

City of Pawtucket Rhode Island



Pawtucket

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**Basic Financial Statements
And Required Supplementary Information
Fiscal Year Ended June 30, 2016**

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

**Donald R. Grebien
Mayor**



**Joanna L'Heureux
Finance Director**

Prepared by Finance Department

CITY OF PAWTUCKET, RHODE ISLAND

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CITY OF PAWTUCKET, RHODE ISLAND

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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, 2016

CITY COUNCIL

DAVID P. MORAN, PRESIDENT

THOMAS E. HODGE

SANDRA C. CANO

JOHN J. BARRY III

TERENCE MERCER

TIMOTHY RUDD

LORENZO TETREALT

MARY E. BRAY

MARK J. WILDENHAIN

MAYOR

DONALD R. GREBIEN

DIRECTOR OF ADMINISTRATION

ANTONIO J. PIRES

FINANCE DEPARTMENT

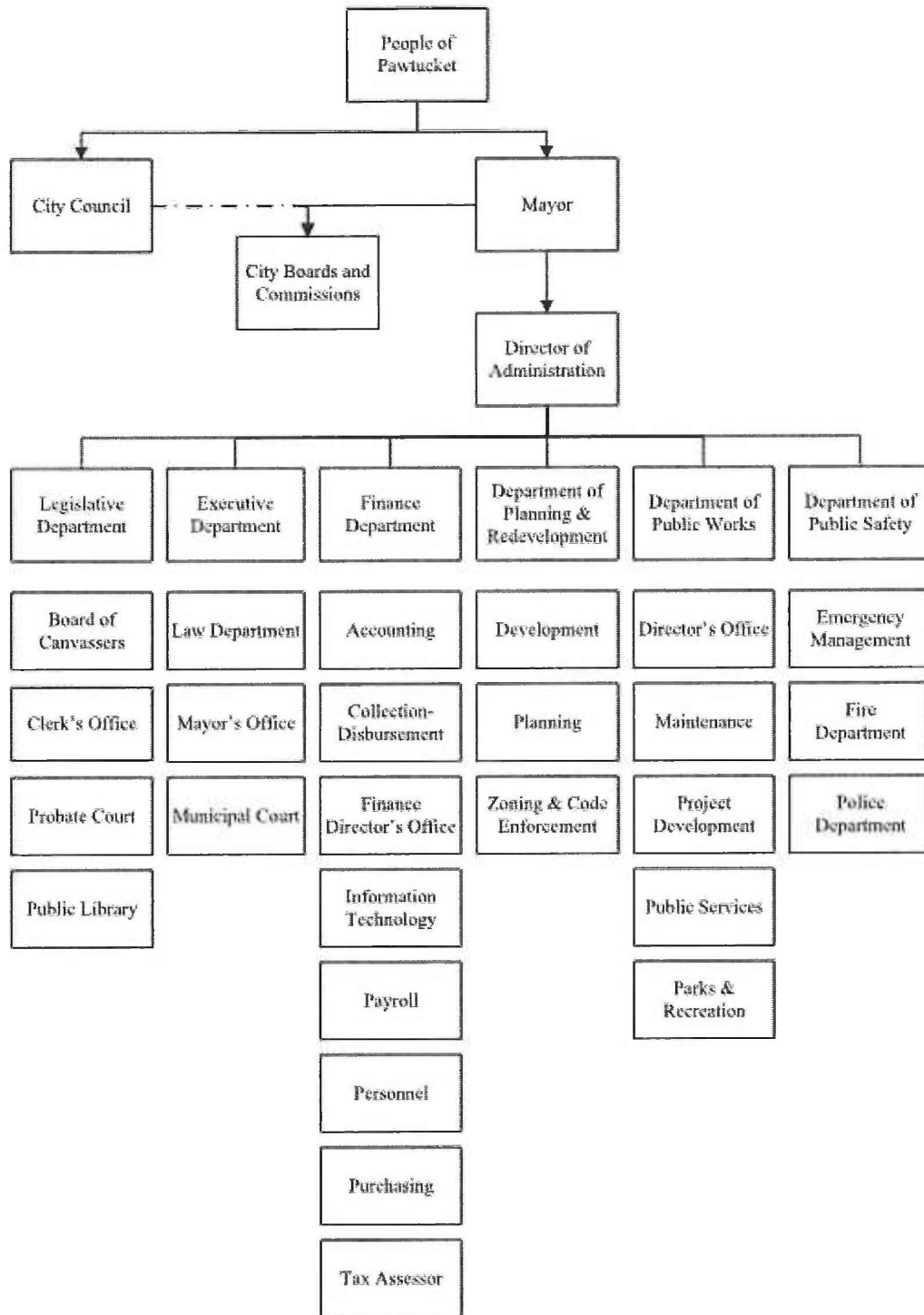
JOANNA L'HEUREUX, FINANCE DIRECTOR

JEANNINE BOURSKI, DEPUTY FINANCE DIRECTOR

SHAUN STROBEL, TREASURER / 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

To the Honorable President and
Members of City Council
City of 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 fiscal year ended June 30, 2016, 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 Pawtucket Business Development Corporation (PBDC), which represents less than one percent, 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 the amounts included for PBDC, is based solely 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.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and budgetary comparison schedules, budgetary to GAAP basis reconciliation, schedule of changes to net pension liability and related ratios, schedule of pension liability, schedule of employer contributions, schedule of investment returns, schedule of funding progress for the City's other postemployment benefit obligations, and schedule of the employer contributions to the City's other postemployment benefit obligations on pages 89 through 108, 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 the 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 inquires 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pawtucket, Rhode Island's basic financial statements. The combining and individual nonmajor fund financial statements, Annual Supplemental Transparency Report and accompanying notes, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Annual Supplemental Transparency Report and accompanying notes 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual nonmajor fund financial statements, and Annual Supplemental Transparency Report and accompanying notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017, on our consideration of the City of Pawtucket, Rhode Island'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 of Pawtucket, Rhode Island's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
January 3, 2017

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Our discussion and analysis of the City of Pawtucket, Rhode Island's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. This discussion and analysis should be read in conjunction with the City's financial statements that follow this section.

Financial Highlights

- ❖ The City's total net position decreased by \$10,839,529 as a result of this year's operations. On a government-wide basis, the City's liabilities and deferred inflows of resources for the City exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$146,543,747.
- ❖ Net position of business activities increased by \$3,723,693, or 4.8%, while net position of governmental activities decreased by \$14,563,222 or 6.8%.
- ❖ The City's government-wide (governmental and business activities) operating expenses were \$299,865,794, a 25.70% increase from the prior year, while revenues collected were \$289,026,265 a 21.1% increase from the prior year.
- ❖ As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$20,945,184. Approximately 35% of this amount, \$7,291,493 is unassigned and available for use at the government's discretion.
- ❖ The remaining fund balance of \$13,653,691 includes \$1,602,548 in non-spendable funds, \$8,957,574 in restricted funds, \$2,356,568 in committed funds and \$737,001 in assigned funds.

New Significant Accounting Standards

For the fiscal year ended June 30, 2016, the City adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) that relate to investment and pension reporting:

- GASB statement No. 72, "*Fair Value Measurement and Application*" and
- GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*"

GASB Statement No. 72 (Statement) changed the footnote disclosures for investments. Please refer to Note 3 for more information.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

New Significant Accounting Standards (continued)

GASB Statement No 73 (Statement) required the City to disclose the summary of changes in the pension liability for the "Old Plan" for the Police and Fire Pension Plan. Please see Note 11A for more information.

In order to implement this Statement, the City's June 30, 2015 net position has been restated to reflect the cumulative effect resulting from the implementation of GASB Statement No. 73. The restatement decreased the City's net position by \$1,876,151 to (\$135,704,218). Please refer to Note 11 for more information regarding the City's pensions and Note 15 regarding the restatement.

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 supplementary information.

The City's basic financial statements and 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.

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 expenses 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 and liabilities and deferred inflows with the difference 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 the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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, judicial and general administrative, financial administration, planning, engineering and inspection, public safety, public works, education and interest on long-term debt. The City's business activities include the Pawtucket Water Supply Board and the School Lunch Program.

The government-wide financial statements are reported on pages 18 through 19.

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

The City maintains individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for three funds, the General Fund, the School Unrestricted Fund, and the School \$32,000,000 Capital Projects 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 non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements are presented on pages 20 through 23.

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

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

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 two enterprise funds. The Pawtucket Water Supply Board, which accounts for the City's water system; and the School Lunch Program, which accounts for School Lunch operations. The City closed the former enterprise fund, 175 Main Street. That activity is now in a non-major special revenue fund and named the Redevelopment Fund. 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 & 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 and the School Lunch Fund since they are considered to be major funds of the City. The internal service fund financial statement provides information for health & dental plan benefits.

The basic proprietary fund financial statements are presented on pages 24 through 27.

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 statement 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 fund financial statements can be found on pages 28 and 29.

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 30 through 88.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information pertinent to the City's operations. Required Supplementary information is presented on pages 89 through 108.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 109 through 175.

The Agency funds are presented on page 176.

Government-wide Financial Analysis

Analysis of the City of Pawtucket'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 of Pawtucket, governmental activities liabilities and deferred inflows exceeded assets and deferred outflows by \$228,021,783 as of June 30, 2016. This is a decrease of \$14,563,222 from the previous year which is a result of the capital project spending not being permanently financed with bond proceeds yet and an increase in the pension liability.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Listed below is a summary comparison of the City's net position for the current and prior fiscal years.

	City of Pawtucket Summary of Net Position					
	2016			2015 (AS RESTATED)		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 70,713,568	\$ 4,646,344	\$ 75,359,912	\$ 63,262,448	\$ 4,802,098	\$ 68,064,546
Capital assets	162,117,398	181,662,467	343,779,865	152,756,375	179,398,172	332,154,547
Total assets	232,830,966	186,308,811	419,139,777	216,018,823	184,200,270	400,219,093
Deferred outflows	34,258,332	911,656	35,169,988	15,971,186	483,982	16,455,168
Current and other liabilities	46,156,178	8,033,184	54,189,362	28,526,799	7,429,575	35,956,374
Long-term liabilities	435,661,227	97,121,385	532,782,612	401,238,875	98,828,902	500,067,777
Total liabilities	481,817,405	105,154,569	586,971,974	429,765,674	106,258,477	536,024,151
Deferred inflows	13,293,676	587,862	13,881,538	15,682,896	671,432	16,354,328
Net position:						
Net investment in capital assets	77,660,971	60,946,336	138,607,307	90,255,631	56,867,810	147,123,441
Restricted	10,560,122	22,853,684	33,413,806	16,306,232	23,309,865	39,616,097
Unrestricted as restated						
Unrestricted	(316,242,876)	(2,321,984)	(318,564,860)	(320,020,424)	(2,423,332)	(322,443,756)
Total net position	\$ (228,021,783)	\$ 81,478,036	\$ (146,543,747)	\$ (213,458,561)	\$ 77,754,343	\$ (135,704,218)

As discussed in Note 1 and Note 15 to the financial statements and the previous financial highlights section, the City restated its 2015 net position to reflect the adoption of GASB No. 73. The City also reclassified a business-type fund, 175 Main Street, to a special revenue fund which is included in governmental activities.

The largest portion of the City's net position, \$138,607,307 consists of its net investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. 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 net 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, \$33,413,806 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, 2016 the City of Pawtucket reports a negative balance in net position for the government as a whole.

Analysis of the City's Operations

Governmental activities decreased the City's net position by \$14,563,222 for the current period, while business-type activities increased by \$3,723,693 for the current period. Due to the implementation of GASB No. 73 and a correction of the MERS pension liability allocation, we had to restate the FY2015 net position ending balance resulting in the new opening net position of (\$213,458,561) for the governmental activities and \$77,754,343 for the business-type activities (Note 15).

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures. See page 23 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.

The following schedule presents a Summary of the Changes in Net Position for the current and prior years' activity.

City of Pawtucket Summary of Changes in Net Position						
	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 41,459,010	\$ 20,413,010	\$ 61,872,020	\$ 9,715,409	\$ 19,210,485	\$ 28,925,894
Operating Grants & Contributions	15,563,571	4,334,734	19,898,305	17,120,291	4,073,740	21,194,031
Capital Grants & Contributions	2,597,904		2,597,904	3,397,507		3,397,507
General Revenues:						
Property Tax	102,066,246		102,066,246	100,908,065		100,908,065
State aid, unrestricted State aid,	94,621,456		94,621,456	85,080,836		85,080,836
Teachers' pension	4,553,389		4,553,389	4,543,015		4,543,015
Investment earnings	1,003,949	252,411	1,256,360	1,193,408	252,717	1,446,125
Other Revenues	2,079,419	81,166	2,160,585	1,531,481	231,582	1,763,063
Total revenues	<u>263,944,944</u>	<u>25,081,321</u>	<u>289,026,265</u>	<u>223,490,012</u>	<u>23,768,524</u>	<u>247,258,536</u>
Expenses:						
Legislative & Executive	39,985,829		39,985,829	6,380,146		6,380,146
Finance	2,843,533		2,843,533	2,912,530		2,912,530
Public Safety	60,624,773		60,624,773	51,293,763		51,293,763
Public Works	15,022,625		15,022,625	17,826,044		17,826,044
Planning	5,045,282		5,045,282	2,114,045		2,114,045
Education	140,180,048		140,180,048	124,698,569		124,698,569
Interest Expense	1,922,288		1,922,288	2,642,562		2,642,562
Other	12,883,788		12,883,788	10,278,668		10,278,668
Water Supply Board		16,649,745	16,649,745		15,530,529	15,530,529
175 Main Street		-	-		490,950	490,950
School Lunch Fund		4,707,883	4,707,883		4,391,131	4,391,131
Total Expense	<u>278,508,166</u>	<u>21,357,628</u>	<u>299,865,794</u>	<u>218,146,327</u>	<u>20,412,610</u>	<u>238,558,937</u>
Change in net position	<u>(14,563,222)</u>	<u>3,723,693</u>	<u>(10,839,529)</u>	<u>5,343,685</u>	<u>3,355,914</u>	<u>8,699,599</u>
Net position,						
Beginning of the year:						
As originally reported	-	-	-	(215,971,800)	73,444,134	(142,527,666)
Prior period adjustment	-	-	-	(2,830,446)	954,295	(1,876,151)
As restated	<u>(213,458,561)</u>	<u>77,754,343</u>	<u>(135,704,218)</u>	<u>(218,802,246)</u>	<u>74,398,429</u>	<u>(144,403,817)</u>
Net position, end of year	<u>\$ (228,021,783)</u>	<u>\$ 81,478,036</u>	<u>\$ (146,543,747)</u>	<u>\$ (213,458,561)</u>	<u>\$ 77,754,343</u>	<u>\$ (135,704,218)</u>

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Financial Analysis of the City of Pawtucket'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 unassigned 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 \$20,945,184. Of this amount, \$7,291,493 constitutes net unassigned fund balance. The remainder of the fund balance is classified in Note 6 on page 53 and as follows:

Non-Spendable:	
Perpetual care and endowment permant funds	\$ 1,192,655
School department prepaid items	401,023
City special revenue funds	8,870
Total Non-Spendable fund balance	<u><u>\$ 1,602,548</u></u>
Restricted:	
Restricted for City special revenue funds	\$ 3,018,232
Restricted for School Capital projects funds	500,000
Restricted for general School purposes	475,992
Restricted for HUD special revenue funds	324,836
Restricted for School special revenue funds	300,421
Restricted for Capital projects funds	4,338,093
Total Restricted fund balance	<u><u>\$ 8,957,574</u></u>
Committed:	
Committed for Charter Reserve	\$ 700,000
Committed for City special revenue funds	1,656,568
Total Committed fund balance	<u><u>\$ 2,356,568</u></u>
Assigned	
Assigned for snow removal	\$ 150,000
Assigned for revaluation	587,001
Total Assigned fund balance	<u><u>\$ 737,001</u></u>
Total	<u><u>\$ 13,653,691</u></u>

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

Unrestricted net position of the respective proprietary funds are (\$2,321,984).

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

General Fund Budgeting Highlights for the Fiscal Year Ending
June 30, 2016 and June 30, 2015

REVENUE:

Real Estate, Tangible and Auto Taxes – were under budget by \$1,294,298. Prior year taxes came in lower than budgeted by \$651,747 in total. Current year taxes came in lower than anticipated. Real Estate tax was under budget by \$429,455 of the variance. Motor Vehicle tax was under budget by \$276,952. Tangible tax was over budget by \$54,660. In prior year comparison, we were over last year by \$3,809,855 due to an increase in values.

Current Other Revenues – exceeded the budget by \$109,596 and over last year by \$92,547 primarily due to the commercial commission coming in higher than previous year and also higher payment of state realty transfer tax due to continued change in the market.

License and Permit Revenue – exceeded the budget by \$36,791 and under last year by \$28,400. The variance for this year is mainly the result of Building, Electrical, and Plumbing coming in higher than budgeted. We were slightly under what we collected last year in permits.

Intergovernmental Revenue – exceeded the budget by \$539,250 and was over last year by \$482,777. The variance for this year was mainly due to PILOT money and School Construction Aid coming in higher than we expected. We also collected more in the Meals Tax and EMA money due to addition of staff. The variance for last year is due to the increase in School Construction Aide due to the continuing projects happening at our schools being completed.

Charges for Services – exceeded the budget by \$550,773 and over last year by \$301,832. This year's variance was mainly due to Rescue Service Fees coming in higher than budget due to the addition of a third rescue and also employee medical copays coming in higher due to the settling of contracts. The variance for last year is due mainly for the same reasons.

Fines and Forfeitures – were under budget by \$19,571 and under last year by \$95,856. The variance for this year and last year was mainly due to lower snow tow ticket revenue due to less snow storms in 2016 due to a milder winter.

