balance, beginning of year</b>	<b>33,349</b>	<b>(14,790)</b>	<b>(150,000)</b>	<b>429</b>	<b>24,069</b>	<b>11,799</b>	<b>(146,695)</b>
<b>Fund balance, end of year</b>	<b>\$ 33,349</b>	<b>\$ (227,430)</b>	<b>\$ (150,000)</b>	<b>\$ -</b>	<b>\$ 24,069</b>	<b>\$ 11,799</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Capital Projects Funds**  
**For the year ended June 30, 2013**

	CH270/426 PL2008 Renovate & Equip School Building 466	CH38/33 PL2010 Renovate & Equip School Building 467	CH 39/50 PL2006 Road & Traffic 472	CH 39/42 PL2010 Road & Traffic 473	CH 33/41 PL2008 Road & Traffic 474	CH 35/45 PL2008 Highway Bridges 478	CH 46/48 PL2010 Highway Bridges 479	RIDEM Land Acquisition 808
<b>REVENUES:</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>								
Legislative	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	35,482	-	-	275	-	-
Education	22,888	486,063	-	-	-	-	-	-
<b>Total expenditures</b>	<b>22,888</b>	<b>486,063</b>	<b>35,482</b>	<b>-</b>	<b>-</b>	<b>275</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>(22,888)</b>	<b>(486,063)</b>	<b>(35,482)</b>	<b>-</b>	<b>-</b>	<b>(275)</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>(22,888)</b>	<b>(486,063)</b>	<b>(35,482)</b>	<b>-</b>	<b>-</b>	<b>(275)</b>	<b>-</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>(1,347,310)</b>	<b>-</b>	<b>66,595</b>	<b>-</b>	<b>100,000</b>	<b>(49,466)</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ (1,370,198)</b>	<b>\$ (486,063)</b>	<b>\$ 31,113</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ (49,741)</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Capital Projects Funds**  
**For the year ended June 30, 2013**

	Newman Crosby Soccer Complex 812	State Preservation Grant 835	Healthy Places By Design 840	State Pier Town Landing 841	Galego Court Soccer Field 844	Preserve 0 845	Energy Effic. & Conserv BG 847	River Corridor Dev. Plan 848
<b>REVENUES:</b>								
Intergovernmental	\$ -	\$ -	\$ 45,573	\$ 14,049	\$ -	\$ -	\$ 272,960	\$ 93,264
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>45,573</b>	<b>14,049</b>	<b>-</b>	<b>-</b>	<b>272,960</b>	<b>93,264</b>
<b>EXPENDITURES:</b>								
Legislative	-	-	-	-	-	-	-	-
Planning	-	-	12,127	2,941	-	-	90,794	93,264
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>12,127</b>	<b>2,941</b>	<b>-</b>	<b>-</b>	<b>90,794</b>	<b>93,264</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>33,446</b>	<b>11,108</b>	<b>-</b>	<b>-</b>	<b>182,166</b>	<b>-</b>
<b>Other financing sources (uses):</b>								
Transfers from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>-</b>	<b>-</b>	<b>33,446</b>	<b>11,108</b>	<b>-</b>	<b>-</b>	<b>182,166</b>	<b>-</b>
<b>Fund balance, beginning of year</b>	<b>7,084</b>	<b>125</b>	<b>(15,151)</b>	<b>(11,108)</b>	<b>25,926</b>	<b>(81)</b>	<b>(196,560)</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 7,084</b>	<b>\$ 125</b>	<b>\$ 18,295</b>	<b>\$ -</b>	<b>\$ 25,926</b>	<b>\$ (81)</b>	<b>\$ (14,394)</b>	<b>\$ -</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Capital Projects Funds**  
**For the year ended June 30, 2013**

	Friendship Gardens Improv 849	ST-Pier Brownfields 853	Leap 1 Federal and State 856	Leap 2 State 857	Lease FY 2005 895	Lease FY 2009 899	Capital Projects Funds TOTALS
<b>REVENUES:</b>							
Intergovernmental	\$ 14,034	\$ 82,964	\$ 202,542	\$ -	\$ -	\$ -	725,386
<b>Total revenues</b>	<b>14,034</b>	<b>82,964</b>	<b>202,542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>725,386</b>
<b>EXPENDITURES:</b>							
Legislative	-	-	-	-	-	-	-
Planning	1,455	69,969	69,046	-	-	-	339,596
Public safety	-	-	-	-	-	-	1,319
Public works	-	-	-	-	-	-	878,474
Education	-	-	-	-	-	-	362,256
<b>Total expenditures</b>	<b>1,455</b>	<b>69,969</b>	<b>69,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,581,645</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>12,579</b>	<b>12,995</b>	<b>133,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(856,259)</b>
<b>Other financing sources (uses):</b>							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(1,246)	-	(1,246)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,246)</b>	<b>-</b>	<b>(1,246)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>12,579</b>	<b>12,995</b>	<b>133,496</b>	<b>-</b>	<b>(1,246)</b>	<b>-</b>	<b>(857,505)</b>
<b>Fund balance, beginning of year</b>	<b>(4,139)</b>	<b>(13,563)</b>	<b>(150,939)</b>	<b>(27,429)</b>	<b>1,246</b>	<b>18,332</b>	<b>(2,341,800)</b>
<b>Fund balance, end of year</b>	<b>\$ 8,440</b>	<b>\$ (568)</b>	<b>\$ (17,443)</b>	<b>\$ (27,429)</b>	<b>\$ -</b>	<b>\$ 18,332</b>	<b>\$ (3,199,305)</b>

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Permanent Funds**  
**June 30, 2013**

	<b>Pawtucket Tricentennial 142</b>	<b>Library Zucker Trust 170</b>	<b>Library Little Acorn Trust 172</b>	<b>Library Caidin Trust 177</b>	<b>Community Service Library 180</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	8,756	22,399	436,842	81,167	19,929
Notes receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 8,756</b>	<b>\$ 22,399</b>	<b>\$ 436,842</b>	<b>\$ 81,167</b>	<b>\$ 19,929</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenditures	-	-	-	-	-
Due to other funds	60	894	-	2,591	-
<b>Total liabilities</b>	<b>60</b>	<b>894</b>	<b>-</b>	<b>2,591</b>	<b>-</b>
<b>FUND BALANCE</b>					
Non-Spendable	8,696	21,505	436,842	78,576	19,929
Restricted					
Committed					
Assigned					
Unassigned	-	-	-	-	-
<b>Total fund balance</b>	<b>8,696</b>	<b>21,505</b>	<b>436,842</b>	<b>78,576</b>	<b>19,929</b>
<b>Total liabilities and fund balance</b>	<b>\$ 8,756</b>	<b>\$ 22,399</b>	<b>\$ 436,842</b>	<b>\$ 81,167</b>	<b>\$ 19,929</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental - Permanent Funds**  
**June 30, 2013**

	<b>Citizens Committee PPL 181</b>	<b>Gerald Burns Fund 194</b>	<b>Cemetery Perpetual Care 708</b>	<b>Cemetery Improvement 709</b>	<b>Leon Mathieu Donations 827</b>	<b>Permanent Funds TOTALS</b>
<b>ASSETS</b>						
Cash	\$ 10	\$ -	\$ 38,801	\$ 84,706	\$ 3,187	\$ 126,704
Investments	19,995	17,463	-	-	-	606,551
Notes receivable	-	-	310,000	-	-	310,000
<b>Total assets</b>	<b>\$ 20,005</b>	<b>\$ 17,463</b>	<b>\$ 348,801</b>	<b>\$ 84,706</b>	<b>\$ 3,187</b>	<b>\$ 1,043,255</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 34	\$ 9	\$ -	\$ 128	\$ 171
Accrued expenditures	-	-	-	-	44	44
Due to other funds	-	36	-	-	-	3,581
<b>Total liabilities</b>	<b>-</b>	<b>70</b>	<b>9</b>	<b>-</b>	<b>172</b>	<b>3,796</b>
<b>FUND BALANCE</b>						
Non-Spendable	20,005	17,393	348,792	84,706	3,015	1,039,459
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>20,005</b>	<b>17,393</b>	<b>348,792</b>	<b>84,706</b>	<b>3,015</b>	<b>1,039,459</b>
<b>Total liabilities and fund balance</b>	<b>\$ 20,005</b>	<b>\$ 17,463</b>	<b>\$ 348,801</b>	<b>\$ 84,706</b>	<b>\$ 3,187</b>	<b>\$ 1,043,255</b>

(Concluded)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Permanent Funds**  
**For the year ended June 30, 2013**

	Pawtucket Tercentennial 142	Library Zucker Trust 170	Library Little Acorn Trust 172	Library Caidin Trust 177	Library Quota Trust 178	Community Service Library 180
<b>REVENUES:</b>						
Investment income	\$ 1,034	\$ 2,265	\$ 49,093	\$ 8,210	\$ -	\$ 2,015
Charges for services	-	-	-	-	-	-
<b>Total revenues</b>	<b>1,034</b>	<b>2,265</b>	<b>49,093</b>	<b>8,210</b>	<b>-</b>	<b>2,015</b>
<b>EXPENDITURES:</b>						
Legislative	-	894	460	2,562	-	-
Planning	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>894</b>	<b>460</b>	<b>2,562</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>1,034</b>	<b>1,371</b>	<b>48,633</b>	<b>5,648</b>	<b>-</b>	<b>2,015</b>
<b>Other financing sources (uses):</b>						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	(17,348)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(17,348)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>1,034</b>	<b>1,371</b>	<b>31,285</b>	<b>5,648</b>	<b>-</b>	<b>2,015</b>
<b>Fund balance, beginning of year</b>	<b>7,662</b>	<b>20,134</b>	<b>405,557</b>	<b>72,928</b>	<b>-</b>	<b>17,914</b>
<b>Fund balance, end of year</b>	<b>\$ 8,696</b>	<b>\$ 21,505</b>	<b>\$ 436,842</b>	<b>\$ 78,576</b>	<b>\$ -</b>	<b>\$ 19,929</b>