Interest Revenue – was under budget by \$15,455 and under last year by \$204,989. We saw a decrease in interest charged for late payment of taxes, due to better collection efforts. The variance for last year was due to less interest on tax payments being collected.

Other Financing Sources – was under budget by \$50,000 and under last year by \$146,625. The variance for this year is mainly due to no transfers from the Special Revenue Funds.

Total Revenue – was under budget by \$142,914 mainly due to Real Estate, Tangible, and Auto Taxes coming in lower than budgeted. We are over last year \$4,211,141 mainly due to the increase in values for taxes.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

EXPENSES:

Legislative – The Legislative Department was under budget by \$60,369 and over last year by \$59,020.

Board of Canvassers Division – was under budget by \$32,197 and under last year by \$77,878. The variances are mostly due to no elections being held during this fiscal year and last fiscal year had some.

Library Division – was under budget by \$33,844 and over last year by \$133,197. The variances are mostly due to a lag in hiring.

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

Executive – The Executive Department was over budget by \$71,046 and over last year by \$138,682.

Mayor's Office – was over budget by \$30,938 and over last year by \$83,766. This was mainly due to all positions being filled for the entire year compared to last year and a change in medical benefits.

Law Department – was over budget by \$41,527 and over last year by \$53,777. The variances are mostly due to a lag in hiring and an increase in legal fees this fiscal year.

There was no material variance in the **Municipal Court Division.**

Finance - The Finance Department was under budget by \$258,083 and under last year by \$330,121.

Tax Assessors Division - was under budget by \$59,172 and under last year by \$216,225. The variance is mostly due to a state mandated revaluation expense last year.

Tax Collections Division – was under budget by \$47,126 and over last year by \$12,511. The variance from last year is due to the tax bill consultant and postage being lower than the previous year.

Information Technology Division – was under budget \$63,374 and over last year by \$6,819. This was due to a savings in IS Hard/Software Maintenance lines and Software.

Personnel Division – was under budget \$71,901 and over last year by \$65,643. This was mainly due to the HR Directors position being budgeted and only filled for half of the year.

There were no other material variances in the **Finance Director, Accounting, Purchasing or Payroll Divisions.**

Planning - The Planning Department was under budget by \$129,007 and over last year by \$37,675.

Zoning & Code Enforcement Division – was under budget by \$130,505 and over last year by \$6,753. The variances were mostly due to lag in hiring and a significant decrease in the Demo/Clearing line item.

There were no significant variances in the Planning, or Development Division.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

Public Safety – The Public Safety Department consists of the Police Department, Fire Department, and the Civil Defense Department.

Police – The Police Department was over budget by \$305,610 and over last year by \$754,562.

Uniform Police Division - was over budget by \$414,686 and over last year by \$749,943. This year uniform salaries were over budget \$335,574 mainly due to the retro payment of the Arbitration award of 2.25% increase for the FY15 CBA and 2.5% for the FY16 CBA. Restoration was also under budget \$163,831 due to DOT and other vendor payments to use police officer vehicles during road construction. In current year the medical costs for our injured on duty police officers was over budget by \$59,341. The main difference between this year and last year is due to an increased contribution of \$316,854 to the pension plan, increased salaries and benefits due to new contract award, and healthcare costs.

Civilian Police Division - was under budget by \$28,778 and over last year by \$31,979. The variances were mostly due to a decrease in the number of recruits in the academy this year over last year.

Animal Control Division – was under budget by \$80,298 and under last year by \$27,360. This was mostly due to a lag in hiring and less heating bills this year.

Fire – The Fire Department was under budget by \$135,588 and over last year by \$2,859,891.

Uniform Fire Division – was under budget by \$73,792 and over last year by \$2,802,247. This year Fire overtime was under budget by \$719,282 while Medical IOD was under budget by \$62,237. The main difference between last year and this year is due to an increased contribution of \$316,852 to the pension plan, increased Medical IOD, healthcare costs, and a reduction in the Credit from Grants.

Civilian Fire Division – was under budget by \$61,496 and under last year by \$6,528. This was mostly due to lag in hiring for dispatchers.

Fire Prevention Division – was under budget by \$300 and over last year by \$64,172. The variance was mainly due to a lag in hiring.

There were no material differences in the Crossing Guard or Civil Defense Divisions.

Public Works – The Public Works Department was under budget by \$604,707 and under last year by \$385,943.

Public Works Director Division – was under budget by \$68,490 and under last year by \$28,833. The variance is mainly due to a lag in hiring.

Engineering Division – was under budget by \$41,975 and over last year by \$49,376. The variance is mainly due to a lag in hiring in the current year.

Public Building Maintenance Division – was over budget \$76,056 and over last year by \$79,545. The variance is mainly due to an increase in building improvements due to an unexpected mold issue.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

City Hall Maintenance Division – was under budget by \$71,261 and over last year by \$12,908. The variance is mainly due to a decrease in the heating bill in the current year.

Sewer Maintenance Division – was over budget by \$39,068 and over last year by \$92,040. The variance is mainly due to a need for equipment and a vehicle match for a grant.

Beautification Division – was under budget by \$210,218 and under last year by \$124,962. The variance for this year is due to a lag in hiring.

Street Cleaning and Snow Removal Division – was under budget by \$232,451 and under last year by \$545,970. The variances contributing to being under budget this year were the sand/salt supply line and the snow storm salaries which were lower than the average budgeted due to less snow storms in the current year.

Parks Division – was over budget by \$13,009 and over last year by \$75,997. The variance is mainly due to a need for other equipment.

There were no other material variances in the **Equipment Maintenance, Public Building Maintenance, Transfer Station, Streets and Bridges, Traffic, Recreation, and Daggett Farm Divisions.**

Fixed Charges (Non-Departmental Costs) – The Fixed Charges Section were under budget by \$198,465 and over last year by \$2,261,542.

Debt Service – was under budget by \$314,738 and over last year by \$1,276,781. The main reason for the difference from last year to this year is we budgeted for a new equipment lease which did not happen before the end of the year. We also had an increase in debt due to our debt service schedule.

Operating Insurance – was over budget by \$115,571 and over last year by \$265,085. Both variances are mainly due to an increase in claims and judgements in the current year.

Interdepartmental Contributions – were over budget by \$88,826 and over last year by \$236,349. The main reason for the variance for both this year and last is due to an increase in the school funding and senior center.

Other Employee Benefits – was under budget by \$210,987 and over last year by \$52,758. The major variance for this year was the decrease in workers compensation. We also increased our budget for our retiree health care in FY16 by \$161,578.

Fixed Charges – was over budget by \$525,002 and over last year by \$424,683. Accrued hours payoff was over budget \$340,456 and over last year by \$490,684 due to more retirements in the current year. We were also over budget on Street Lighting.

There were no other material variances in the **Contribution Support Division.**

Total Expenses – were under budget by \$598,752 and over last year by \$5,429,000. This year's variance is due to some retirements, lag in hiring, and increase in Debt Service as explained above.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

The City of Pawtucket's Capital Assets

The City of Pawtucket's investment in capital assets for its governmental and business-type activities amounts to \$319,775,276 net of accumulated depreciation at June 30, 2016. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure. Additional information on the City of Pawtucket's capital assets is located in Note 5 to the financial statements and can be found starting on page 51.

City of Pawtucket
Summary of Capital Assets (Net of Accumulated Depreciation)

	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land and improvements	\$ 22,077,850	\$ 5,871,100	\$ 27,948,950	\$ 22,077,850	\$ 5,871,100	\$ 27,948,950
Construction in progress	3,921,593	3,928,197	7,849,790	1,119,704	8,534,520	9,654,224
Buildings and improvements	61,940,373		61,940,373	54,928,817		54,928,817
Distribution and collection systems		89,745,428	89,745,428		81,206,160	81,206,160
Motor Vehicles	5,435,986		5,435,986	3,792,293		3,792,293
Machinery, equipment & furniture	1,236,877	456,899	1,693,776	1,409,551	265,632	1,675,183
Infrastructure	67,504,719	57,656,254	125,160,973	69,317,585	58,935,318	128,252,903
	<u>\$ 162,117,398</u>	<u>\$ 157,657,878</u>	<u>\$ 319,775,276</u>	<u>\$ 152,645,800</u>	<u>\$ 154,812,730</u>	<u>\$ 307,458,530</u>

Constructions in process for governmental activities relate to the district-wide school building renovations, Max Read Field, and Police Department renovations. These projects will be funded by a combination of grant monies and bond debt expected to be issued in the upcoming years. Construction in process for business-type activities relate to Pawtucket Water Supply Board annual water main replacement contracts to be funded from bond proceeds available from bonds issued in fiscal year 2016, and rate revenue restricted for infrastructure improvements. The water transmission and distribution system capital improvements, which will benefit the rate payers for many years, are paid from debt financing on an as needed basis.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

The City of Pawtucket's Capital Assets (Continued)

The City has the following commitments related to construction project contracts at June 30, 2016:

City:

School Building Purchase	\$ 200,000
Police Department Renovations	82,336
Max Read Field	3,834,000
School Building Renovations	<u>6,500,668</u>
	<u>\$10,617,004</u>

PWSB:

Spring Street Pump Station Demolition	\$ 194,789
Main Replacement Contract MR-10	785,624
CL-6 Cleaning and Lining Contract	<u>3,654,683</u>
	<u>4,635,096</u>
	<u>\$15,252,100</u>

The City of Pawtucket's Debt Administration

At the end of the current fiscal year, the City of Pawtucket's Governmental Activities had a total bonded debt of \$50,756,202. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the City's long-term liabilities:

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

	City of Pawtucket					
	Summary of Long-Term Liabilities					
	2016			2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds and loans payable	\$ 51,298,202	\$ -	\$ 51,298,202	\$ 51,388,658	\$ -	\$ 51,388,658
Bond premiums and capital leases	8,348,225	1,304,126	9,652,351	9,886,549	290,202	10,176,751
Water and clean water bonds	-	94,445,921	94,445,921	-	97,534,230	97,534,230
Total bonds and loans payable, bond premium and capital leases	<u>59,646,427</u>	<u>95,750,047</u>	<u>155,396,474</u>	<u>61,275,207</u>	<u>97,824,432</u>	<u>159,099,639</u>
Other Liabilities						
Compensated absences	8,091,413	737,518	8,828,931	7,976,495	860,889	8,837,384
Net OPEB obligation	99,929,218	1,605,267	101,534,485	90,253,231	1,530,256	91,783,487
Pension liability	2,462,384	-	2,462,384	2,599,239	-	2,599,239
Net pension liability	271,734,735	3,732,680	275,467,415	243,381,407	2,993,898	246,375,305
Total Other Liabilities	<u>382,217,750</u>	<u>6,075,465</u>	<u>388,293,215</u>	<u>344,210,372</u>	<u>5,385,043</u>	<u>349,595,415</u>
Total Long-Term Liabilities	<u>\$ 441,864,177</u>	<u>\$ 101,825,512</u>	<u>\$ 543,689,689</u>	<u>\$ 405,485,579</u>	<u>\$ 103,209,475</u>	<u>\$ 508,695,054</u>

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis

The City of Pawtucket's Debt Administration (Continued)

Additional information on the City's long-term liabilities can be found in Note 9 of the Notes to the Financial Statements and on pages 55 through 57.

The City maintains a "A3" rating from Moody's and an "A-" from Fitch for general obligation debt. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable City property on the general obligation debt that a municipality can issue. The City of Pawtucket's limit is \$108,356,408 at fiscal year-end. The City's outstanding general obligation debt that is applicable to the debt limit is \$3,714,000 at year-end, which is \$104,642,408 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

The City of Pawtucket's total general fund budget for fiscal year 2017 amounts to \$236,201,947, which reflects an increase of \$8,626,746, or 3.80% more than the fiscal 2016 budget of \$227,575,201. Of the City's 2017 budget \$116,443,201 or 49.3%, is budgeted for educational purposes and \$119,758,746 or 50.7% is budgeted for other purposes.

The City's tax rate for fiscal year 2017 is \$33.61 per thousand for commercial real property, \$21.89 per thousand for residential real property, \$53.30 per thousand for motor vehicles and \$52.09 per thousand for tangible personal property. Taxes for retail/wholesale inventory have been completely phased out.

Request 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

A-1

STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pawtucket Business Development Corporation
Assets				
Current assets				
Cash and cash equivalents	\$ 41,595,525	\$ 3,748,203	\$ 45,343,728	\$ 390,617
Investments	5,763,388	--	5,763,388	--
Real estate and personal property taxes receivable	7,005,175	--	7,005,175	--
Water user fees receivable	--	3,899,281	3,899,281	--
Due from federal and state government	4,031,446	342,515	4,373,961	--
Due from RICWFA	2,766,169	--	2,766,169	--
Internal balances	3,914,621	(3,914,621)	--	--
Other receivables	2,593,471	--	2,593,471	547
Prepaid items	401,023	151,162	552,185	129,374
Inventories	--	419,804	419,804	--
Notes receivable	2,642,750	--	2,642,750	--
Total current assets	70,713,568	4,646,344	75,359,912	520,538
Noncurrent assets				
Restricted assets:				
Cash and cash equivalents	--	18,539,327	18,539,327	--
Investments	--	5,465,262	5,465,262	--
Capital assets:				
Capital assets not being depreciated	25,999,443	9,799,297	35,798,740	--
Capital assets being depreciated	136,117,955	147,858,581	283,976,536	--
Total noncurrent assets	162,117,398	181,662,467	343,779,865	--
Total assets	232,830,966	186,308,811	419,139,777	520,538
Deferred outflows of resources				
Pension	34,258,332	911,656	35,169,988	--
Total deferred outflows of resources	34,258,332	911,656	35,169,988	--
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	13,905,734	1,955,820	15,861,554	5,385
Accrued interest payable	757,438	1,150,905	1,908,343	--
Unearned revenue	290,056	--	290,056	--
Bond anticipation note	25,000,000	--	25,000,000	--
Deposits	--	13,128	13,128	--
Long-term liabilities due within one year	6,202,950	4,913,331	11,116,281	--
Total current liabilities	46,156,178	8,033,184	54,189,362	5,385
Noncurrent liabilities				
Other noncurrent liabilities	--	209,204	209,204	--
Long-term liabilities	435,661,227	96,912,181	532,573,408	--
Total noncurrent liabilities	435,661,227	97,121,385	532,782,612	--
Total liabilities	481,817,405	105,154,569	586,971,974	5,385
Deferred inflows of resources				
Pension	13,293,676	587,862	13,881,538	--
Total deferred inflows of resources	13,293,676	587,862	13,881,538	--
Net position				
Net investment in capital assets	77,660,971	60,946,336	138,607,307	--
Restricted for:				
Trust agreements	--	17,024,965	17,024,965	--
Public utilities commission order	--	5,828,719	5,828,719	--
Capital projects	4,838,093	--	4,838,093	--
Education	1,177,436	--	1,177,436	--
Housing services	324,836	--	324,836	--
Other purposes	4,219,757	--	4,219,757	513,963
Unrestricted	(316,242,876)	(2,321,984)	(318,564,860)	1,190
Total net position	\$ (228,021,783)	\$ 81,478,036	\$ (146,543,747)	\$ 515,153

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Pawtucket Business Development Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
Legislative, judicial and general administrative	\$ 39,985,829	\$ 34,971,777	\$ --	\$ 1,093,094	\$ (3,920,958)	\$ --	\$ (3,920,958)	\$ --
Financial administration	2,843,533	--	--	--	(2,843,533)	--	(2,843,533)	--
Public safety	60,624,773	3,928,858	2,759,357	--	(53,936,558)	--	(53,936,558)	--
Public works	15,022,625	1,801,182	--	1,504,810	(11,716,633)	--	(11,716,633)	--
Planning, engineering and inspection	5,045,282	3,375	2,087,411	--	(2,954,496)	--	(2,954,496)	--
Other	12,883,788	--	--	--	(12,883,788)	--	(12,883,788)	--
Education	140,180,048	753,818	10,716,803	--	(128,709,427)	--	(128,709,427)	--
Interest on long-term debt	1,922,288	--	--	--	(1,922,288)	--	(1,922,288)	--
Total Governmental Activities	<u>278,508,166</u>	<u>41,459,010</u>	<u>15,563,571</u>	<u>2,597,904</u>	<u>(218,887,681)</u>	<u>--</u>	<u>(218,887,681)</u>	<u>--</u>
Business-Type Activity:								
School lunch fund	4,707,883	419,919	4,257,520	--	--	(30,444)	(30,444)	--
Water Supply Board	16,649,745	19,993,091	77,214	--	--	3,420,560	3,420,560	--
Total Business-Type Activity	<u>21,357,628</u>	<u>20,413,010</u>	<u>4,334,734</u>	<u>--</u>	<u>--</u>	<u>3,390,116</u>	<u>3,390,116</u>	<u>--</u>
Total Primary Government	<u>\$ 299,865,794</u>	<u>\$ 61,872,020</u>	<u>\$ 19,898,305</u>	<u>\$ 2,597,904</u>	<u>(218,887,681)</u>	<u>3,390,116</u>	<u>(215,497,565)</u>	<u>--</u>
Component Unit								
Pawtucket Business Development Corp	\$ 24,742	\$ --	\$ 7,700	\$ --				(17,042)
General Revenues:								
Taxes:								
Property taxes levied for general purposes					102,066,246		102,066,246	
State aid, unrestricted					94,621,456		94,621,456	
State aid, teachers' pension plan					4,553,389		4,553,389	
Investment and interest income					1,003,949	252,411	1,256,360	8,556
Other revenues					2,079,419	81,166	2,160,585	
Total General Revenues					<u>204,324,459</u>	<u>333,577</u>	<u>204,658,036</u>	<u>8,556</u>
Change in Net Position					(14,563,222)	3,723,693	(10,839,529)	(8,486)
Net Position - Beginning of Year, as restated					(213,458,561)	77,754,343	(135,704,218)	523,639
Net Position - End of Year					<u>\$ (228,021,783)</u>	<u>\$ 81,478,036</u>	<u>\$ (146,543,747)</u>	<u>\$ 515,153</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF PAWTUCKET, RHODE ISLAND

B-1

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	School Unrestricted Fund	School \$32,000,000 Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,519,075	\$ 4,559,688	\$ 15,285,442	\$ 12,586,951	\$ 35,951,156
Investments	5,000,000	--	--	763,388	5,763,388
Real estate and personal property tax receivable	7,005,175	--	--	--	7,005,175
Due from federal and state governments	1,949,552	289,396	--	1,792,498	4,031,446
Due from RICWFA	--	--	--	2,766,169	2,766,169
Due from other funds	5,503,257	--	--	--	5,503,257
Other receivables	--	94,340	--	978,131	1,072,471
Prepaid items	--	401,023	--	--	401,023
Notes receivable	--	--	--	2,642,750	2,642,750
Total Assets	<u>\$ 22,977,059</u>	<u>\$ 5,344,447</u>	<u>\$ 15,285,442</u>	<u>\$ 21,529,887</u>	<u>\$ 65,136,835</u>
Liabilities, deferred inflows and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 2,492,910	\$ 3,967,432	\$ 322,692	\$ 4,430,385	\$ 11,213,419
Due to other funds	--	--	--	1,588,636	1,588,636
Unearned revenue	290,056	--	--	--	290,056
Bond anticipation note	--	--	18,500,000	6,500,000	25,000,000
Total liabilities	<u>2,782,966</u>	<u>3,967,432</u>	<u>18,822,692</u>	<u>12,519,021</u>	<u>38,092,111</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	6,099,540	--	--	--	6,099,540
Total deferred inflows of resources	<u>6,099,540</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,099,540</u>
Fund balances					
Non-spendable	--	401,023	--	1,201,525	1,602,548
Restricted	--	975,992	--	7,981,582	8,957,574
Committed	700,000	--	--	1,656,568	2,356,568
Assigned	737,001	--	--	--	737,001
Unassigned	12,657,552	--	(3,537,250)	(1,828,809)	7,291,493
Total fund balances	<u>14,094,553</u>	<u>1,377,015</u>	<u>(3,537,250)</u>	<u>9,010,866</u>	<u>20,945,184</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,977,059</u>	<u>\$ 5,344,447</u>	<u>\$ 15,285,442</u>	<u>\$ 21,529,887</u>	<u>\$ 65,136,835</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

B-2

**RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS (B-1) TO THE STATEMENT OF NET POSITION (A-1)
JUNE 30, 2016**

Amounts Reported for Governmental Activities in the Statement of Net Position Differ Because:

Total Net Position (B-1)	\$ 20,945,184
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	162,117,398
Deferred outflows relating to pensions are recorded in the statement of net position	34,258,332
Deferred inflows relating to pensions are recorded in the statement of net position	(13,293,676)
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities (net of premiums) at year-end consist of:	
Bonds and loans payable	(51,298,202)
Bond premium	(886,996)
Capital leases	(7,461,229)
Compensated absences	(8,091,413)
Claims payable	
Accrual for net pension liability	(271,734,735)
Accrual for net OPEB obligation	(99,929,218)
Accrual for pension liability	(2,462,384)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	(757,438)
Internal service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide statement of net position	4,473,054
Unearned tax revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the statement of net position.	<u>6,099,540</u>
Total Net Position (A-1)	<u>\$ (228,021,783)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

B-3

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	School Unrestricted Fund	School \$32,000,000 Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues					
General property taxes and payments in lieu of taxes	\$ 102,258,742	\$ --	\$ --	\$ --	\$ 102,258,742
Intergovernmental and departmental	6,931,082	80,078,545	--	--	87,009,627
Licenses	234,092	--	--	--	234,092
Permits	588,719	--	--	--	588,719
Fines and forfeitures	334,367	--	--	--	334,367
Charges for service	3,594,491	606,258	--	1,952,117	6,152,866
Operating grants and contributions	--	--	--	15,563,571	15,563,571
Capital grants and contributions	--	--	--	2,597,904	2,597,904
Investment income	954,545	--	--	49,404	1,003,949
On behalf pension contribution	--	4,553,389	--	--	4,553,389
Other revenues	1,809,013	--	--	--	1,809,013
Total revenues	<u>116,705,051</u>	<u>85,238,192</u>	<u>--</u>	<u>20,162,996</u>	<u>222,106,239</u>
Expenditures					
Legislative and executive	3,925,094	--	--	712,361	4,637,455
Finance	2,826,050	--	--	--	2,826,050
Planning	1,564,783	--	--	2,829,265	4,394,048
Public safety	48,004,679	--	--	3,689,447	51,694,126
Public works	11,435,845	--	--	10,717,108	22,152,953
Other fixed and general charges	11,884,790	--	--	--	11,884,790
Education	--	109,952,287	3,476,345	12,006,031	125,434,663
Debt service principal	4,883,056	97,724	--	--	4,980,780
Debt service interest	1,914,234	39,025	--	--	1,953,259
On behalf pension contribution	--	4,553,389	--	--	4,553,389
Total expenditures	<u>86,438,531</u>	<u>114,642,425</u>	<u>3,476,345</u>	<u>29,954,212</u>	<u>234,511,513</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>30,266,520</u>	<u>(29,404,233)</u>	<u>(3,476,345)</u>	<u>(9,791,216)</u>	<u>(12,405,274)</u>
Other financing sources (uses)					
Transfers from other funds	--	30,350,330	--	2,071,909	32,422,239
Transfers to other funds	(32,406,407)	(2,282,635)	--	(1,324,040)	(36,013,082)
Bond proceeds	--	--	--	3,352,000	3,352,000
Total other financing sources (uses)	<u>(32,406,407)</u>	<u>28,067,695</u>	<u>--</u>	<u>4,099,869</u>	<u>(238,843)</u>
Net change in fund balances	<u>(2,139,887)</u>	<u>(1,336,538)</u>	<u>(3,476,345)</u>	<u>(5,691,347)</u>	<u>(12,644,117)</u>
Fund balances (deficit) - beginning of year	<u>16,234,440</u>	<u>2,713,553</u>	<u>(60,905)</u>	<u>14,702,213</u>	<u>33,589,301</u>
Fund balances (deficit) - end of year	<u>\$ 14,094,553</u>	<u>\$ 1,377,015</u>	<u>\$ (3,537,250)</u>	<u>\$ 9,010,866</u>	<u>\$ 20,945,184</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

B-4

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS (B-2) TO THE STATEMENT OF ACTIVITIES (A-2)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds (B-3)	\$ (12,644,117)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The capital outlays are as follows:</p>	
Capital asset additions	16,948,877
Less net book value of disposed assets	<u>(1,051,946)</u>
Net capital outlays reported as expenditures	15,896,931
Depreciation expense	(6,425,333)
Proceeds from issuance of long-term debt	(3,352,000)
Change in accrued interest	30,971
Change in liability for compensated absences	(114,918)
Change in unearned tax revenues that are recorded in the funds, but are not deferred under the measurement focus employed	(192,496)
Principal payments made on long-term obligations	4,980,780
Excess of internal service funds' revenues over expenses, reported as governmental activities in government-wide statement of activities	4,473,054
Accrual for OPEB obligation	(9,675,987)
Change in pension liability	136,855
Change in net pension liability	(28,353,328)
Change in deferred inflows of resources	2,389,220
Change in deferred outflows of resources	<u>18,287,146</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ (14,563,222)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

C-1

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities
	School Lunch	Water	Total	Internal
	Fund	Supply Board		Service Fund
Assets				
Current assets				
Cash and cash equivalents	\$ 1,054,327	\$ 2,693,876	\$ 3,748,203	\$ 5,644,369
Water user fees receivable	--	3,899,281	3,899,281	--
Due from federal and state government	319,760	22,755	342,515	--
Inventories	--	419,804	419,804	--
Other receivables	--	--	--	1,521,000
Prepaid items	--	151,162	151,162	--
Total current assets	<u>1,374,087</u>	<u>7,186,878</u>	<u>8,560,965</u>	<u>7,165,369</u>
Noncurrent assets				
Restricted cash and cash equivalents	--	18,539,327	18,539,327	--
Investments	--	5,465,262	5,465,262	--
Capital assets:				
Land	--	5,871,100	5,871,100	--
Non-depreciable assets	--	3,928,197	3,928,197	--
Depreciable assets, net	--	147,858,581	147,858,581	--
Total noncurrent assets	<u>--</u>	<u>181,662,467</u>	<u>181,662,467</u>	<u>--</u>
Total assets	<u>\$ 1,374,087</u>	<u>\$ 188,849,345</u>	<u>\$ 190,223,432</u>	<u>\$ 7,165,369</u>
Deferred outflows of resources				
Pension	\$ --	\$ 911,656	\$ 911,656	\$ --
Total deferred outflows of resources	<u>\$ --</u>	<u>\$ 911,656</u>	<u>\$ 911,656</u>	<u>\$ --</u>
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	\$ 414,364	\$ 579,962	\$ 994,326	\$ 2,692,315
Accounts payable from restricted assets	--	961,494	961,494	--
Accrued interest payable	--	1,150,905	1,150,905	--
Deposits	--	13,128	13,128	--
Due to General Fund	905,782	3,008,839	3,914,621	--
Long-term debt due within one year	--	4,913,331	4,913,331	--
Total current liabilities	<u>1,320,146</u>	<u>10,627,659</u>	<u>11,947,805</u>	<u>2,692,315</u>
Noncurrent liabilities				
Accrued expenses	--	209,204	209,204	--
Net pension liability	--	3,732,680	3,732,680	--
Accrued compensated absences and vacation	--	663,766	663,766	--
Net OPEB obligation	--	1,605,267	1,605,267	--
Bonds, loans and notes payable	--	90,910,468	90,910,468	--
Total noncurrent liabilities	<u>--</u>	<u>97,121,385</u>	<u>97,121,385</u>	<u>--</u>
Total liabilities	<u>1,320,146</u>	<u>107,749,044</u>	<u>109,069,190</u>	<u>2,692,315</u>
Deferred inflows of resources				
Pension	--	587,862	587,862	--
Total deferred inflows of resources	<u>--</u>	<u>587,862</u>	<u>587,862</u>	<u>--</u>
Net position				
Net investment in capital assets	--	60,946,336	60,946,336	--
Restricted for:				
Trust agreement	--	17,024,965	17,024,965	--
Public utilities commission order	--	5,828,719	5,828,719	--
Other purposes	--	--	--	4,473,054
Unrestricted	53,941	(2,375,925)	(2,321,984)	--
Total net position	<u>\$ 53,941</u>	<u>\$ 81,424,095</u>	<u>\$ 81,478,036</u>	<u>\$ 4,473,054</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

C-2

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities
	School Lunch	Water	Total	Internal Service
	Fund	Supply Board		Fund
Operating revenues				
Charges for services	\$ 419,919	\$ 19,478,707	\$ 19,898,626	\$ 34,148,966
Other income	--	514,384	514,384	270,406
Total operating revenues	<u>419,919</u>	<u>19,993,091</u>	<u>20,413,010</u>	<u>34,419,372</u>
Operating expenses				
General and administrative	--	2,146,908	2,146,908	33,537,161
Customer service	--	538,490	538,490	--
Source of supply	--	1,122,942	1,122,942	--
Purification	--	2,730,936	2,730,936	--
Transmission and distribution	--	1,821,904	1,821,904	--
Engineering	--	424,641	424,641	--
Meters	--	482,506	482,506	--
Depreciation and amortization	--	2,924,456	2,924,456	--
School lunch program	4,707,883	--	4,707,883	--
Total operating expenses	<u>4,707,883</u>	<u>12,192,783</u>	<u>16,900,666</u>	<u>33,537,161</u>
Income (loss) from operations	<u>(4,287,964)</u>	<u>7,800,308</u>	<u>3,512,344</u>	<u>882,211</u>
Non-operating revenues (expenses)				
Rental income, net	--	25,695	25,695	--
Intergovernmental income	--	77,214	77,214	--
Federal grants	4,186,130	--	4,186,130	--
State matching funds	71,390	--	71,390	--
Miscellaneous non-operating income	--	55,471	55,471	--
Interest income	--	252,411	252,411	--
Debt issuance cost	--	(671,966)	(671,966)	--
Disposition cost of assets	--	(120,562)	(120,562)	--
Interest expense	--	(3,664,434)	(3,664,434)	--
Total non-operating revenues (expenses)	<u>4,257,520</u>	<u>(4,046,171)</u>	<u>211,349</u>	<u>--</u>
Transfers				
Transfers from other funds	--	--	--	3,590,843
Total transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,590,843</u>
Change in net position	(30,444)	3,754,137	3,723,693	4,473,054
Net Position - beginning of year, as restated	<u>84,385</u>	<u>77,669,958</u>	<u>77,754,343</u>	<u>--</u>
Net position - end of year	<u>\$ 53,941</u>	<u>\$ 81,424,095</u>	<u>\$ 81,478,036</u>	<u>\$ 4,473,054</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

C-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	School Lunch Fund	Water Supply Board	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 419,919	\$ 20,033,881	\$ 20,453,800	\$ 34,419,630
Cash payments to suppliers for goods and services	(4,540,053)	(6,265,036)	(10,805,089)	--
Cash payments to employees for services	(125,252)	(2,410,811)	(2,536,063)	--
Payment of administrative expenses	--	--	--	(33,947,305)
Net cash (used in) provided by operating activities	<u>(4,245,386)</u>	<u>11,358,034</u>	<u>7,112,648</u>	<u>472,325</u>
Cash flows from non-capital financing activities:				
Transfers from other funds	--	--	--	3,590,843
Rental income received	--	25,695	25,695	--
Intergovernmental revenue	4,257,520	77,214	4,334,734	--
Miscellaneous non-operating revenue received	--	55,471	55,471	--
Interfund borrowings	905,782	413,169	1,318,951	--
Net cash provided by non-capital financing activities	<u>5,163,302</u>	<u>571,549</u>	<u>5,734,851</u>	<u>3,590,843</u>
Cash flows from capital and related financing activities:				
Principal paid on bonds, notes and loans	--	(27,393,481)	(27,393,481)	--
Proceeds from bond issuance	--	25,319,096	25,319,096	--
Additions to capital assets	--	(5,774,839)	(5,774,839)	--
Debt issuance cost	--	(671,966)	(671,966)	--
Disposition cost of assets	--	(120,562)	(120,562)	--
Interest paid on bonds, notes and loans	--	(3,708,736)	(3,708,736)	--
Net cash used in capital-related financing activities	<u>--</u>	<u>(12,350,488)</u>	<u>(12,350,488)</u>	<u>--</u>
Cash flows from investing activities:				
Purchase/sale of investments, net	--	5,740	5,740	--
Investment income	--	252,411	252,411	--
Net cash provided by investing activities	<u>--</u>	<u>258,151</u>	<u>258,151</u>	<u>--</u>
Net increase (decrease) in cash and cash equivalents	917,916	(162,754)	755,162	4,063,168
Cash and cash equivalents - beginning of year	<u>136,411</u>	<u>21,395,957</u>	<u>21,532,368</u>	<u>1,581,201</u>
Cash and cash equivalents - end of year	<u>\$ 1,054,327</u>	<u>\$ 21,233,203</u>	<u>\$ 22,287,530</u>	<u>\$ 5,644,369</u>
Unrestricted cash and cash equivalents, per statement of net position	\$ 1,054,327	\$ 2,693,876	\$ 3,748,203	\$ 5,644,369
Restricted cash and cash equivalents, per statement of net position	--	18,539,327	18,539,327	--
Total cash and cash equivalents, per statement of net position	<u>\$ 1,054,327</u>	<u>\$ 21,233,203</u>	<u>\$ 22,287,530</u>	<u>\$ 5,644,369</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

C-3

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	School Lunch Fund	Water Supply Board	Total	Internal Service Fund
Reconciliation of operating income to net cash				
Provided by operating activities				
Operating income (loss)	\$ (4,287,964)	\$ 7,800,308	\$ 3,512,344	\$ 882,211
Adjustments to reconcile operating income to net				
Cash provided by operating activities				
Depreciation and amortization	--	2,924,456	2,924,456	--
Loss on retirement of capital assets	--	5,235	5,235	--
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable and accrued revenue	131,996	--	131,996	258
(Increase) decrease in inventories	--	25,107	25,107	--
(Increase) decrease in prepaid items	--	(21,894)	(21,894)	--
(Increase) decrease in user charges receivable	--	44,537	44,537	--
(Increase) decrease in due from federal and state agencies	--	(12,667)	(12,667)	--
(Increase) decrease in deferred outflows	--	(508,044)	(508,044)	--
Increase (decrease) in accounts payable and accrued expenses	(89,418)	503,125	413,707	(410,144)
Increase (decrease) in accrued compensated absences and vacation	--	(123,371)	(123,371)	--
Increase (decrease) in net pension liability	--	738,783	738,783	--
Increase (decrease) in net OPEB obligation	--	75,011	75,011	--
Increase (decrease) in deferred inflows	--	(83,570)	(83,570)	--
Increase (decrease) in deposits	--	(8,982)	(8,982)	--
Total adjustments	<u>42,578</u>	<u>3,557,726</u>	<u>3,600,304</u>	<u>(409,886)</u>
Net cash (used in) provided by operating activities	<u>\$ (4,245,386)</u>	<u>\$ 11,358,034</u>	<u>\$ 7,112,648</u>	<u>\$ 472,325</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

D-1

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	City Pension Trust Fund (New Plan)	Agency Funds
Assets		
Cash equivalents	\$ 3,643,362	\$ 311,021
Investments, at Fair Value:		
Common stock	71,077,529	--
U.S. Government obligations	14,719,849	--
U.S. Government agency obligations	6,831,440	--
Domestic corporate bonds	<u>6,843,626</u>	<u>--</u>
Total Investments	<u>99,472,444</u>	<u>--</u>
Receivables:		
Interest and dividends	306,594	--
Other	<u>53,341</u>	<u>--</u>
Total Receivables	<u>359,935</u>	<u>--</u>
Total Assets	<u>\$ 103,475,741</u>	<u>\$ 311,021</u>
Liabilities		
Amounts held for the benefit of others	\$ --	\$ 311,021
Accounts payable and accrued expenses	<u>6,000</u>	<u>--</u>
Total Liabilities	<u>6,000</u>	<u>311,021</u>
Net Position		
Net position held in trust for pension benefits	<u>\$ 103,469,741</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

D-2

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	City Pension Trust Fund (New Plan)
Additions	
Contributions:	
Employer and plan members	\$ 13,630,084
Plan members	1,843,313
Total Contributions	<u>15,473,397</u>
Investment Income	
Net decrease in fair value of investments	(3,167,739)
Interest and dividends	1,874,957
Other	4,760
Net Investment Earnings	<u>(1,288,022)</u>
Less: investment expenses	(408,464)
Total investment income (loss)	<u>(1,696,486)</u>
Total Additions	<u>13,776,911</u>
Deductions	
Benefits paid	13,684,199
Administrative and other expenses	319,652
Total Deductions	<u>14,003,851</u>
Change in Net Position	(226,940)
Net Position - Beginning of Year	<u>103,696,681</u>
Net Position - End of Year	<u>\$ 103,469,741</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Pawtucket, Rhode Island (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below.