(Continued)

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Combining Statement of Revenues, Expenses and Changes in Fund Balances**  
**Non-Major Governmental - Permanent Funds**  
**For the year ended June 30, 2013**

	Citizens Committee PPL 181	Gerald Burns Fund 194	Cemetery Perpetual Care 708	Cemetery Improvement 709	Leon Mathieu Donations 827	Permanent Funds TOTALS
<b>REVENUES:</b>						
Investment income	\$ 2,022	\$ 1,766	\$ 257	\$ 227	\$ -	\$ 66,889
Charges for services	-	-	-	175	11,590	11,765
<b>Total revenues</b>	<b>2,022</b>	<b>1,766</b>	<b>257</b>	<b>402</b>	<b>11,590</b>	<b>78,654</b>
<b>EXPENDITURES:</b>						
Legislative	-	70	-	-	24,758	28,744
Planning	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	1,332	-	-	1,332
Education	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>70</b>	<b>1,332</b>	<b>-</b>	<b>24,758</b>	<b>30,076</b>
<b>Excess (deficiency) of revenues over expenditures before other financing sources (uses)</b>	<b>2,022</b>	<b>1,696</b>	<b>(1,075)</b>	<b>402</b>	<b>(13,168)</b>	<b>48,578</b>
<b>Other financing sources (uses):</b>						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	(17,348)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,348)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>2,022</b>	<b>1,696</b>	<b>(1,075)</b>	<b>402</b>	<b>(13,168)</b>	<b>31,230</b>
<b>Fund balance, beginning of year</b>	<b>17,983</b>	<b>15,697</b>	<b>349,867</b>	<b>84,304</b>	<b>16,183</b>	<b>1,008,229</b>
<b>Fund balance, end of year</b>	<b>\$ 20,005</b>	<b>\$ 17,393</b>	<b>\$ 348,792</b>	<b>\$ 84,706</b>	<b>\$ 3,015</b>	<b>\$ 1,039,459</b>



**City of Pawtucket, Rhode Island**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year ended June 30, 2013**

	Beginning Balance July 1, 2012	Additions	Deductions	Ending Balance June 30, 2013
<b><u>SCHOOL ACTIVITY FUNDS</u></b>				
<b><i>ASSETS</i></b>				
Cash	\$ 320,923	\$ 525,264	\$ 500,983	\$ 345,204
<b><i>LIABILITIES</i></b>				
Due to student groups	\$ 320,923	\$ 525,264	\$ 500,983	\$ 345,204

**STATISTICAL SECTION**

CITY OF PAWTUCKET, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

YEAR ENDED JUNE 30, 2013

**REAL ESTATE, MOTOR VEHICLE, AND PERSONAL PROPERTY TAXES**

Tax Roll Year	Balance, July 1, 2012	Current year assessment	Supplements	Abatements/ Adjustments	Amount to be collected	Collections	Adjustments to Tax Due	Balance, June 30, 2013
2012	\$ -	\$ 100,068,109	\$ -	\$ (658,804)	\$ 99,409,305	\$ (93,855,217)	\$ -	\$ 5,554,088
2011	5,339,746			(52,543)	5,287,203	(3,421,920)		1,865,283
2010	1,319,348			(36,932)	1,282,416	(443,331)		839,085
2009	502,782			(27,034)	475,748	(33,023)		442,725
2008	467,658			(18,353)	449,305	(26,586)		422,719
2007	388,428			(1,496)	386,932	(10,279)		376,653
2006	364,783			(2,863)	361,920	(8,303)		353,617
2005	420,206			(3,442)	416,764	(7,991)		408,773
2004	443,067			(1,285)	441,782	(5,386)		436,396
2003 & prior	504,029			(486,893)	17,136	(4,670)		12,466
	<u>\$ 9,750,047</u>	<u>\$ 100,068,109</u>	<u>\$ -</u>	<u>\$ (1,289,645)</u>	<u>\$ 108,528,511</u>	<u>\$ (97,816,706)</u>	<u>\$ -</u>	<u>\$ 10,711,805</u>

**Schedule of Net Assessed Property, Value by Category:**

Description of Property	Valuations		Levy July 1, 2012	Reconciliation of Current Year Property Tax Revenue	
	December 31, 2011	July 1, 2012			
Real property	\$ 3,301,816,350	\$ 79,593,209		Current year collections	\$ 97,816,706
Motor vehicles	281,926,102	14,480,956		Reserve collected within 60 days subsequent to fiscal 2013	1,229,192
Tangible	147,814,460	5,993,944			99,045,898
Total	3,731,556,912	100,068,109			
Exemptions	(134,387,338)	-		Prior year revenue received in current year	(975,377)
Net Assessed value	<u>\$ 3,597,169,574</u>	<u>\$ 100,068,109</u>		Current year property tax revenue	<u>\$ 98,070,521</u>