REPORTING ENTITY

The City of Pawtucket 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), Planning Engineering and Inspection, Education, Legislative, Judicial, and General Administrative Services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

Blended Component Unit

The Pawtucket Water Supply Board serves all the citizens of the City and is governed by a board comprised of the City's elected council. The rates for user charges and bond issuance authorizations are approved by the City's council and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Pawtucket Water Supply Board is reported as an enterprise fund and issues separate financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

Discretely Presented Component Unit

The Pawtucket Business Development Corporation (Corporation) is a nonprofit corporation whose purpose is to promote the growth of business and industry in Pawtucket through loans to local businesses. The Corporation is governed by a volunteer board of directors, appointed by the Mayor of the City of Pawtucket. The board reviews and approves all loans. The Corporation is managed by employees of the City of Pawtucket Planning Department. No compensation is paid to the Planning Department employees or the City for these services. It is discretely presented as a component unit. Complete financial statements for the Pawtucket's Business Development Corporation may be obtained at their administrative office at 137 Roosevelt Ave, Pawtucket, RI 02860.

BASIS OF PRESENTATION

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has a discretely presented component unit. While the Pawtucket Business Development Corporation is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and transit functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity 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, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets and deferred outflows, liabilities and deferred inflows, 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 and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the 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.

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 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 the proceeds of specific revenue sources that are legally or administratively restricted, committed or assigned to expenditures for certain purposes for the City and School.

Capital Project Funds

Capital Project Funds are used to account for resources restricted, committed or assigned for the acquisition or construction of specific capital projects or items.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

Permanent Funds

The Permanent Funds account for 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. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the proprietary funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenues. All other revenues of the proprietary funds are considered non-operating sources of revenue. Operating expenses for the enterprise funds includes costs of providing services, including administration and depreciation on capital assets. All other expense items not meeting the above criteria are reported as non-operating expenses.

Fiduciary Funds

Fiduciary Funds are used to report assets held 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 reporting entity includes 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 Funds

The Pension Trust Fund (New Plan) is an irrevocable trust used to account for funds that are to be used for the payment of retirement benefits to former police and fire employees.

The Pension Plan (Old Plan) is not part of an irrevocable trust, and therefore the assets are held in the City's general fund and used for payment of retirement benefits on a pay-as-you-go basis.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR FUNDS

The funds further classified as major are as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Governmental:</i>	
General Fund	This fund is the primary operating fund of the City.
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.
School \$32,000,000 Capital Project Fund	This fund is a capital project fund used to report the financial transactions of the \$32,000,000, 2014 authorization for the construction, renovation, and equipping of the school buildings.
<i>Proprietary:</i>	
School Lunch	Fund accounts for lunch operations at all the schools.
Water Supply Board	This fund accounts for the City's water system.

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and deferred outflows and liabilities and deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The City considers property taxes as available if they are collected within 60 days after year end.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS (CONTINUED)

- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows and liabilities and deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows and liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

All proprietary funds, private purpose trust funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

For purposes of the cash flow statement, the proprietary funds consider all investments with original maturities of three months or less when purchased to be cash equivalents.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

The City's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, other receivables and intergovernmental receivables. Business-type activities report service fees as its major receivables.

Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible taxes receivable accounts amounted to \$3,300,000 at June 30, 2016. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables 30% and 22%, respectively, of total governmental receivables. Business-type activities report service fees as its major receivables.

Inventories

Inventories are stated at cost (using the average cost method) and are recorded as expenditures when consumed.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Capital Assets

The accounting treatment over 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, 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 acquisition price at the date of donation. Library collections, capital assets that are not being depreciated, are placed into service using the replacement method of cost for any new assets and the expense is charged to depreciation expense in the year of acquisition. As of June 30, 2016, the City’s infrastructure assets have been capitalized and reported within the financial statements.

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 costs (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at their acquisition price, which approximates estimated fair value at the date of donation.

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

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 of depreciation. 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

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

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 re-evaluated at the beginning of the following fiscal year.

Property Taxes

The City is responsible for assessing, collecting, and distributing property taxes in accordance with enabling State legislation.

All property taxes for fund statement purposes are recognized in compliance with Section P70, “Property Taxes” of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund statements.

The City’s fiscal 2016 property taxes were levied in July of 2015 on assessed valuation as of December 31, 2014. 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 lien on taxpayer’s property. Assessed values are established by 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, 2014.

Compensated Absences

Under the terms of various contracts and agreements, City employees are granted vacation and sick leave in the varying amounts based on length of service. The City’s policy is to recognize the cost of the vacation and sick leave in governmental funds when paid, and on the accrual basis in proprietary funds. For governmental fund types accrued compensated absences are presented as a current liability for those amounts expected to be paid with current financial resources. In governmental funds compensated absence expenditures are only reported when matured. For those compensated absences not to be paid with current financial resources the liability is recorded in the Statement of Net Position of the Government-wide Financial Statements. See Note 9 for amounts due and payable at June 30, 2016. For proprietary fund types accrued compensated absences are recorded as a liability within those funds. 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 those which are liabilities on proprietary funds.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

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, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS), the New Plan of the Police and Firefighters Employees' Retirement System (PFERS) and the Municipal Employees' Retirement System plan (MERS) and additions to/deductions from ERS/PFERS/MERS' fiduciary net position have been determined on the same basis as they are reported by ERS/PFERS/MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The pension liability related to the Old Plan of the PFERS, which is a pay-as-you-go plan with no assets, and which is paid out of the general fund, has been determined on the same basis as they are reported by PFERS.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet may report deferred outflows of resources. Deferred outflow of resources represents a consumption of net position, that apply to a future period which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2016 the City reports deferred outflows related to pension items in the government-wide statement of net position. The City reports a total of \$35,169,988 for deferred outflow of resources related to pensions. This results from a) the portion of the employer's contributions made in the current fiscal year, but after the measurement date, but not to be expended until future years, b) differences between actual and expected experience, c) the net difference between projected and actual earnings on pension plan investments, and d) changes in proportion and differences between employer contributions and proportionate share of contributions.

In addition to liabilities, the statement of net position and/or balance sheet may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2016 the City had two items qualifying as a deferred inflow of resources in the governmental funds balance sheet. Unavailable tax revenue represents taxes receivables which are assessed on December 31, 2014 and prior and is not collected within 60 days of June 30, 2016. Net unavailable tax revenue included in the fund financial statements was \$6,099,540 at June 30, 2016. This amount is deferred and will be recognized as an inflow of resources in the years in which the amounts become available. The City also reports a deferred inflow of resources totaling \$13,881,538 related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension items results from differences between expected and actual experience, changes in assumptions or the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and include in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Self-Insurance

The City's self-insurance costs for health and general 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.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Interfund Transactions

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
- Interfund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other interfund transactions are reported as transfers.

Net Position/Fund Balance Classifications:

Government-wide Statements

Net position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources, and is displayed in three components:

- (a) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings excluding unexpended bond proceeds, that are attributable to the acquisition, construction, or improvement of those assets.
- (b) Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance Classifications (Continued):

Fund Financial Statements

Governmental fund equity is classified as fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned as described below:

- Non-Spendable – the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact.
- Restricted – the amount of fund balance that can only be spent on specific expenditures 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, should be reported as assigned fund balance. The City does not maintain a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* therefore any remaining positive portion of unassigned fund balance cannot be considered assigned.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance Classifications (Continued):

Fund Financial Statements (Continued)

- 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. At the end of each fiscal year, the Finance Director will report the portion of the unassigned fund balance. It is also used to report negative fund balances in other governmental funds.

Proprietary fund equity is classified the same as in the government-wide statements.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Council has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Estimates

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

RECENTLY ISSUED ACCOUNTING STANDARDS

The City has implemented the following governmental accounting standards during fiscal year ended June 30, 2016:

- ✓ GASB Statement No. 72 – *Fair Value Measurement and Application*. The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
- ✓ GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.
- ✓ GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for fiscal year ending June 30, 2016.

The City will adopt the following new accounting pronouncements in future years, the expected impact of which has not been determined:

- ✓ GASB Statement No. 74 – *Financial Reporting for Postemployment Benefits Other Than Pensions* – The provisions in Statement 74 are effective for reporting periods beginning after June 15, 2017.
- ✓ GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2018.
- ✓ GASB Statement No. 77 – *Tax Abatement Disclosures*, effective for the City’s fiscal year ending June 30, 2017.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)

- ✓ GASB Statement No. 80 – *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, effective for the Authority’s fiscal year ending June 30, 2017.
- ✓ GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*, effective for the City’s fiscal year ending June 30, 2017.
- ✓ GASB Statement No. 82 – *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the City’s fiscal year ending June 30, 2017.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

LEGAL DEBT MARGIN

The City's legal debt margin as set forth by State Statute is limited to three percent of total assessed value which approximates \$3,611,880,280 based on the December 31, 2014 assessment. As of June 30, 2016, the City’s debt is under the debt limit by \$104,642,408 subject to the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. All other City debt 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 the nonspendable fund balance.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

FUND DEFICITS

Funds with deficit fund balances as of June 30, 2016 were as follows:

Capital Projects Funds:

School \$32,000,000 Capital Projects Fund	\$ 3,537,250
CH 202/220 PL2014 Renovate & Improve Public Building	299,846
CH 165/158 PL2012 Renovate & Equip Recreation	48,225
CH133/113 PL2014 Sewer & Sanitary System	91,425
CH137/112 PL2014 Streets & Sidewalks	286,244
CH477/428 PL2012 School Renovate & Equip School Building	879,758
CH169/156 PL2012 Road & Traffic	73,589
CH136/116 PL2014 Bridges	49,722
CH166/154 PL2012 Highway	<u>100,000</u>
Total	<u>\$ 5,366,059</u>

The above capital projects funds will be funded by bond debt expected to be issued in the coming year and specifically for these projects.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits: The City maintains deposits in various financial institutions that are carried at cost except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as “Cash and Cash Equivalents”.

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 five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, “*Fair Value Measurement and Application*”.

In determining fair value, the City uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the City are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds help by the City are deemed to be actively traded.

Fixed income securities: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The following table summarizes the investments of the City, at fair value as of June 30, 2016:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Government agency bonds	\$ 5,465,262	\$ --	\$ --	\$ 5,465,262
Fixed income mutual funds	752,370	--	--	752,370
Equity mutual funds	11,018	--	--	11,018
Total Level 1, 2, and 3 assets in the fair value hierarchy	<u>\$ 6,228,650</u>	<u>\$ --</u>	<u>\$ --</u>	<u>6,228,650</u>
Certificate of deposit				<u>5,000,000</u>
Total assets in the fair value hierarchy				<u>\$ 11,228,650</u>

The following table summarizes the investments of the City Pension Trust Fund, at fair value, as of June 30, 2016:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Treasury bonds	\$ 14,719,849	\$ --	\$ --	\$ 14,719,849
Government agency bonds	6,831,440	--	--	6,831,440
Domestic corporate bonds	6,843,626	--	--	6,843,626
Common stock	71,077,529	--	--	71,077,529
Total assets in the fair value hierarchy	<u>\$ 99,472,444</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 99,472,444</u>

Interest Rate Risk: The City and the Pension Trust Fund limits their 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.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Concentrations: The City and the Pension Trust Fund’s investment policies are to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

	Government-wide	Pension Trust Fund
Cash and Cash Equivalents		
Deposits with financial institutions	\$ 45,734,345	\$ 3,954,383
Restricted deposits with financial institutions	18,539,327	--
Total Cash and Cash Equivalents	64,273,672	3,954,383
Investments		
U.S. Government agency bonds	5,465,262	6,831,440
U.S. Treasury bonds	--	14,719,849
Domestic corporate bonds	--	6,843,626
Fixed income mutual funds	752,370	--
Certificate of deposit	5,000,000	--
Common stocks	--	71,077,529
Equity mutual funds	11,018	--
Total Investments	11,228,650	99,472,444
Total Cash and Investments	\$ 75,502,322	\$ 103,426,827
	Cash	Investments
Governmental funds	\$ 41,986,142	\$ 5,763,388
Enterprise funds	22,287,530	5,465,262
Fiduciary funds	3,954,383	99,472,444
Total Cash and Investments	\$ 68,228,055	\$ 110,701,094

Custodial Credit Risk

At June 30, 2016, the carrying amount of the City and the Pension Trust Fund’s deposits was \$68,228,055, while the bank balance was \$78,754,229, all of which was covered by federal depository insurance or collateralized by the financial institutions and /or third parties in the name of the City and the Pension Trust Fund.

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.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This 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 segment time distribution model is as follows:

Type of Investment	Moody's Rating	Investment Maturities (in Years)			Total
		Less Than 1 Year	1-10 Years	Over 10 Years	
Government agency bonds	Aaa	\$ 5,465,262	\$ --	\$ --	\$ 5,465,262
Fixed income mutual funds	Not Available	752,370	--	--	752,370
Certificate of deposit	Not Available	--	5,000,000	--	5,000,000
Equity mutual funds	Not Available	11,018	--	--	11,018
Total		<u>\$ 6,228,650</u>	<u>\$ 5,000,000</u>	<u>\$ --</u>	<u>\$11,228,650</u>

Information about the exposure of the Pension Trust Fund’s debt type investments, held in the fiduciary trust, to interest rate and credit risk using the segment time distribution model is as follows:

Type of Investment	Moody's Rating	Investment Maturities (in Years)			Total
		Less Than 1 Year	1-10 Years	Over 10 Years	
Government agency bonds	Not Available	\$ --	\$ 6,831,440	\$ --	\$ 6,831,440
U.S. Treasury bonds	Aaa	--	14,719,849	--	14,719,849
Domestic corporate bonds	Not Available	--	6,843,626	--	6,843,626
Common stocks	Not Available	71,077,529	--	--	71,077,529
Total		<u>\$71,077,529</u>	<u>\$28,394,915</u>	<u>\$ --</u>	<u>\$99,472,444</u>

NOTE 4 – PROPERTY TAXES

The City is permitted by state law to levy property taxes. Current tax collections for the City were approximately 97% of the total December 31, 2014 levy.

For year ended June 30, 2016, the City used a tax rate of \$33.61 per thousand for commercial real property, \$21.89 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 FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities				
Non-Depreciable Assets				
Land	\$ 22,077,850	\$ --	\$ --	\$ 22,077,850
Construction in progress	1,119,704	3,560,688	758,799	3,921,593
Total Capital Assets not Being Depreciated	<u>23,197,554</u>	<u>3,560,688</u>	<u>758,799</u>	<u>25,999,443</u>
Depreciable Assets				
Buildings and improvements	98,016,327	10,644,229	1,105,616	107,554,940
Motor vehicles	16,900,708	2,565,224	911,510	18,554,422
Machinery, equipment and furniture	8,619,411	178,736	64,857	8,733,290
Infrastructure	121,999,193	--	--	121,999,193
Total Depreciable Assets	<u>245,535,639</u>	<u>13,388,189</u>	<u>2,081,983</u>	<u>256,841,845</u>
Total Capital Assets	<u>268,733,193</u>	<u>16,948,877</u>	<u>2,840,782</u>	<u>282,841,288</u>
Less Accumulated Depreciation for:				
Buildings and improvements	43,087,510	3,396,248	869,191	45,614,567
Motor vehicles	13,108,415	867,740	857,719	13,118,436
Machinery, equipment and furniture	7,209,860	348,479	61,926	7,496,413
Infrastructure	52,681,608	1,812,866	--	54,494,474
Total Accumulated Depreciation	<u>116,087,393</u>	<u>6,425,333</u>	<u>1,788,836</u>	<u>120,723,890</u>
Governmental Activities Capital Assets, Net	<u>\$ 152,645,800</u>	<u>\$ 10,523,544</u>	<u>\$ 1,051,946</u>	<u>\$ 162,117,398</u>

Depreciation Expense was Charged to Functions as Follows:

Governmental Activities	
Legislative	\$ 114,999
Finance	32,715
Public Safety	883,418
Public Works	3,147,615
Planning	405,387
Education	1,841,199
Total Governmental Activities Depreciation Expense	<u>\$ 6,425,333</u>

The City has the following commitments related to construction project contracts at June 30, 2016:

School Building Purchase	\$ 200,000
Police Department Renovations	82,336
Max Read Field	3,834,000
School Building Renovations	<u>6,500,668</u>
Total Commitments	<u>\$ 10,617,004</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2016 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business Type Activities				
Non Depreciable Assets				
Land	\$ 5,871,100	\$ --	\$ --	\$ 5,871,100
Construction in progress	8,534,520	5,411,983	10,018,306	3,928,197
Total Non Depreciable Assets	<u>14,405,620</u>	<u>5,411,983</u>	<u>10,018,306</u>	<u>9,799,297</u>
Depreciable Assets				
Structures and improvements	73,393,292	24,902	--	73,418,194
Transmission and distribution	100,328,541	10,018,306	--	110,346,847
Equipment	5,321,658	337,954	26,575	5,633,037
Total depreciable assets	<u>179,043,491</u>	<u>10,381,162</u>	<u>26,575</u>	<u>189,398,078</u>
Total Capital Assets	<u>193,449,111</u>	<u>15,793,145</u>	<u>10,044,881</u>	<u>199,197,375</u>
Less Accumulated Depreciation for:				
Structures and improvements	14,457,974	1,303,966	--	15,761,940
Transmission and distribution	19,122,381	1,479,038	--	20,601,419
Equipment	5,056,026	141,452	21,340	5,176,138
Total Accumulated Depreciation	<u>38,636,381</u>	<u>2,924,456</u>	<u>21,340</u>	<u>41,539,497</u>
Business Type Capital Assets, Net	<u>\$ 154,812,730</u>	<u>\$ 12,868,689</u>	<u>\$ 10,023,541</u>	<u>\$ 157,657,878</u>
Business Activities Depreciation Expense				
Water Supply Board		\$ 2,924,456		
Total Business Activities Depreciation Expense		<u>\$ 2,924,456</u>		
The PWSB has the following commitments related to the Construction Project Contracts at June 30, 2016:				
Spring Street Pump Station Demolition		\$ 194,789		
Main Replacement Contract MR-10		785,624		
CL-6 Cleaning & Lining Contract		<u>3,654,683</u>		
Total Commitments		<u>\$ 4,635,096</u>		

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 – FUND EQUITY

Fund Balance Classifications

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City has classified governmental fund balances at June 30, 2016 as follows:

Non-Spendable:

Perpetual Care and Endowment permanent funds	\$ 1,192,655
School department prepaid items	401,023
City special revenue funds	8,870
Total Non-Spendable fund balance	<u><u>\$ 1,602,548</u></u>

Restricted:

Restricted for City special revenue funds	\$ 3,018,232
Restricted for School Capital Projects funds	500,000
Restricted for general School purposes	475,992
Restricted for HUD special revenue funds	324,836
Restricted for School special revenue funds	300,421
Restricted for Capital project funds	4,338,093
Total Restricted fund balance	<u><u>\$ 8,957,574</u></u>

Committed:

Committed for Charter Reserve	\$ 700,000
Committed for City special revenue funds	1,656,568
Total Committed fund balance	<u><u>\$ 2,356,568</u></u>

Assigned:

Assigned for snow removal	\$ 150,000
Assigned for revaluation	587,001
Total Assigned fund balance	<u><u>\$ 737,001</u></u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 7 – INTERFUND TRANSFERS

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2016 is as follows:

<u>Fund/Department</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ --	\$ 32,406,407
School Unrestricted Fund	30,350,330	2,282,635
Special Revenue Funds	756,170	310,291
HUD Special Revenue Funds	80,693	99,126
School Restricted Funds	--	142,698
Capital Project Funds	1,235,046	771,925
Internal Service funds	3,590,843	--
Totals	<u>\$ 36,013,082</u>	<u>\$ 36,013,082</u>

NOTE 8 – TAX & BOND ANTICIPATION NOTES

At June 30, 2015, the City had a BAN payable dated June 16, 2015 in the amount of \$7,200,000 with interest at an annual rate of 0.69%. This note was due and paid on approximately June 14, 2016. Activity of the City’s BAN obligations was as follows for the fiscal year ended June 30, 2016.

Balance 6/30/2015	Additions	Retirements	Balance 6/30/2016
<u>\$ 7,200,000</u>	<u>\$ 25,000,000</u>	<u>\$ 7,200,000</u>	<u>\$ 25,000,000</u>

The City issued a Bond Anticipation Note, dated June 15, 2016, in the amount of \$25,000,000 with an interest rate of 1.11%. The notes maturity date is June 14, 2017.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 – LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2016 was as follows:

	(As restated)				Amounts
	Balance			Balance	Due within
	June 30, 2015	Additions	Retirements	June 30, 2016	One Year
Governmental Activities					
Bonds and loans payable	\$ 51,388,658	\$ 3,352,000	\$ 3,442,456	\$ 51,298,202	\$ 3,777,621
Bond premium	898,869	--	11,873	886,996	51,384
Total Bonds and Loans Payable and Bond Premium	<u>52,287,527</u>	<u>3,352,000</u>	<u>3,454,329</u>	<u>52,185,198</u>	<u>3,829,005</u>
Other Liabilities					
Capital leases	8,987,680	--	1,526,451	7,461,229	1,564,804
Compensated absences	7,976,495	114,918	--	8,091,413	809,141
Net OPEB obligation	90,253,231	9,675,987	--	99,929,218	--
Pension liability	2,599,239	--	136,855	2,462,384	--
Net pension liability	243,381,407	28,353,328	--	271,734,735	--
Total Other Liabilities	<u>353,198,052</u>	<u>38,144,233</u>	<u>1,663,306</u>	<u>389,678,979</u>	<u>2,373,945</u>
Governmental Activities					
Long Term Liabilities	<u>\$ 405,485,579</u>	<u>\$ 41,496,233</u>	<u>\$ 5,117,635</u>	<u>\$ 441,864,177</u>	<u>\$ 6,202,950</u>
Business Type Activities					
Bonds, notes and loans payable:					
Bonds and loans payable	\$ 98,399,342	\$ 34,890,000	\$ 31,701,878	\$ 101,587,464	\$ 4,839,579
Less undrawn proceeds	(865,112)	(10,625,000)	(4,348,569)	(7,141,543)	--
Total Bonds and Loans Payable	<u>97,534,230</u>	<u>24,265,000</u>	<u>27,353,309</u>	<u>94,445,921</u>	<u>4,839,579</u>
Bond premium	290,202	1,054,096	40,172	1,304,126	--
Total Bonds and Loans Payable and Bond Premium	<u>97,824,432</u>	<u>25,319,096</u>	<u>27,393,481</u>	<u>95,750,047</u>	<u>4,839,579</u>
Other Liabilities					
Compensated absences	860,889	--	123,371	737,518	73,752
Net OPEB obligation	1,530,256	75,011	--	1,605,267	--
Net pension liability	2,993,898	738,782	--	3,732,680	--
Total Other Liabilities	<u>5,385,043</u>	<u>813,793</u>	<u>123,371</u>	<u>6,075,465</u>	<u>73,752</u>
Business Type Activities					
Long-Term Liabilities	<u>\$ 103,209,475</u>	<u>\$ 26,132,889</u>	<u>\$ 27,516,852</u>	<u>\$ 101,825,512</u>	<u>\$ 4,913,331</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

(b) Debt Service

Payments on all long-term debt and other long-term liabilities that pertain to the City’s governmental activities are made by the Debt Service Fund and General 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 Cemetary Perpetual Care permanent fund, transferred \$500,000 to the General Fund, \$350,000 of which was deemed a loan that shall be repaid to the permanent fund in equal payments in the amount of \$40,000 per year for a period of ten years beginning in fiscal year 2013. This loan payable, in the amount of \$190,000, is included in the government-wide long term debt obligations.

The debt service through maturity for the above governmental bonds and loans are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2017	\$ 3,777,621	\$ 1,816,667	\$ 5,594,288
2018	3,987,954	1,736,305	5,724,259
2019	4,064,568	1,606,495	5,671,063
2020	3,196,816	1,481,998	4,678,814
2021	3,283,092	1,358,782	4,641,874
2022-2026	15,922,151	4,952,232	20,874,383
2027-2031	10,726,000	2,238,411	12,964,411
2032-2036	6,340,000	501,239	6,841,239
TOTALS	<u>\$ 51,298,202</u>	<u>\$ 15,692,129</u>	<u>\$ 66,990,331</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

(b) Debt Service (Continued)

The debt service through maturity for the above business type bonds and loans are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2017	\$ 4,839,579	\$ 3,374,525	\$ 8,214,104
2018	5,447,247	3,287,526	8,734,773
2019	5,603,299	3,128,316	8,731,615
2020	5,728,384	2,957,637	8,686,021
2021	5,907,108	2,776,753	8,683,861
2022-2026	31,191,847	10,783,282	41,975,129
2027-2031	24,479,000	5,431,912	29,910,912
2032-2036	18,391,000	1,615,750	20,006,750
TOTALS	\$ 101,587,464	\$ 33,355,701	\$ 134,943,165

(c) Bond Refunding

In 2016, the City retired its debt with the Rhode Island Clean Water Financing Authority (D/B/A Rhode Island Infrastructure Bank). On December 18, 2015, the City refunded the Series 2003 A&B Rhode Island Clean Water Bonds with the issuance Rhode Island Infrastructure Bank / City of Pawtucket, RI Conduit Issue Refunding Water Revenue Bonds, Series 2015:

Amount of the Series 2015 Water Revenue Bonds: \$24,265,000

Amount of the 2003 A&B bonds refunded: \$25,319,096

Increase in cash flow: \$ 872,209

Net present value savings: \$4,237,086.35

Net present value percentage: 15.695819%

Interest rate 4.00%

Maturity date October 1, 2035.

(d) Subsequent Issuances

The City issued \$3,915,000 in Energy Efficiency Bonds with Rhode Island Infrastructure Bank subsequent to year end.

NOTE 10 – BONDS AUTHORIZED BUT UNISSUED

Bonds authorized but unissued at June 30, 2016 were \$22,300,500 to be used for capital project funds.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11 – DEFINED BENEFIT 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 Rhode Island (Teachers' Plan); or the Police and Firefighters Employees' Retirement System (New Plan), a contributory defined benefit. The Municipal Plan covers all full-time City and non-certified School Department general employees. The Teachers' Plan covers all School Department personnel certified by the Rhode Island Department of Education who are or have been engaged in teaching or administration as a principal occupation. The Police and Firefighters Employees' Retirement System (New 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.

Eligible retired police and firefighters of the City that were hired prior to July 1, 1973 and July 1, 1972, respectively, are covered by the Police and Firefighters Employees' Retirement System (Old Plan), a defined benefit pension plan.

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.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11A – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT OLD PLAN

General Information about the Pension Plan

Plan Description - 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 Old Plan is unfunded, with benefits paid out of the City's general fund on a pay-as-you-go basis. The Police and Firefighters Pension Old Plan does not issue stand-alone financial reports. Pawtucket's City Council acts as the board of the Old Plan.

Summary of Significant Accounting Policies

Basis of Accounting – The Police and Firefighters Pension Plan is administered by the City, and is accounted for on the accrual basis of accounting. Expenses (benefits, administration and refunds) are recognized when they are due and payable in accordance with the terms of the Plan.

Funding Policy (Old Plan only) – Each fiscal year, the City pays into the pension plan a sum equal to the actual benefit payout of the Plan for that 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 the diminishing contributions and funds for payment are built into the taxpayer's rate and budget, the Plan will not add additional burden to future taxpayers and, thus, will continue as is until completion.

Benefits provided – The Police and Firefighters Pension Plan provides pension wages, but does not provide medical benefits.

In the event that an employee died prior to retirement and was survived by a spouse or children, the spouse was entitled to a pension benefit equal to 30% of the employee's highest or final salary plus an additional 10% for each dependent child less than 21 years of age. The benefit could not exceed a total of 50% 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 0% to 3% annually to every three years, depending on the member's date of retirement and collective bargaining agreement the member is covered by.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11A – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT OLD PLAN (CONTINUED)

Employees Covered By Benefit Terms.

At the June 30, 2015 valuation date, the following employees were covered by the benefit terms:

Retirees, disability retirees and beneficiaries receiving benefits	38	
Active plan members vested	0	
Totals	38	

Contributions – 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. For the year ended June 30, 2016, the City paid \$478,777.

Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Assumptions and Methods

Summary of Actuarial Assumptions Used in the Valuation to determine the Pension Liability at the July 1, 2016 Valuation Date

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Normal Actuarial Cost methodology is used.
Actuarial Assumptions	
Projected Salary Increases	None, since all members are now retired.
Inflation	3.00%
Mortality	It is assumed that both pre-retirement and post retirement mortality are represented by the RP-2000 combined mortality table adjusted to Blue Collar (male tables) with 1 year setback, and Scale AA improvement through 2011. Disabled mortality is assumed to follow The RP-2000 combined mortality table adjusted to blue Collar male tables) set forward 1 year for males and 2 years for females, and Scale AA improvement through 2011.
Cost of Living Adjustments	COLA's vary from 0%-3% depending on the date of retirement, compounded from every 3 years to every year depending on date of retirement. This applies to 15 of the 38 surviving members.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11A – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT OLD PLAN (CONTINUED)

Summary of Changes in Pension Liability – Old Plan

	<u>Pension Liability</u>
Balances as of June 30, 2015	\$ 2,599,239
Changes for the Year	
Interest on the total pension liability	177,313
Difference between expected and actual experience	164,609
Benefit payments, including employee refunds	<u>(478,777)</u>
Net changes	<u>(136,855)</u>
Balances as of June 30, 2016	<u><u>\$ 2,462,384</u></u>

Sensitivity of the pension liability to changes in the discount rate. The following presents the net pension liability of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Current	
1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
\$ 2,567,436	\$ 2,462,384	\$ 2,366,267

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN

General Information about the Pension Plan

Plan Description - The City administers a single employer defined benefit pension plan for Police and Fire Employees (“New Plan”). The New Plan covers police officers who were hired after July 1, 1973 and firefighters who were hired after July 1, 1972. The New Plan is prefunded, the information of which can be viewed in the fiduciary fund section of these financial statements. The New Plan does not issue stand-alone financial reports. Pawtucket’s City Council acts as the board of the New Plan.

Summary of Significant Accounting Policies

Basis of Accounting – The New 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 New Plan.

Method Used to Value Investments – Investments are reported at fair value. Short-term investments are reported at cost, which approximates 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.

Benefits provided – The New Plan provides pension benefits, and death and disability benefits. Mandatory retirement age under the Plan is 65. Members are vested in their benefits after 10 years of service, accruing 2.5% for each year of service up to and including their 20th year, with a benefit equal to 50% of the member's final average compensation. A member is entitled to an additional 2% of final average compensation or each year of service over 20 years, not to exceed 10 years or 70%. Details specific to each group are as follows:

Police –Final average compensation is defined as the highest 3 year average salary rate over the last 10 years. Police members who had 23 years and 4 months of service as of July 1, 2014 shall be entitled to additional pension benefit of 3 2/3% for each year of service up to a maximum of 70%. This additional benefit shall begin to accrue from July 1, 2013.

Firefighters – Firefighter members hired before May 1, 2013 retiring after 20 years of credited service are also entitled to an additional retirement benefit of 3% of the member's base for each year of service over 20 years, but not to exceed an additional 3 years and 4 months, and 2% for each year of service thereafter, with a maximum retirement benefit of 70%. Firefighter members hired after May 1, 2013 retiring after 20 years of credited service are entitled to an additional retirement benefit of 2% of the member's Base for each year of service over 20 years, with a maximum retirement benefit of 70%. Final average compensation is defined as the latest 3 year average salary rate.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Benefits provided (Continued)

Any member that withdraws from service prior to retirement (10 years) is entitled to a refund in a single sum of the amount of contribution made to the New 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 66 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% 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% 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.

Employees Covered By Benefit Terms

At the June 30, 2015 valuation date, the following employees were covered by the benefit terms:

Retirees, disability retirees and beneficiaries receiving benefits	462
Active plan members vested	<u>262</u>
Totals	<u><u>724</u></u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN (CONTINUED)

Contributions – Employee and Employer contribution requirements are established and may be amended by City Council ordinance or union contract.

Eligible police and fire employees hired before May 1, 2013 are required to contribute 7.5% of their salary to the Plan. Employees hired after May 1, 2013 contribute 9%. Firefighters and police contribute 8% beginning on July 1, 2014, increasing to 8.5% effective July 1, 2015, and 9% commencing July 1, 2016 in accordance with Collective Bargaining Agreements as of July 1, 2014 and the approved Funding Improvement Plan.

The City establishes employer contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, the City contributed \$13,630,084 in the year ended June 30, 2016 which was 74.26% of annual covered payroll.

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Assumptions and Methods

Summary of Actuarial Assumptions Used in the Valuation to determine the Net Pension Liability at the July 1, 2016 Valuation Date

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Normal Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	20 years at June 30, 2016
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	Police & Fire Employees - 2.00% to 11.00%
Inflation	3.00%
Mortality	It is assumed that both pre-retirement and post retirement mortality are represented by the RP-2000 combined mortality table adjusted to Blue Collar (male tables) with 1 year setback, and Scale AA improvement through 2011. Disabled mortality is assumed to follow The RP-2000 combined mortality table adjusted to blue Collar male tables) set forward 1 year for males and 2 years for females, and Scale AA improvement through 2011.
Cost of Living Adjustments	COLA's vary from 0%-3% depending on the date of retirement, compounded annually. Under the new plan provisions for active Members, the COLA begins at the earlier of age 55 and 10 years following retirement. For the period FYE14 through FYE16, no COLAs will be made to the benefits for current retirees.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The actuarial assumptions used in the June 30, 2016 valuation were consistent with the results of an actuarial experience study performed as of June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method on which best estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return and by adding inflation.