**CITY OF PAWTUCKET, RHODE ISLAND  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2013**

Gross assessed value	\$ 3,731,556,912
Less: exempt property	(134,387,338)
Total taxable assessed value	<u>\$ 3,597,169,574</u>
Debt Limit - 3 percent of total assessed value	\$ 107,915,087
Amount of debt applicable to debt limit	(5,223,946)
<b>Legal debt margin</b>	<u><u>\$ 102,691,141</u></u>

**SINGLE AUDIT SECTION**



**Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by OMB Circular A-133**

The Honorable President and  
Members of City Council  
City of Pawtucket, Rhode Island  
Pawtucket, Rhode Island

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Pawtucket, Rhode Island (the City) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal programs based on our audit of the type of compliance requirements referred to above. 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**Independent Auditors' Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance Required by  
OMB Circular A-133 (Continued)**

Honorable President and Members of City Council  
City of Pawtucket, Rhode Island

***Auditors' Responsibility (Continued)***

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Basis for Qualified Opinion on National School Lunch Program***

As described in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding eligibility that are applicable to its National School Lunch Program as described in Item 2013-005. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

***Qualified Opinion on National School Lunch Program***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the National School Lunch Program for the year ended June 30, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

The City's response to the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Independent Auditors' Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance Required by  
OMB Circular A-133 (Continued)**

Honorable President and Members of City Council  
City of Pawtucket, Rhode Island

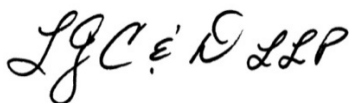
**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Providence, Rhode Island  
February 28, 2014



**CITY OF PAWTUCKET, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2013**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
<i>Passed Through State of Rhode Island Department of Education:</i>			
National School Lunch Program	10.555	N/A	\$ 3,700,879
Fresh Fruit & Vegetables Program	10.582	N/A	280,807
Emergency Watershed Protection Program	10.923	68-1535-12-01	46,380
<b>Total U.S. Department of Agriculture</b>			<u>4,028,066</u>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Direct Programs:</i>			
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-44-0002	58,847
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-44-0002	1,140,734
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-44-0002	106,818
Community Development Block Grants/State's program	14.228	11/38/01	20,000
Emergency Solutions Grant Program	14.231	E-11-MC-44-0002	51,532
Emergency Solutions Grant Program	14.231	E-12-MC-44-0002	120,017
Home Investment Partnerships Program	14.239	M-12-MC-44-0200	400,111
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,898,059</u>
<b>U.S. Department of the Interior National Park Service</b>			
<i>Passed through Blackstone River Valley National Heritage Corridor, Inc.:</i>			
National Heritage Area Federal Financial Assistance	15.939	CA BRVNHC 12-006	15,000
<b>Total U.S. Department of the Interior National Park Service</b>			<u>15,000</u>
<b>U.S. Department of Justice</b>			
<i>Direct Programs:</i>			
Recovery Act- Edward Bryne Memorial Justice Assistance Grant	16.804	2009-SB-B9-0396	30,445
Public Safety Partnership and Community Policing Grants	16.710	209-RKWX01732	500,844
Juvenile Mentoring Program	16.726	2010-JL-FX-0497	68,097
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1172	24,342
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2319	21,799
			<u>645,527</u>
<i>Passed through State of RI Governor's Justice Commission:</i>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		8,027
Enforcing Underage Drinking Laws Program	16.727	99JPF0044	9,746
			<u>17,773</u>
<b>Total U.S. Department of Justice</b>			<u>663,300</u>
<b>U.S. Department of Transportation</b>			
<i>Passed Through State of RI Department of Transportation:</i>			
Highway Planning and Construction	20.205	RI LEAP 1 Agreement	55,237
State and Community Highway Safety	20.600		47,384
<b>Total U.S. Department of Transportation</b>			<u>102,621</u>
<b>U.S. Department of Energy</b>			
<i>Passed through RI Office of Energy Resources:</i>			
Energy Efficiency and Conservation Block Grant Program	81.128	DE-SC0001994	90,794
<b>Total U.S. Department of Energy</b>			<u>90,794</u>