The City determined 7.5% as the long term expectation of investment returns. The average return for the past 5 years ending June 30, 2016 exceeded 7.5%. The June 30, 2016 expected geometric returns over the long term by asset class as developed by the City’s investment consultant, which are utilized by the actuary and summarized below. Best estimates of rates of return for each major asset class included in the pension plan’s target allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return, Net of Inflation</u>	<u>Long-Term Expected Rate of Return</u>
Equities	6.25%	9.25%
Government Fixed Income	1.50%	4.50%
Corporate Fixed Income	3.00%	6.00%
Cash	0.00%	3.00%

Discount rate – The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses and the long term expected rate of return on New Plan assets. Rhode Island law requires locally administered plans to adopt a plan to become fully funded by 2042. Based on these laws and assumptions, the pensions plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of return – For the year ended June 30, 2016, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN (CONTINUED)

Summary of Changes in Net Pension Liability – New Plan

	<u>Total</u> <u>Pension Liability</u>	Increase (Decrease) Plan Fiduciary <u>Net Position</u>	Net Pension <u>Liability</u>
Balances as of June 30, 2015	\$ 245,561,185	\$ 103,696,681	\$ 141,864,504
Changes for the Year			
Service cost	3,765,783		3,765,783
Interest on the total pension liability	18,699,523		18,699,523
Changes in plan provisions	--		--
Difference between expected and actual experience	4,031,307		4,031,307
Changes in assumptions	--		--
Employer contributions	--	13,630,084	(13,630,084)
Employee contributions	--	1,843,313	(1,843,313)
Net investment income	--	(1,288,022)	1,288,022
Benefit payments, including employee refunds	(13,684,199)	(13,684,199)	--
Interest on benefit payments	(503,881)		(503,881)
Expenses	--	(728,116)	728,116
Net changes	<u>12,308,533</u>	<u>(226,940)</u>	<u>12,535,473</u>
Balances as of June 30, 2016	<u>\$ 257,869,718</u>	<u>\$ 103,469,741</u>	<u>\$ 154,399,977</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
\$ 187,244,412	\$ 154,399,977	\$ 127,311,845

Pension plan fiduciary net position - The Plan Fiduciary Net Position as a percentage of the total New Plan Pension Liability is 40.1%.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11B – DEFINED BENEFIT PENSION PLANS - POLICE & FIRE DEPARTMENT NEW PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016 the City recognized pension expense of \$3,001,677. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,160,614	\$ --
Net asset loss	7,245,710	--
Previously reported deferred outflows (inflows)	5,484,472	(1,232,906)
Recognition of previously reported deferred (outflows) inflows		
Returns	<u>(1,296,195)</u>	<u>286,812</u>
Total	<u>\$ 14,594,601</u>	<u>\$ (946,094)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred (Inflows) of Resources
2017	\$ 3,978,316	\$ (286,812)
2018	3,978,316	(286,812)
2019	3,978,314	(286,812)
2020	<u>2,659,655</u>	<u>(85,658)</u>
Total	<u>\$ 14,594,601</u>	<u>\$ (946,094)</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES

General Information about the Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

Benefits provided – For general employees prior to June 30, 2012 the Plan provided retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member's full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012 the retirement age will mirror the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62).

As of June 30, 2012 members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012 the optional 20 and 25 year with retirement at any age plans have been eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act.

The Plan also provides survivor's benefits; and certain lump sum death benefits.

Plan members are vested after five years of service.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits provided (Continued)

An optional cost-of-living provision may be elected for general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80% funded eligible retirees may receive a COLA annually effective on their date of retirement plus one month.

The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

The Plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

Employees covered by benefit terms

At the June 30, 2015 measurement date, the following employees were covered by the benefit terms:

Retirees, disability retirees and beneficiaries receiving benefits	683
Active plan members vested	<u>496</u>
Total	<u><u>1,179</u></u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 2% of their salaries. The (City of Pawtucket) contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The (City of Pawtucket) contributed \$3,429,537 in the year ended June 30, 2016 which was 17.21% of annual covered payroll.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

**Summary of Actuarial Assumptions Used in the Valuations to determine
Net Pension Liability at the June 30, 2015 measurement date
(June 30, 2014 valuation rolled forward to June 30, 2015)**

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	20 years at June 30, 2015
Asset Valuation Method	5-Year smoothed market
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	Male employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	COLA is 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 latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after January 1, 2014. Collar adjustments, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2015. The City allocated the proportionate share of the net pension liability to the Pawtucket Water Supply Board based on covered payroll.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target Allocation	Medium-Term Expected Real Rate of Return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge Funds	8%	4.75%
Absolute Return Hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.50%
Core Fixed	15%	0.25%
Asset	3%	-0.50%
	<u>100%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

Discount rate - The discount rate used to measure the total pension liability of the plan was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

Changes in the Net Pension Liability

	<u>Total Pension Liability</u>	<u>Increase (Decrease) Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of June 30, 2015	\$ 115,517,748	\$ 91,962,298	\$ 23,555,450
Changes for the Year			
Service cost	1,678,551	--	1,678,551
Interest on the total pension liability	8,425,763	--	8,425,763
Changes in benefits	2,108,670	--	2,108,670
Difference between expected and actual experience	(919,002)	--	(919,002)
Changes in assumptions	--	--	--
Employer contributions	--	3,180,541	(3,180,541)
Employee contributions	--	396,865	(396,865)
Net investment income	--	2,096,868	(2,096,868)
Benefit payments, including employee refunds	(8,027,028)	(8,027,028)	--
Administrative expense	--	(95,648)	95,648
Other changes	--	(38,394)	38,394
Net changes	<u>3,266,954</u>	<u>(2,486,796)</u>	<u>5,753,750</u>
Balances as of June 30, 2016	<u>\$ 118,784,702</u>	<u>\$ 89,475,502</u>	<u>\$ 29,309,200</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
\$ 42,028,130	\$ 29,309,200	\$ 18,897,640

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016 the employer recognized pension expense of \$1,146,166. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date:	\$ 3,429,537	\$ --
Differences between expected and actual experience:	--	(710,720)
Assumption changes:	--	(277,209)
Net difference between projected and actual earnings on pension plan investments:	<u>3,702,734</u>	<u>(3,643,919)</u>
Total	<u><u>\$ 7,132,271</u></u>	<u><u>\$ (4,631,848)</u></u>

The \$3,429,537 reported as deferred outflows of resources related to pensions resulting from the City of Pawtucket contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred (Inflows) of Resources
2017	\$ 925,683	\$ (1,569,861)
2018	925,683	(1,553,192)
2019	925,684	(1,422,922)
2020	925,684	(85,873)
2021	<u>--</u>	<u>--</u>
Total	<u><u>\$ 3,702,734</u></u>	<u><u>\$ (4,631,848)</u></u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11C – DEFINED BENEFIT PENSION PLANS – GENERAL MUNICIPAL EMPLOYEES (CONTINUED)

Defined Contribution Plan Description:

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the Plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The City of Pawtucket recognized pension expense of \$199,302 for the fiscal year ended June 30, 2016.

The Employees Retirement System of Rhode Island (System) issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. The report may be obtained at <http://www.ersri.org>.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS

General Information about the Pension Plan

Plan description - Certain employees of the Pawtucket School District participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the Plan, regardless of the status of the employers' payment of its pension obligation to the Plan. The Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Benefit provisions – The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The Plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans covering state employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at five-year intervals.

The Plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

Contributions – The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the Plan. For fiscal 2016, Pawtucket School District teachers were required to contribute 3.75% of their annual covered salary. The State and the Pawtucket School District are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Pawtucket School Department; the rates were 9.41% and 13.73% of annual covered payroll for the year ended June 30, 2016 for the State and Pawtucket School District, respectively. The Pawtucket School District contributed \$8,107,401, \$7,714,780 and \$6,905,831 for the years ended June 30, 2016, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2016, the Pawtucket School District reported a liability of \$91,758,238 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Pawtucket School District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Pawtucket School District were as follows:

Pawtucket School District proportionate share of net pension liability:	\$ 91,758,238
State's proportionate share of the net pension liability associated with the Pawtucket School District:	<u>62,686,348</u>
Total net pension liability	<u>\$ 154,444,586</u>

The net pension liability was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. The Pawtucket School District proportion of the net pension liability was based on a projection of the Pawtucket School District long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2016 the Pawtucket School District's proportion was 3.33302393%.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

Prior to June 30, 2015 (the measurement date), litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly.

The amended benefit provisions in the newly enacted legislation and settlement agreement have been reflected in the determination of the net pension liability at June 30, 2015 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

These amendments are not considered to have a material effect on the net pension liability had they been retroactively applied to the calculation of the total pension liability at June 30, 2013 rolled forward to June 30, 2014. An actuarial analysis of the pension settlement provisions enacted by the General Assembly and approved by the Court indicated that the funded ratio at June 30, 2014 for teachers (determined on a funding basis) decreased from 59.6% to 58.2%.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

For the year ended June 30, 2016 the Pawtucket School District recognized gross pension expense of \$11,151,262 and revenue of \$7,611,829 for support provided by the State. At June 30, 2016 the Pawtucket School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Changes in proportion and differences between employer contributions and proportionate share of contributions:	\$ 165,587
Net difference between projected and actual earnings on pension plan investments:	5,170,128
Contributions subsequent to the measurement date:	<u>8,107,401</u>
Total	<u>\$ 13,443,116</u>
Deferred inflows of resources	
Changes of assumptions:	\$ (2,466,774)
Differences between expected and actual experience:	(597,471)
Net difference between projected and actual earnings on pension plan investments:	<u>(5,239,351)</u>
Total	<u>\$ (8,303,596)</u>

The \$8,107,401 reported as deferred outflows of resources related to pensions resulting from the Pawtucket School District contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. This and all other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2017	\$ 7,179,867
2018	(927,534)
2019	(927,534)
2020	818,917
2021	(473,615)
Thereafter	<u>(530,581)</u>
Total	<u>\$ 5,139,520</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality – male and female teachers: 97% and 92%, respectively of rates in a GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission’s investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target Allocation	Medium-Term Expected Real Rate of Return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge Funds	8%	4.75%
Absolute Return Hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.50%
Core Fixed	15%	0.25%
Asset	3%	-0.50%
	100%	

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

Discount rate - the discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - the following presents the net pension liability calculated using the discount rate of 7.5 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
\$115,064,093	\$ 91,758,238	\$ 72,679,097

Pension plan fiduciary net position - detailed information about the pension plan’s fiduciary net position is available in the separately issued ERSRI financial report.

Defined Contribution Plan Description:

Employees participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 11D – DEFINED BENEFIT PENSION PLANS – TEACHERS (CONTINUED)

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees increased slightly beginning in fiscal 2016.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The Pawtucket School District recognized pension expense of \$558,495 for the fiscal year ended June 30, 2016.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

NOTE 12 – OTHER POST-EMPLOYMENT 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 (through age 65), 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 of the other postemployment benefits of the City was performed by Sherman Actuarial Services, LLC as of July 1, 2015; the results are based on a discount rate of 4.0%.

Covered participants:

At July 1, 2015, 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

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2014, 2015 and 2016 are as follows:

<u>Years ended June 30,</u>	<u>OPEB Cost</u>	<u>% of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2014	\$ 17,850,863	72%	\$ 81,867,496
2015	\$ 19,892,562	50%	\$ 91,783,487
2016	\$ 20,860,054	53%	\$ 101,534,485

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. 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.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial methods and assumptions (continued):

Actuarial cost method - Costs are attributed between past and future service using the projected Unit Credit Cost method. Benefits are attributed ratably to service from date of hire until full eligibility date.

Interest rate/discount rate - 4.0% per year, net 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 - 95% of future retirees are assumed to participate in the retiree medical plan. 30% of future school retirees are assumed to participate in the dental plan. 90% of future Public Safety retirees are assumed to participate in the dental plan.

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

Eligibility for Benefits - Current employees of the City who retire with a benefit from the Pawtucket Retirement Board, as well as their beneficiaries, and retirees of the City, as well as their beneficiaries and spouses, are eligible for benefits. The spouses of current employees are eligible for benefits if the current employees are covered under the police, fire, and teacher plans.

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding status and funding progress:

Annual required contribution		\$ 20,604,671
Interest on OPEB		3,671,339
Adjustment to annual required contribution		<u>(3,415,956)</u>
Annual OPEB cost		20,860,054
Premiums paid		<u>(11,109,056)</u>
Increase (decrease) in net OPEB obligation:		
Governmental activities	9,675,987	
Business-type activities	<u>75,011</u>	9,750,998
Net OPEB obligation, beginning of year		<u>91,783,487</u>
Net OPEB obligation, end of year		<u>\$ 101,534,485</u>

City contributions to the plan for the year ended June 30, 2016 represented 50% of the annual OPEB cost. The difference represents the City's OPEB obligation to the plan and has been accrued as a liability in the government-wide financial statements.

The required supplementary information which follows the notes to the financial statements presents multi-year 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, 2015, which is the most recent report available from the actuary who values this plan.

Actuarial value of assets		\$ --
Actuarial accrued liability		\$ 345,227,046
Unfunded actuarial accrued liability		\$ (345,227,046)
Funded ratio		0%
Annual covered payroll		N/A
UAAL as percentage of payroll		N/A

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 – CONTINGENCIES AND COMMITMENTS

Litigation

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints, and adequately provides for losses and accrues liabilities for losses when they are both probable and can be reasonable 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 \$4,240,000. As it is not probable that a liability has been incurred, no liability has been recorded in the accompanying financial statements.

Challenges to Police and Fire Pension (New Plan) Funding Improvement Plan (FIP) – A number of police and fire retirees filed a class action lawsuit to contest the freezing of the Cost of Living Adjustment (COLA) for a period of three years, per the City Council approved FIP. The City intends to vigorously contest the lawsuit. As part of the State's Pension Commission, all locally administered pension plans had to submit a FIP to the State in order to comply with RI Gen. Law 45-65-6 (2). The New Plan had to include emerging from "critical status" within 20 years. As part of the City's FIP, the retirees would not receive their annual COLA's for 3 years, July 1st 2014, 2015, and 2016, but the COLA would resume on July 1, 2017. Currently, the discovery on this case is ongoing and the City is preparing to both litigate the action and seek resolution, through the settlement process. As of June 30, 2016 the City has saved the pension plan a total of \$271,700 of COLA payments and will save another \$509,739 as of June 30, 2016 by not paying the COLA payments. This also effects the unfunded pension liability, which in turn effects the Actuarially Required Contributions (ARC). The actuarial valuation of the police and fire pension plan assumes that the COLA freeze is in place for the 3-years, if it were not, the unfunded pension liability would increase by \$28 million and the ARC would increase by \$2.1 million as estimated by the actuary.

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

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 – CONTINGENCIES AND COMMITMENTS (CONTINUED)

Property and liability insurance (Continued)

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, 2016. At June 30, 2016, the Trust's estimated reserves on open claims not subject to coverage amounted to approximately \$1,700,000, which the City could be liable for.

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 grant agency for expenditures disallowed under terms of the grant. City officials believe such disallowances, if any, would be immaterial.

NOTE 14 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded the City's coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage from the prior year. 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 at \$300,000.

The claims liability reported in the internal service fund at June 30, 2016 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 year ended June 30, 2016 were approximately \$32,452,000 which represented approximately \$16,109,000 and \$16,343,000 for City and School Department personnel, respectively. At June 30, 2016 and 2015 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, 2016 and 2015 as follows:

	<u>2016</u>	<u>2015</u>
IBNR at beginning of year	\$ 1,528,288	\$ 1,988,274
Claims incurred during the year	32,452,349	32,015,039
Claims paid during the year	<u>(32,564,507)</u>	<u>(32,475,025)</u>
IBNR at end of year	<u>\$ 1,416,130</u>	<u>\$ 1,528,288</u>

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 – RESTATEMENT

Based on the implementation of GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the City is required to implement this standard retrospectively.