Continued

**CITY OF PAWTUCKET, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2013**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Education</b>			
<i>Direct Program:</i>			
Fund for the Improvement of Education	84.215K	U215K080240	\$ 20,706
<i>Passed through State Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010A	2725-11702-301	5,104,532
<i>Special Education Cluster:</i>			
Special Education - Grants to States	84.027A	1430-50500-701	2,544,302
Special Education - Grants to States	84.027A	1430-50500-701	5,000
Special Education - Preschool Grants	84.173A	1430-50800-701	84,218
			<u>2,633,520</u>
Race to the Top - ARRA	84.395A	4572-13502-various	1,889,850
Twenty-First Century Community Learning Centers	84.287C	Various	901,827
English Language Acquisition State Grants	84.365A	1420-54100-701	140,290
Improving Teacher Quality State Grants	84.367A	2725-16402-201	816,020
School Improvement Grants 1003(g)	84.377	2725-1162-various	620,051
School Improvement Grants 1003(a)	84.377	2725-11702-201	101,758
Career and Technical Education- Basic Grants to States	84.048A	Various	170,345
			<u>12,378,193</u>
<b>Total U.S. Department of Education</b>			<u>12,398,899</u>
<b>U.S. Environmental Protection Agency</b>			
<i>Passed through Passive Historic Park Program:</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF96136301	13,656
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	CA BF 9611701-0	5,094
<b>Total U.S. Environmental Protection Agency</b>			<u>18,750</u>
<b>U.S. Department of Health and Human Services</b>			
<i>Direct Program:</i>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services & Senior Centers	93.044	2009-21201032-340	41,274
<b>Total U.S. Department of Health and Human Services</b>			<u>41,274</u>
<b>U.S. Department of Homeland Security</b>			
<i>Passed through State of RI Emergency Management Agency:</i>			
State and Local Homeland Security National Training Program	97.005		1,494
State and Local Homeland Security National Training Program	97.005		9,266
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	4027 DR-RI	1,054
Homeland Security Grant Program	97.067		2,906
Homeland Security Grant Program	97.067	26-227EQ-FY2010 EMP	10,188
Buffer Zone Protection Program	97.078	26-103-FY09BZPP	65,092
			<u>90,000</u>
<i>Passed through Federal Emergency Management Agency:</i>			
Assistance to Firefighters Grant	97.044	EMW-2012-FO-05128	528,038
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2012-FH-00753	160,406
			<u>688,444</u>
<b>Total U.S. Department of Homeland Security</b>			<u>778,444</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 20,035,207</u>

See notes to schedule of expenditures of federal awards

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

1. Summary of significant accounting policies:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Pawtucket, Rhode Island (the City) 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 basic financial statements.

2. Matching requirements:

Certain federal programs require that the City contribute non-federal funds (matching funds) to support the federally-funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on this Schedule.



**Independent Auditors' Report on 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**

The Honorable President and  
Members of the City Council  
City of Pawtucket, Rhode Island  
Pawtucket, Rhode Island

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island (the City), and the related notes to the financial statements, which comprise the City's basic financial statements as of and for the year ended June 30, 2013, and have issued our report thereon dated February 28, 2014. Our report includes a reference to other auditors who audited the financial statements of the Pawtucket Business Development Corporation, a discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness and certain deficiencies we consider to be significant deficiencies.

**Independent Auditors' Report on 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 (Continued)**

The Honorable President and  
Members of the City Council  
City of Pawtucket, Rhode Island

**Internal Control over Financial Reporting (Continued)**

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item 2013-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Items 2013-002, 2013-003 and 2013-004 to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**The City's Responses to the Findings**

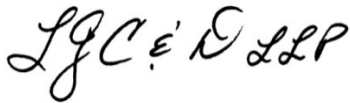
The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

**Independent Auditors' Report on 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 (Continued)**

The Honorable President and  
Members of the City Council  
City of Pawtucket, Rhode Island

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "LJC & D LLP". The letters are cursive and somewhat stylized.

Providence, Rhode Island  
February 28, 2014

CITY OF PAWTUCKET, RHODE ISLAND  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2013

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued:		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?	<u>  X  </u>	yes	<u>      </u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>  X  </u>	yes	<u>      </u>	no
Noncompliance material to financial statements noted?	<u>      </u>	yes	<u>  X  </u>	no

**Federal Awards**

Internal control over major programs:				
Material weakness(es) identified?	<u>      </u>	yes	<u>  X  </u>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>      </u>	yes	<u>  X  </u>	no
Type of auditors’ report issued on compliance for major programs:			Qualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>  X  </u>	yes	<u>      </u>	no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.555	National School Lunch Program
84.027A, 84.173A	Special Education Cluster
84.395A	ARRA Race to the Top
84.377	School Improvement Grants 1003
14.218	Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:		\$601,056		
Auditee qualified as low-risk auditee?	<u>      </u>	yes	<u>  X  </u>	no

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings**

**2013-001 Financial Reporting and Close Process (City-wide):**

**Financial Reporting and Close Process (City-wide):**

*Criteria:*

Accounting principles generally accepted in the United States of America (GAAP) mandate that management of the City (i) is responsible for the City's financial statements and external financial reporting; (ii) is responsible for the selection and implementation of appropriate accounting policies and internal controls; and (iii) possesses the ability to prepare financial statements, including disclosures and required supplementary information thereto, in accordance with generally accepted accounting principles applicable to governmental entities. Auditing standards generally accepted in the United States of America require the independent auditor to assess the City's ability to prepare financial statements, including disclosures and required supplementary information thereto, in accordance with generally accepted accounting principles applicable to governmental entities and to communicate that evaluation to "those charged with governance" within the government, generally the City Council.

*Condition:*

During our audit, we noted the following major items affecting the City's ability to properly record, summarize and report financial information:

- The City's Finance department maintains a series of funds detailing the School Department's balances and activity for the year. The School Department maintains an independent series of funds detailing the same information utilizing a separate general ledger software package. The City's current policies require periodic reconciliations of the balances and activity in the City's School Department funds to the School Department's independent funds. Due to the turnover in School Department finance staff during the year, the periodic reconciliations did not occur, causing delays in the audit preparation process and/or auditor rework.
- The City receives a material amount of federal awards and as such is subject to the Single Audit Act. As a result, the City is responsible for preparing a complete and accurate City-wide schedule of expenditures of federal awards (SEFA) for each fiscal year, detailing out the federal grant programs and the amounts expended for the year, from which an audit of compliance requirements is performed. The City was unable to prepare a complete and accurate SEFA for the fiscal year. Auditor adjustments to the City-prepared SEFA exceeded \$1 million, which created significant auditor rework within the single audit portion of the engagement.
- Many of the internal year-end closing procedures occurred concurrent with the audit fieldwork. During the course of audit fieldwork, management provided several journal entries for recording, and LGC&D proposed additional journal entries for recording, which significantly affected the balances being audited and caused auditor rework and/or delays in completing audit procedures.



CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings (Continued)**

**2013-001 Financial Reporting and Close Process (City-wide) (Continued):**

*Effect:*

The City was unable to prepare a complete and accurate SEFA for the fiscal year. Also, the conditions described above resulted in significant auditor rework and/or delays in completing audit procedures.

*Cause:*

Due to the turnover in School Department finance staff during the year, the periodic reconciliations of the balances and activity in the City's School Department funds to the School Department's independent funds did not occur. The turnover in the School Department, coupled with loss of staff in the City's finance office during the period of audit preparation, created a backlog in the audit preparation process that spilled over into audit fieldwork. Further, the management of federal awards is decentralized, creating difficulties in obtaining the necessary information to complete a City-wide Schedule of Expenditures of Federal Awards.

*Recommendations:*

In order to prepare a timely and accurate financial reporting package in accordance with GAAP, we recommend that:

- The City and School Department Finance departments review existing policies and procedures over recording of School Department balances and activity, as well as the different software utilized to do so, and determine how to best ensure that the balances and activity are complete and accurate. Specifically, a policy and procedure should be developed and implemented to perform a monthly “soft” close of the School Department's general ledger accounts, including reconciliations of material account balances and classes of transactions to source documents; as well as reconciling the School Department's general ledger/accounting system to the separate independent general ledger/accounting system for the School Department funds maintained by the City's Finance Department. These reconciliations should be performed by a person possessing the requisite technical skills, and reviewed by a person independent of the person performing them.
- The City review its policies and procedures over the recording of federal financial assistance and enhance the recordkeeping to ensure that information regarding all federal programs is maintained in a central location is included on the SEFA and in the correct amount. This may include identifying a program as “federal” within the name of the fund, or the creation of general ledger accounts to record expenditures made with federal funds.

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings (Continued)**

**2013-001 Financial Reporting and Close Process (City-wide) (Continued):**

*Recommendations (continued):*

- The City conclude the year-end closing process and record all necessary journal entries prior to the start of audit fieldwork, in a timeframe that allows sufficient time for audit completion and timely delivery of the audited financial statements to the State prior to the December 31 reporting deadline.

*Views of Responsible Officials and Planned Corrective Actions:*

The City and School Department are currently participating in a Statewide Request For Proposal for a single financial system to accommodate the City's chart of accounts format and the School Department's mandated chart of accounts format known as Uniform Chart of Accounts. The bid process is in the early stages and it is not known when we will be able to implement a new system. Both the City and the School Department are collaborating to streamline processes to improve internal controls and accuracy, and increase efficiencies.

While there has been continuous turnover in the School Department's finance office, the City and School Department finance personnel are reviewing the monthly reconciliation process and ensuring the appropriate procedures for a timely reconciliation between current software systems is implemented. Both the City and School Department will review and ensure that the balances and activity between the two systems reporting School Department financial data are complete and that all necessary journal entries are recorded prior to the commencement of audit fieldwork. Historically, there have been certain journal entries that have not been recorded in the City's books and records but instead were created and recorded by the prior auditors to facilitate the government-wide conversion or to more appropriately present the information within the financial statements. In the future, the City will compile these entries, along with supporting documentation, and provide them to the auditors for inclusion in the financial statements. Further, the City will consider the appropriateness of recording some or all of these entries in its books and records as part of the year-end closing procedures.

The City has historically provided its auditors with separate schedules of federal expenditures prepared by each employee responsible for managing federal programs (i.e., one for funds maintained by the municipal finance office, one for School Department funds, and one for HUD funds). The original schedule provided to the auditors inadvertently was missing the HUD funds. In the future, the City will compile a City-wide comprehensive schedule of expenditures of federal awards and will verify that all federal funds of the City, including School Department and HUD programs, are listed accurately.