Additionally, the City determined that a correction to the allocation of the MERS net pension liability as of July 1, 2015 was necessary as a result of the Pawtucket Water Supply Board receiving a disproportionate share of the liability. The City and the Pawtucket Water Supply Board receive proportionate shares based on dollars contributed during the fiscal year. The opening net position was adjusted for the net pension liability as noted below.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net position as reported, June 30, 2015	\$ (210,628,115)	\$ 76,800,048	\$ (133,828,067)
MERS allocation restatement	(1,940,094)	1,940,094	--
175 Main Street reclassification	985,799	(985,799)	--
GASB No. 73 implementation	(1,876,151)	--	(1,876,151)
Net position as restated, July 1, 2015	\$ (213,458,561)	\$ 77,754,343	\$ (135,704,218)

	Business-type Activities - Enterprise Funds		
	School Lunch Fund	Pawtucket Water Supply Board	Total
	Net position as reported, June 30, 2015	\$ 84,385	\$ 75,729,864
MERS allocation restatement	--	1,940,094	1,940,094
Net position as restated, July 1, 2015	\$ 84,385	\$ 77,669,958	\$ 77,754,343

In addition to the above restatement, the City reclassified the Mabel Anderson Fund, a non-major City Special Revenue Fund as of June 30, 2015, to the Permanent Funds as of July 1, 2015. The City Special Revenue Funds and the Permanent Funds are grouped together as part of other non-major governmental funds, so no restatement was necessary.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 – RESTATEMENT (CONTINUED)

The balances that were affected in the restatement for the implementation of GASB No. 73 included net pension liability, deferred outflows and deferred inflows regarding pensions for the governmental activities and business type activities. The MERS restatement did not have an impact on the government-wide net position. The activity of the restatement is noted below:

	<u>June 30, 2015</u>	<u>GASB No. 73 Restatement</u>	<u>July 1, 2015 As Restated</u>
Net Pension Obligation			
Police and Fire Retirement Old Plan	\$ (723,088)	\$ 723,088	\$ --
Pension Liability			
Police and Fire Retirement Old Plan	--	(2,599,239)	(2,599,239)
Net Pension Liability			
Police and Fire Retirement New Plan	(141,864,504)	--	(141,864,504)
Municipal Employees Retirement System	(23,555,450)	--	(23,555,450)
Employees Retirement System	(80,955,350)	--	(80,955,350)
Deferred Outflows Pension	16,374,798	--	16,374,798
Deferred Inflows Pension	(16,354,328)	--	(16,354,328)
Net Position	133,828,067	1,876,151	135,704,218

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF PAWTUCKET, RHODE ISLAND

E-1

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property taxes and payments in lieu of taxes	\$ 104,066,788	\$ 104,066,788	\$ 102,882,088	\$ (1,184,700)
Intergovernmental and departmental	6,391,832	6,391,832	6,931,082	539,250
Licenses	233,870	233,870	234,092	222
Permits	552,150	552,150	588,719	36,569
Fines and forfeitures	353,940	353,940	334,367	(19,573)
Charges for services	4,229,385	4,229,385	4,780,158	550,773
Investment and interest income	970,000	970,000	954,545	(15,455)
Total Revenues	<u>116,797,965</u>	<u>116,797,965</u>	<u>116,705,051</u>	<u>(92,914)</u>
Expenditures				
Current:				
Legislative, judicial and general administrative	2,959,959	2,959,959	2,899,586	60,373
Executive	954,458	954,458	1,025,508	(71,050)
Finance	3,084,135	3,084,135	2,826,050	258,085
Planning	1,693,789	1,693,789	1,564,783	129,006
Public safety	47,820,772	47,820,772	48,004,679	(183,907)
Public works	11,353,036	11,353,036	10,748,328	604,708
Operating insurance	922,725	922,725	1,038,296	(115,571)
Contribution support	84,914	84,914	79,705	5,209
Employee benefits	8,699,734	8,699,734	8,488,746	210,988
Other fixed and general charges	1,666,249	1,666,249	2,191,250	(525,001)
Debt services	7,098,821	7,098,821	6,784,083	314,738
Total Expenditures	<u>86,338,592</u>	<u>86,338,592</u>	<u>85,651,014</u>	<u>687,578</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>30,459,373</u>	<u>30,459,373</u>	<u>31,054,037</u>	<u>594,664</u>
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	--	(50,000)
Transfers out - other	(301,741)	(301,741)	(390,567)	(88,826)
Transfers out - School unrestricted fund - appropriation	<u>(30,207,632)</u>	<u>(30,207,632)</u>	<u>(30,207,632)</u>	<u>--</u>
Net Other Financing Sources (Uses)	<u>(30,459,373)</u>	<u>(30,459,373)</u>	<u>(30,598,199)</u>	<u>(138,826)</u>
Excess of revenues over expenditures and other financing sources (uses)	<u>\$ --</u>	<u>\$ --</u>	<u>455,838</u>	<u>\$ 455,838</u>
Adjustments of budgetary basis to U.S. GAAP basis			<u>(2,595,725)</u>	
Excess (deficiency) of revenues over expenditures and other financing sources (uses), U.S. GAAP basis			<u>(2,139,887)</u>	
Fund balance, beginning of year			<u>16,234,440</u>	
Fund balance, end of year			<u>\$ 14,094,553</u>	

CITY OF PAWTUCKET, RHODE ISLAND

E-2

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
General Property Taxes				
Real estate, tangible and motor vehicle	\$ 103,553,038	\$ 103,553,038	\$ 102,258,742	\$ (1,294,296)
Current other taxes	513,750	513,750	623,346	109,596
Total General Property Taxes	<u>104,066,788</u>	<u>104,066,788</u>	<u>102,882,088</u>	<u>(1,184,700)</u>
Intergovernmental and Departmental				
State	6,391,832	6,391,832	6,931,082	539,250
Total Intergovernmental and Departmental	<u>6,391,832</u>	<u>6,391,832</u>	<u>6,931,082</u>	<u>539,250</u>
Licenses				
Liquor	138,000	138,000	138,765	765
Taverns & victualling	34,000	34,000	35,620	1,620
Other	61,870	61,870	59,707	(2,163)
Total Licenses	<u>233,870</u>	<u>233,870</u>	<u>234,092</u>	<u>222</u>
Permits				
Electrical	115,000	115,000	125,927	10,927
Plumbing	40,000	40,000	54,352	14,352
Other	397,150	397,150	408,440	11,290
Total Permits	<u>552,150</u>	<u>552,150</u>	<u>588,719</u>	<u>36,569</u>
Fines and Forfeitures				
Municipal and Police P.T.E.	150,000	150,000	117,146	(32,854)
Other	203,940	203,940	217,221	13,281
Total Fines and Forfeiture	<u>353,940</u>	<u>353,940</u>	<u>334,367</u>	<u>(19,573)</u>
Charges for Service				
Legal instrument fees	497,350	497,350	475,916	(21,434)
VIN inspection fees	27,000	27,000	36,810	9,810
Rescue service	2,000,000	2,000,000	2,242,610	242,610
Other	1,705,035	1,705,035	2,024,822	319,787
Total Charges for Services	<u>4,229,385</u>	<u>4,229,385</u>	<u>4,780,158</u>	<u>550,773</u>
Interest				
Real estate overdue taxes	850,000	850,000	811,877	(38,123)
Bank accounts	120,000	120,000	142,668	22,668
Total Interest	<u>970,000</u>	<u>970,000</u>	<u>954,545</u>	<u>(15,455)</u>
Total Revenues	<u>116,797,965</u>	<u>116,797,965</u>	<u>116,705,051</u>	<u>(92,914)</u>
Other Financing Sources				
Transfers in	50,000	50,000	--	(50,000)
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>--</u>	<u>(50,000)</u>
Total Revenue and Other Financing Sources	<u>\$ 116,847,965</u>	<u>\$ 116,847,965</u>	<u>\$ 116,705,051</u>	<u>\$ (142,914)</u>

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative				
City Council	\$ 228,096	\$ 228,096	\$ 236,372	\$ (8,276)
City Clerk	571,962	571,962	570,131	1,831
Probate Court	40,884	40,884	40,110	774
Board of Canvassers	334,555	334,555	302,358	32,197
Library	1,784,462	1,784,462	1,750,615	33,847
Total Legislative	<u>2,959,959</u>	<u>2,959,959</u>	<u>2,899,586</u>	<u>60,373</u>
Executive				
Mayor	503,004	503,004	533,944	(30,940)
Law Department	369,680	369,680	411,209	(41,529)
Municipal Court	81,774	81,774	80,355	1,419
Total Executive	<u>954,458</u>	<u>954,458</u>	<u>1,025,508</u>	<u>(71,050)</u>
Finance Department				
Finance Director	349,046	349,046	354,843	(5,797)
Accounting	318,612	318,612	313,103	5,509
Tax Assessors	431,452	431,452	372,280	59,172
Collections-disbursement	569,426	569,426	522,300	47,126
Information Technology	723,516	723,516	660,142	63,374
Personnel	312,075	312,075	240,175	71,900
Purchasing	212,696	212,696	207,942	4,754
Payroll	167,312	167,312	155,265	12,047
Total Finance Department	<u>3,084,135</u>	<u>3,084,135</u>	<u>2,826,050</u>	<u>258,085</u>
Planning Department				
Planning Department	479,385	479,385	479,244	141
Development	147,667	147,667	149,306	(1,639)
Zoning & Code Enforcement	1,066,737	1,066,737	936,233	130,504
Total Planning Department	<u>1,693,789</u>	<u>1,693,789</u>	<u>1,564,783</u>	<u>129,006</u>
Public Safety				
Uniform Police	21,337,499	21,337,499	21,752,186	(414,687)
Civilian Police	1,973,177	1,973,177	1,944,399	28,778
Animal Shelter	552,744	552,744	472,446	80,298
Police Crossing Guards	461,135	461,135	452,507	8,628
Uniform Fire	22,391,216	22,391,216	22,317,427	73,789
Civilian Fire	460,736	460,736	399,240	61,496
Fire Prevention	535,959	535,959	535,657	302
Emergency Management Systems	108,306	108,306	130,817	(22,511)
Total Public Safety	<u>47,820,772</u>	<u>47,820,772</u>	<u>48,004,679</u>	<u>(183,907)</u>

CITY OF PAWTUCKET, RHODE ISLAND

E-3 (Continued)

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Public Works				
Public Works Director	\$ 782,038	\$ 782,038	\$ 713,546	\$ 68,492
Engineering	306,895	306,895	264,920	41,975
Equipment Maintenance	768,085	768,085	736,329	31,756
Building Maintenance	746,611	746,611	822,667	(76,056)
City Hall Maintenance	703,393	703,393	632,133	71,260
Sewer Maintenance	553,439	553,439	592,507	(39,068)
Beautification	2,614,334	2,614,334	2,404,117	210,217
Transfer Station	550,000	550,000	586,942	(36,942)
Streets, bridges, & cemetery	894,771	894,771	811,857	82,914
Street cleaning/ snow removal	1,080,341	1,080,341	847,891	232,450
Traffic	475,265	475,265	466,022	9,243
Parks Division	1,410,258	1,410,258	1,423,267	(13,009)
Recreation	343,155	343,155	341,230	1,925
Daggett Farm	124,451	124,451	104,900	19,551
Total Public Works	<u>11,353,036</u>	<u>11,353,036</u>	<u>10,748,328</u>	<u>604,708</u>
Operating Insurance	<u>922,725</u>	<u>922,725</u>	<u>1,038,296</u>	<u>(115,571)</u>
Contribution Support	<u>84,914</u>	<u>84,914</u>	<u>79,705</u>	<u>5,209</u>
Employee Benefits	<u>8,699,734</u>	<u>8,699,734</u>	<u>8,488,746</u>	<u>210,988</u>
Fixed Charges	<u>1,666,249</u>	<u>1,666,249</u>	<u>2,191,250</u>	<u>(525,001)</u>
Debt Service				
Debt service-principal	5,073,461	5,073,461	4,869,849	203,612
Debt service-interest & other charges	2,025,360	2,025,360	1,914,234	111,126
Total Debt Service	<u>7,098,821</u>	<u>7,098,821</u>	<u>6,784,083</u>	<u>314,738</u>
Total Expenditures	<u>86,338,592</u>	<u>86,338,592</u>	<u>85,651,014</u>	<u>687,578</u>
Transfers to Other Funds				
School unrestricted fund- appropriation	30,207,632	30,207,632	30,207,632	--
Other transfers	301,741	301,741	390,567	(88,826)
Total Transfers	<u>30,509,373</u>	<u>30,509,373</u>	<u>30,598,199</u>	<u>(88,826)</u>
Total Expenditures and Other Financing Uses	<u>\$ 116,847,965</u>	<u>\$ 116,847,965</u>	<u>\$ 116,249,213</u>	<u>\$ 598,752</u>

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Revised Budget	Actual	Variance
Revenues				
State aid	\$ 78,686,354	\$ 78,686,354	\$ 78,798,602	\$ 112,248
Medicaid	1,450,000	1,450,000	1,279,943	(170,057)
Fees, services and miscellaneous revenue	<u>383,250</u>	<u>383,250</u>	<u>606,258</u>	<u>223,008</u>
Total Revenues	<u>80,519,604</u>	<u>80,519,604</u>	<u>80,684,803</u>	<u>165,199</u>
Expenditures				
Salaries	61,980,824	61,980,824	61,391,695	589,129
Fringe and fixed charges	29,720,375	29,720,375	29,362,889	357,486
Purchased services	15,130,745	15,130,745	15,089,043	41,702
Supplies and materials	2,998,785	2,998,785	2,882,080	116,705
Equipment/capital improvement	777,210	777,210	1,294,008	(516,798)
Other	<u>119,297</u>	<u>119,297</u>	<u>69,321</u>	<u>49,976</u>
Total Expenditures	<u>110,727,236</u>	<u>110,727,236</u>	<u>110,089,036</u>	<u>638,200</u>
Excess of Expenditures over Revenues				
Before Other Financing Sources	<u>(30,207,632)</u>	<u>(30,207,632)</u>	<u>(29,404,233)</u>	<u>803,399</u>
Other Financing Sources				
Operating transfer from general fund				
City appropriation	30,207,632	30,207,632	30,207,632	--
Operating transfer from internal service fund	<u>--</u>	<u>--</u>	<u>142,698</u>	<u>142,698</u>
Total Other Financing Sources	<u>30,207,632</u>	<u>30,207,632</u>	<u>30,350,330</u>	<u>142,698</u>
Excess Revenues and Other Sources Over				
(Under) Expenditures and Other Sources	<u>--</u>	<u>--</u>	<u>946,097</u>	<u>946,097</u>
Consent Order Transfer from General Fund				
for Deficit Reduction	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess Revenues and Other Sources Over				
(Under) Expenditure and Other Sources				
After Consent Order Transfer from				
General Fund for Deficit Reduction	<u>\$ --</u>	<u>\$ --</u>	<u>946,097</u>	<u>\$ 946,097</u>
Adjustments of budgetary basis to U.S. GAAP basis			<u>(2,282,635)</u>	
Excess (deficiency) of revenues over expenditures and other financing sources (uses), U.S. GAAP basis			<u>(1,336,538)</u>	
Fund balance, beginning of year			<u>2,713,553</u>	
Fund balance, end of year			<u>\$ 1,377,015</u>	

CITY OF PAWTUCKET, RHODE ISLAND

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures may include provisions to build fund balance.

The accompanying Statement of Revenues and Expenditures (GAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditures and other uses of financial resources for the year ended June 30, 2016 is presented below:

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(a) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the City’s General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2016:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 455,838
Committed for payoff of recycle bins	(687,517)
Payment of St. Leo's purchase	(100,000)
Transfer to internal service fund	<u>(1,808,208)</u>
Excess of revenues and other sources over expenditures (GAAP)	<u>\$ (2,139,887)</u>

The following reconciliation summarizes the difference for the School’s Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2016:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis, June 30, 2016	\$ 80,684,803	\$ 110,089,036	\$ 30,350,330
On-behalf pension contribution	4,553,389	4,553,389	
Transfer to capital projects fund	--	--	(500,000)
Transfer to internal service fund	<u>--</u>	<u>--</u>	<u>(1,782,635)</u>
GAAP basis, June 30, 2016	<u>\$ 85,238,192</u>	<u>\$ 114,642,425</u>	<u>\$ 28,067,695</u>

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 appropriation have historically been carried forward.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

(1 of 3)

PAWTUCKET RETIREMENT SYSTEM - POLICE AND FIRE PENSION NEW PLAN
 SCHEDULE OF CHANGES IN THE CITY OF PAWTUCKET'S NET PENSION
 LIABILITY AND RELATED RATIOS

	2016	2015
Total pension liability		
Service Cost	\$ 3,765,783	\$ 4,436,644
Interest on the total pension liability	18,699,523	18,845,036
Changes of benefit terms	--	(6,485,856)
Difference between expected and actual experience of the total pension liability	4,031,307	(1,519,718)
Changes of assumptions	--	5,317,024
Benefit payments, including refunds of employee contributions	(13,684,199)	(13,253,086)
Interest on benefit payments	(503,881)	(503,975)
Net change in total pension liability	12,308,533	6,836,069
Total pension liability – beginning	245,561,185	238,725,116
Total pension liability – ending (a)	<u>\$ 257,869,718</u>	<u>\$ 245,561,185</u>
Plan fiduciary net position		
Contributions – employer	13,630,084	12,996,379
Contributions – employee	1,843,313	1,527,777
Net investment income	(1,288,022)	5,940,316
Benefit payments, including refunds of employee contributions	(13,684,199)	(13,253,087)
Expenses	(728,116)	(735,430)
Other	--	--
Net change in plan fiduciary net position	(226,940)	6,475,955
Plan fiduciary net position – beginning	103,696,681	97,220,726
Plan fiduciary net position – ending (b)	<u>\$ 103,469,741</u>	<u>\$ 103,696,681</u>
<u>Net pension liability - ending (a) - (b)</u>	<u>\$ 154,399,977</u>	<u>\$ 141,864,504</u>
Plan fiduciary net position as a percentage of the total pension liability	40.12%	42.23%
Covered employee payroll	\$ 18,353,315	\$ 19,427,234
Net pension liability as a percentage of covered-employee payroll	841.26%	730.24%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

(2 of 3)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - CITY & WATER
 SCHEDULE OF CHANGES IN THE CITY OF PAWTUCKET'S NET PENSION
 LIABILITY AND RELATED RATIOS