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings (Continued)**

***2013-002 School Department Budget Amendments:***

*Criteria:*

The School Department has a policy that all proposed budget amendments be presented to and approved by the School Committee to ensure budget compliance and appropriate spending of taxpayer appropriations.

*Condition:*

We noted that School Committee meeting minutes evidencing approval of significant budget amendments during the year did not exist.

*Effect:*

Compliance with the authorized and approved budget is in question.

*Cause:*

There was turnover in the senior management at the School Department and the new hires were not aware of the procedures that were required.

*Recommendation:*

We recommend that the School Committee implement a process whereby it ensures all proposed budget amendments are presented to and authorized by the School Committee, as evidenced by inclusion of such authorization in meeting minutes. This might be accomplished by including “budget amendments” as a standing meeting agenda item and periodically reviewing the current budget amounts, as generated from the School Department’s accounting system, to the City Council-approved School Department budget.

*Views of Responsible Officials and Planned Corrective Actions:*

The School Department Chief Financial Officer will develop a formal policy for amending the School Department budget. The policy will include adding either “Budget Amendments” or “Budget Transfers” as a standard meeting agenda item.

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings (Continued)**

**2013-003 Capital Asset Reconciliation:**

*Criteria:*

Assets entered into the capital asset subsidiary ledgers must agree to the source documents supporting the cost of the capital asset.

*Condition:*

The review of the capital asset records may not be sufficient. Based on audit procedures performed, adjustments totaling approximately \$2.5 million to reconcile capital asset additions to actual costs incurred for 2013 were recorded and additional audit procedures were required to be performed.

*Effect:*

Adjustments totaling approximately \$2.5 million were needed to reconcile capital asset additions to actual costs incurred for 2013.

*Cause:*

When the assets were recorded in the capital asset system, an additional digit was mistakenly included and current procedures do not require a review of the capital asset records by a person independent of the person who is responsible for recording capital asset transactions.

*Recommendation:*

We recommend that the City review its procedures related to the maintenance of capital asset records and the provisions of its capitalization policy to ensure compliance with accounting standards and internal policies. The City should implement periodic reviews of the capital asset records that include reconciling the capital asset records to the general ledger and other source documents by a person who is independent of the person who is responsible for recording capital asset transactions.

*Views of Responsible Officials and Planned Corrective Actions:*

The adjustment to capital asset additions related to two new assets. When the assets were recorded in the capital asset system, an additional digit was mistakenly included. The City has implemented quarterly reviews of the capital asset records to be performed by one employee and reviewed by another.

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section II – Financial Statement Findings (Continued)**

**2013-004 Claims and Judgments:**

*Criteria:*

The recording of claims and judgments in accordance with GAAP requires an accrual of a liability in the government-wide financial statements when a loss is probable and the amount can be reasonably estimated, and in the fund financial statements when the amounts are due and payable.

*Condition:*

The City's recording of claims and judgments is not in accordance with GAAP, resulting in an overstatement of accrued expenses at June 30, 2013 in the amounts of \$265,000 and \$524,800 on the government-wide statement of net position and the General Fund balance sheet, respectively.

*Effect:*

At June 30, 2013 accrued expenses are overstated by \$265,000 and \$524,800 on the government-wide statement of net position and the General Fund balance sheet, respectively.

*Cause:*

The City utilizes the accrued legal liability to ensure it reserves for potential legal claims payable, even though the claim may not meet the criteria for accrual under GAAP.

*Recommendation:*

The City should consider implementing procedures to ensure that claims and judgments are recorded in accordance with GAAP, including holding regular meetings with the City's Solicitor to discuss open claims. In addition, the City could consider the use of commitments on fund balance if it wishes to set aside fund balance for future potential losses that do not meet the criteria for accrual under GAAP.

*Views of Responsible Officials and Planned Corrective Actions:*

The City's current policy for recording claims and judgments, which records a "reserve" or liability for those pending lawsuits that the City may ultimately have to pay after the end of a fiscal year, was created based on the recommendation of a previous auditor. The City will consider modifying its current policy to ensure compliance with GAAP and consider the use of commitments on fund balance to set aside fund balance for future potential losses that do not meet the criteria for accrual under GAAP.

CITY OF PAWTUCKET, RHODE ISLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2013

**Section III – Federal Award Findings and Questioned Costs**

**2013-005 National School Lunch Program (CFDA # 10.555):**

*Criteria:*

Students wishing to be considered for eligibility for free or reduced food services must complete an application identifying household income and submit it to the School Department.

*Condition:*

The School Department receives federal funding to assist students with providing free and reduced school lunch and breakfast. At the beginning of the school year, the Pawtucket School Department distributes applications to students who would like to apply for free or reduced food services. These applications are received and processed by the School Department and various schools' administration to determine which students are eligible to receive free or reduced lunch. During our audit, we noted that the list of students receiving free or reduced food services had some inaccuracies and some of the applications selected for testing were missing and thus unavailable for testing eligibility. The results of our testing identified that ineligible students may be receiving free or reduced food services.

*Effect:*

Ineligible students may be receiving free or reduced food services.

*Cause:*

The application process is managed at individual schools within the School Department and no one employee/consultant has oversight responsibility to ensure compliance.

*Recommendation:*

We recommend that management of the School Department revise its policies and procedures to ensure that all student applications are kept on file for each student that is receiving free or reduced food services and that an accurate and complete listing of all students receiving assistance is maintained. Management of the School Department should consider implementing a periodic review, on a test basis, by a person independent of the process, to ensure the activities are being performed.

*Views of Responsible Officials and Planned Corrective Actions:*

Beginning in fiscal year 2014, the application process for determining eligibility of free and reduced lunch students has been centralized within the food service department. Applications received from students at school locations are sent to the food service office by school staff. A food service employee is responsible for entering students' applications, verification and filing all documentation in a secure location.

## CITY OF PAWTUCKET, RHODE ISLAND

City Hall, 137 Roosevelt Ave  
Pawtucket, RI 02860  
(401) 728-0500

### **CORRECTIVE ACTION PLAN**

Name of auditee: City of Pawtucket, Rhode Island  
Audit Firm: LGC&D LLP  
Audit Period: Year ended June 30, 2013

Prepared by: Joanna L'Heureux, CPA  
Position: Director of Finance  
Telephone number: 401-728-0500

#### ***2013-001 Financial Reporting and Close Process (City-wide):***

##### *Finding:*

The periodic reconciliation of the balances and activity in the City's School Department funds to the School Department's independent funds did not take place during the fiscal year. In addition, the City was unable to prepare a complete and accurate schedule of expenditures of federal awards for the fiscal year. Lastly, many of the internal year-end closing procedures occurred concurrent with the audit fieldwork creating adjustments and audit inefficiencies.

##### *Corrective Actions Taken or Planned:*

The City and School Department are currently participating in a Statewide Request For Proposal for a single financial system to accommodate the City's chart of accounts format and the School's mandated chart of accounts format known as Uniform Chart of Accounts. The bid process is in the early stages and it is not known when we will be able to implement a new system. Both the City and the School are collaborating together to streamline processes to improve internal controls and accuracy, and increase efficiencies.

While there has been continuous turnover in the School Department's finance office, we (school and city finance offices) are reviewing the monthly reconciliation process and ensuring we implement the appropriate procedures for a timely reconciliation between current software systems. Both the City and School Department will review and ensure that the balances and activity are complete and accurate in the future.

The City is reviewing all of its current funds to ensure they are all coded properly and has adopted new procedures before any new funds are created to ensure that all federal programs are included on the schedule of expenditures of federal awards.

## **CORRECTIVE ACTION PLAN (CONTINUED)**

### ***2013-002 School Department Budget Amendments:***

#### *Finding:*

The School Department has a policy that all proposed budget amendments be presented to and approved by the School Committee to ensure budget compliance and appropriate spending of taxpayer appropriations. We noted that School Committee meeting minutes evidencing approval of significant budget amendments during the year did not exist.

#### *Corrective Actions Taken or Planned:*

The School Department Chief Financial Officer will develop a formal policy for amending the School Department budget. The policy will include adding either “Budget Amendments” or “Budget Transfers” as a standard meeting agenda item.

### ***2013-003 Capital Asset Reconciliation:***

#### *Finding:*

The review of the capital asset records may not be sufficient. Based on audit procedures performed, adjustments totaling approximately \$2.5 million to reconcile capital asset additions to actual costs incurred for 2013 were recorded and additional audit procedures were required to be performed.

#### *Corrective Actions Taken or Planned:*

The adjustment to capital asset additions related to two new assets. When the assets were recorded in the capital asset system, an additional digit was mistakenly included. The City has implemented quarterly reviews of the capital asset records to be performed by one employee and reviewed by another.

### ***2013-004 Claims and Judgments:***

#### *Finding:*

The City’s recording of claims and judgments is not in accordance with GAAP, resulting in an overstatement of accrued expenses at June 30, 2013.

#### *Corrective Actions Taken or Planned:*

The City’s current policy for recording claims and judgments, which records a “reserve” or liability for those pending lawsuits that the City may ultimately have to pay after the end of a fiscal year, was created based on the recommendation of a previous auditor. The City will consider modifying its current policy to ensure compliance with GAAP and consider the use of commitments on fund balance to set aside fund balance for future potential losses that do not meet the criteria for accrual under GAAP.



## **CORRECTIVE ACTION PLAN (CONTINUED)**

### ***2013-005 National School Lunch Program (CFDA # 10.555):***

#### ***Finding:***

The documentation supporting eligibility for participation in the Program is not being consistently maintained in the School Department's files.

#### ***Corrective Actions Taken or Planned:***

Beginning in fiscal year 2014, the application process for determining eligibility of free and reduced lunch students has been centralized within the food service department. Applications received from students at school locations are sent to the food service office by school staff. A food service employee is responsible for entering students' applications, verification and filing all documentation in a secure location.