	2016	2015
Total pension liability		
Service Cost	\$ 1,678,551	\$ 1,758,847
Interest on the total pension liability	8,425,763	8,327,033
Changes of benefit terms	2,108,670	--
Difference between expected and actual experience of the total pension liability	(919,002)	--
Changes of assumptions	--	(571,087)
Benefit payments, including refunds of employee contributions	(8,027,028)	(8,289,462)
Net change in total pension liability	3,266,954	1,225,331
Total pension liability – beginning	115,517,748	114,292,417
Total pension liability – ending (a)	<u>\$ 118,784,702</u>	<u>\$ 115,517,748</u>
Plan fiduciary net position		
Contributions – employer	\$ 3,180,541	\$ 2,748,725
Contributions – employee	396,865	383,778
Net investment income	2,096,868	12,248,352
Benefit payments, including refunds of employee contributions	(8,027,028)	(8,289,462)
Pension plan administrative expense	(95,648)	(76,699)
Other	(38,394)	(9,184)
Net change in plan fiduciary net position	(2,486,796)	7,005,510
Plan fiduciary net position – beginning	91,962,298	84,956,788
Plan fiduciary net position – ending (b)	<u>\$ 89,475,502</u>	<u>\$ 91,962,298</u>
Net pension liability - ending (a) - (b)	<u>\$ 29,309,200</u>	<u>\$ 23,555,450</u>
Plan fiduciary net position as a percentage of the total pension liability	75.33%	79.61%
Covered employee payroll	\$ 19,382,810	\$ 19,375,752
Net pension liability as a percentage of covered payroll	151.21%	121.57%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

(3 of 3)

EMPLOYEES' RETIREMENT SYSTEM COST- SHARING PLAN
 SCHEDULE OF PAWTUCKET'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY

	2016	2015
Employer's proportion of the net pension liability	3.33%	3.33%
Employer's proportionate share of the net pension liability	\$ 91,758,238	\$ 80,955,350
State's proportionate share of the net pension liability associated with the school district	<u>62,686,348</u>	<u>55,514,813</u>
Total	<u>\$ 154,444,586</u>	<u>\$ 136,470,163</u>
Employer's covered employee payroll	\$ 59,048,806	\$ 57,530,052
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	155.39%	140.72%
Plan fiduciary net position as a percentage of the total pension liability	57.55%	61.40%

Notes:

1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

**PAWTUCKET RETIREMENT SYSTEM - POLICE AND FIRE PENSION OLD PLAN
SCHEDULE OF CHANGES IN THE CITY OF PAWTUCKET'S PENSION LIABILITY**

	<u>2016</u>
Total pension liability	
Interest on the total pension liability	\$ 177,313
Difference between expected and actual experience of the total pension liability	164,609
Benefit payments, including refunds of employee contributions	<u>(478,777)</u>
Net change in total pension liability	(136,855)
Total pension liability – beginning	<u>2,599,239</u>
Total pension liability – ending	<u>\$ 2,462,384</u>

*Schedule is intended to show information for 10 years - additional years
will be displayed as they become available*

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

(1 of 3)

**PAWTUCKET RETIREMENT SYSTEM - POLICE AND FIRE PENSION - NEW PLAN
SCHEDULE OF CITY OF PAWTUCKET'S CONTRIBUTIONS**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 13,630,084	\$12,996,379
Contributions in relation to the actuarially determined contribution	<u>13,630,084</u>	<u>12,996,379</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 18,353,315	\$19,427,234
Contributions as a percentage of covered-employee payroll	74.26%	66.90%

Notes:

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

(2 of 3)

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - CITY & WATER
SCHEDULE OF CITY OF PAWTUCKET'S CONTRIBUTIONS**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,429,537	\$ 3,175,546
Contributions in relation to the actuarially determined contribution	<u>3,429,537</u>	<u>3,175,546</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 19,930,207	\$ 19,375,752
Contributions as a percentage of covered-employee payroll	17.21%	16.39%

Notes:

1.) *Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

CITY OF PAWTUCKET, RHODE ISLAND

E-8

REQUIRED SUPPLEMENTARY INFORMATION

(3 of 3)

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN
SCHEDULE OF CITY OF PAWTUCKET'S CONTRIBUTIONS**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 8,107,401	\$ 7,714,780
Contributions in relation to the actuarially determined contribution	<u>8,107,401</u>	<u>7,714,780</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 59,048,806	\$ 54,266,308
Contributions as a percentage of covered- employee payroll	13.73%	13.41%
Contributions as a percentage of covered- federal employee payroll	21.44%	22.60%

Notes:

1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

E-9

REQUIRED SUPPLEMENTARY INFORMATION

**PAWTUCKET RETIREMENT SYSTEM - POLICE AND FIRE PENSION - NEW PLAN
SCHEDULE OF INVESTMENT RETURNS**

	2016	2015
Annual money-weighted rate of return, net of investment expenses	-1.21%	6.02%

CITY OF PAWTUCKET, RHODE ISLAND

E-10

REQUIRED SUPPLEMENTARY INFORMATION

PAWTUCKET RETIREMENT SYSTEM - OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CITY FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Accrued Actuarial Valuation (a)-(b)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (a)-(b)/(c)
7/1/2015	\$ --	\$345,227,000	\$ (345,227,000)	0%	\$ 90,925,000	-380%
7/1/2013	\$ --	\$309,654,000	\$ (309,654,000)	0%	\$ 91,107,273	-340%
7/1/2011	\$ --	\$311,500,000	\$ (311,500,000)	0%	\$ 92,030,000	-338%
7/1/2009	\$ --	\$378,184,421	\$ (378,184,421)	0%	\$ --	N/A
7/1/2007	\$ --	\$414,578,000	\$ (414,578,000)	0%	\$ --	N/A

Notes:

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

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REQUIRED SUPPLEMENTARY INFORMATION

PAWTUCKET RETIREMENT SYSTEM - OTHER POSTEMPLOYMENT BENEFITS
 SCHEDULE OF CITY OF PAWTUCKET'S CONTRIBUTIONS

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 20,604,671	\$ 19,664,769	\$ 17,636,868	\$ 20,257,675	\$ 19,285,740	\$ 24,211,420	\$ 19,285,740	\$ 31,011,620	\$ 29,044,043
Contributions in relation to the actuarially determined contribution	11,109,056	9,976,571	12,892,143	12,953,770	12,939,217	12,541,409	11,416,382	10,032,096	9,766,451
Contribution deficiency (excess)	\$ 9,495,615	\$ 9,688,198	\$ 4,744,725	\$ 7,303,905	\$ 6,346,523	\$ 11,670,011	\$ 7,869,358	\$ 20,979,524	\$ 19,277,592
Percentage contributed	54%	51%	73%	64%	67%	52%	59%	32%	34%

Notes:

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

Police and Fire Retirement System – Old Plan

**Summary of Actuarial Assumptions Used in the Valuation to
determine the Pension Liability at the July 1, 2016 Valuation Date**

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Normal Actuarial Cost methodology is used.
Actuarial Assumptions	
Projected Salary Increases	None, since all members are now retired.
Inflation	3.00%
Mortality	It is assumed that both pre-retirement and post retirement mortality are represented by the RP-2000 combined mortality table adjusted to Blue Collar (male tables) with 1 year setback, and Scale AA improvement through 2011. Disabled mortality is assumed to follow The RP-2000 combined mortality table adjusted to blue Collar male tables) set forward 1 year for males and 2 years for females, and Scale AA improvement through 2011.
Cost of Living Adjustments	COLA's vary from 0%-3% depending on the date of retirement, compounded from every 3 years to every year depending on date of retirement. This applies to 15 of the 38 surviving members.

Police and Fire Retirement System – New Plan

**Summary of Actuarial Assumptions Used in the Valuation to
determine the Net Pension Liability at the July 1, 2016 Valuation Date**

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Normal Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	20 years at June 30, 2016
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	Police & Fire Employees - 2.00% to 11.00%
Inflation	3.00%
Mortality	It is assumed that both pre-retirement and post retirement mortality are represented by the RP-2000 combined mortality table adjusted to Blue Collar (male tables) with 1 year setback, and Scale AA improvement through 2011. Disabled mortality is assumed to follow The RP-2000 combined mortality table adjusted to blue Collar male tables) set forward 1 year for males and 2 years for females, and Scale AA improvement through 2011.
Cost of Living Adjustments	COLA's vary from 0%-3% depending on the date of retirement, compounded annually. Under the new plan provisions for active Members, the COLA begins at the earlier of age 55 and 10 years following retirement. For the period FYE14 through FYE16, no COLAs will be made to the benefits for current retirees.

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

Municipal Employers' Retirement System

**Summary of Actuarial Assumptions Used in the Valuations to determine
Net Pension Liability at the June 30, 2015 measurement date
(June 30, 2014 valuation rolled forward to June 30, 2015)**

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	20 years at June 30, 2015
Asset Valuation Method	5-Year smoothed market
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	Male employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	COLA is 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 latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after January 1, 2014. Collar adjustments, projected with Scale AA from 2000.

CITY OF PAWTUCKET, RHODE ISLAND

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

Other Postemployment Benefit Obligation

Summary of Actuarial Assumptions Used in the Valuations to determine the Other Postemployment Obligation at July 1, 2015

Actuarial Cost Method	Projected Unit Credit. Benefits are attributed ratably to service from date of hire until full eligibility date. Full eligibility date is assumed to be first eligibility for retiree medical benefits
Amortization Method	30-year level percent of pay assuming 3.25% aggregate annual payroll growth, open basis for Pay-as-You-Go. The amortization period is 30 years for all future valuations.
Healthcare Cost Trend Rate	Ranges from 6.5% - 4.5% for the years 2015 - 2020, decreasing 0.5% from year to year.
Participation	95% of future retirees are assumed to participate in the retiree medical plan. 65% of future school retirees are assumed to participate in the dental plan. 90% of future Public Safety retirees are assumed to participate in the dental plan.
Investment Rate of Return	Pay-as-You-Go: 4% per year, net of investment expenses; Full Prefunding: 7.5% per year, net of investment expenses
Marital Status	80% of male employees and 60% of female employees are assumed to have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.
Pre-Age 65 Retirees / Post-Age 65 Retirees	Current retirees who are under age 65 are assumed to remain in their current medical plan until age 65. Current active employees who are assumed to retire prior to age 65 are valued with a weighted average premium. This weighted-average premium is based on the medical plan coverage of current retirees under age 65. Current retirees over age 65 remain in their current medical plan until death for purposes of measuring their contributions. It is assumed that future retirees are Medicare eligible. It is furthermore assumed that all current retirees over 65 will participate in the Medicare Supplement plan in the same proportion as current retirees over 65. Per capita costs were developed from the City developed monthly costs. Amounts to be received in the future for the Medicare Part D Retiree Drug Subsidy are not reflected in the valuation.
Termination Benefit	No benefits will be payable for termination prior to retirement eligibility.
Medical Plan Costs	The estimated gross per capita incurred claim costs for all retirees and beneficiaries for 2015 are based on current costs and age-weighted adjustments.
Annual Rate of Mortality	It is assumed that the pre-retirement and post retirement mortality for general employees and Teachers are represented by the MERS Class A assumptions for 2013. It is assumed that the preretirement and post retirement mortality for Public Safety employees are represented by the RP2000 Mortality Table with Blue Collar adjustment, projected to 2011 using Scale AA. For disabled general and Teacher members is represented by the MERS mortality assumptions for 2013. For Public Safety disabled retirees, it is represented by RP2000 Mortality Table with Blue Collar adjustment, projected to 2011 using Scale AA, set forward 1 year for males and 2 years for females.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PAWTUCKET, RHODE ISLAND

F-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	City Special Revenue Funds	HUD Special Revenue Funds	School Restricted Funds	Capital Projects Funds	Permanent Funds	Total Non-Major Governmental Funds
Assets						
Cash and cash equivalents	\$ 4,759,107	\$ 365,317	\$ 457,257	\$ 6,761,999	\$ 243,271	\$ 12,586,951
Investments	--	--	--	--	763,388	763,388
Due from federal and state governments	332,628	316,096	1,143,774	--	--	1,792,498
Due from RICWFA	--	--	--	2,766,169	--	2,766,169
Other receivables	128,183	38,672	--	811,276	--	978,131
Notes receivable	--	2,452,750	--	--	190,000	2,642,750
Total Assets	\$ 5,219,918	\$ 3,172,835	\$ 1,601,031	\$ 10,339,444	\$ 1,196,659	\$ 21,529,887
Liabilities						
Accounts payable and accrued liabilities	\$ 198,783	\$ 2,708,983	\$ 468,522	\$ 1,053,907	\$ 190	\$ 4,430,385
Due to other funds	337,465	139,016	832,088	276,253	3,814	1,588,636
Bond anticipation note	--	--	--	6,500,000	--	6,500,000
Total Liabilities	536,248	2,847,999	1,300,610	7,830,160	4,004	12,519,021
Fund Balance						
Non-spendable	8,870	--	--	--	1,192,655	1,201,525
Restricted	3,018,232	324,836	300,421	4,338,093	--	7,981,582
Committed	1,656,568	--	--	--	--	1,656,568
Unassigned	--	--	--	(1,828,809)	--	(1,828,809)
Total Fund Balance	4,683,670	324,836	300,421	2,509,284	1,192,655	9,010,866
Total Liabilities and Fund Balance	\$ 5,219,918	\$ 3,172,835	\$ 1,601,031	\$ 10,339,444	\$ 1,196,659	\$ 21,529,887

CITY OF PAWTUCKET, RHODE ISLAND

F-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	City Special Revenue Funds	HUD Special Revenue Funds	School Restricted Funds	Capital Projects Funds	Permanent Funds	Total Non-Major Governmental Funds
Revenues						
Charges for services	\$ 1,801,182	\$ 3,375	\$ 147,560	\$ --	\$ --	\$ 1,952,117
Operating grants and contributions	2,759,357	2,087,411	10,716,453	--	350	15,563,571
Capital grants and contributions	1,093,094	--	--	1,504,810	--	2,597,904
Investment income	--	358	--	5,501	43,545	49,404
Total Revenues	<u>5,653,633</u>	<u>2,091,144</u>	<u>10,864,013</u>	<u>1,510,311</u>	<u>43,895</u>	<u>20,162,996</u>
Expenditures						
Current:						
Legislative and executive	614,785	--	--	86,366	11,210	712,361
Planning	658,376	2,080,567	--	90,322	--	2,829,265
Public safety	3,083,327	--	--	606,120	--	3,689,447
Public works	888,518	--	--	9,828,590	--	10,717,108
Education	--	--	10,460,980	1,545,051	--	12,006,031
Total Expenditures	<u>5,245,006</u>	<u>2,080,567</u>	<u>10,460,980</u>	<u>12,156,449</u>	<u>11,210</u>	<u>29,954,212</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	408,627	10,577	403,033	(10,646,138)	32,685	(9,791,216)
Other financing sources (uses)						
Transfers from other funds	756,170	80,693	--	1,235,046	--	2,071,909
Transfers to other funds	(310,291)	(99,126)	(142,698)	(771,925)	--	(1,324,040)
Bond proceeds	--	--	--	3,352,000	--	3,352,000
Total Other Financing Sources (Uses)	<u>445,879</u>	<u>(18,433)</u>	<u>(142,698)</u>	<u>3,815,121</u>	<u>--</u>	<u>4,099,869</u>
Net change in fund balances	<u>854,506</u>	<u>(7,856)</u>	<u>260,335</u>	<u>(6,831,017)</u>	<u>32,685</u>	<u>(5,691,347)</u>
Fund Balances - Beginning of Year, as restated	<u>3,829,164</u>	<u>332,692</u>	<u>40,086</u>	<u>9,340,301</u>	<u>1,159,970</u>	<u>14,702,213</u>
Fund Balances - End of Year	<u>\$ 4,683,670</u>	<u>\$ 324,836</u>	<u>\$ 300,421</u>	<u>\$ 2,509,284</u>	<u>\$ 1,192,655</u>	<u>\$ 9,010,866</u>

CITY OF PAWTUCKET, RHODE ISLAND

G-1

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Pawtucket Public Fund 106	Convergence Fund 2 107	Convergence Fund 108	Substance Abuse 113	EMA Small Grants Fund 117	FY13 Cert (Fed) 120	Department Of Health Deliverable 122
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ 25,872	\$ 32,535	\$ 1,834	\$ --	\$ 5,128
Other receivables	--	--	--	9,263	--	7,253	500
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ --	\$ --	\$ 25,872	\$ 41,798	\$ 1,834	\$ 7,253	\$ 5,628
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ 6,105	\$ 30,133	\$ --	\$ 165	\$ 130
Due to other funds	--	--	--	--	--	7,088	--
Total Liabilities	--	--	6,105	30,133	--	7,253	130
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	11,665	1,834	--	5,498
Committed	--	--	19,767	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	19,767	11,665	1,834	--	5,498
Total Liabilities and Fund Balance	\$ --	\$ --	\$ 25,872	\$ 41,798	\$ 1,834	\$ 7,253	\$ 5,628

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	EMPG FY 14 (Federal) 123	EMA Special Operations 125	RIRPA Coaching Workshop 128	Slater Park Permits 129	Dog Park 130	Recreation Trips 131	Daggett Farm 132
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 61,230	\$ 125	\$ 5,246	\$ 30,968
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ --	\$ --	\$ --	\$ 61,230	\$ 125	\$ 5,246	\$ 30,968
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ 705	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	--	--	--	705	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	--	--	--	--
Committed	--	--	--	60,525	125	5,246	30,968
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	--	60,525	125	5,246	30,968
Total Liabilities and Fund Balance	\$ --	\$ --	\$ --	\$ 61,230	\$ 125	\$ 5,246	\$ 30,968

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Carousel Fund 134	Tennis Single League 136	Summer Camp 137	Instructor Programming 138	Arts In The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141
Assets							
Cash and cash equivalents	\$ 38,381	\$ 30,290	\$ 531	\$ 18,060	\$ 350	\$ 109,599	\$ 71,729
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 38,381	\$ 30,290	\$ 531	\$ 18,060	\$ 350	\$ 109,599	\$ 71,729
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ 1,224	\$ 1,130	\$ --	\$ 367	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	1,224	1,130	--	367	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	--	--	--	--
Committed	37,157	29,160	531	17,693	350	109,599	71,729
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	37,157	29,160	531	17,693	350	109,599	71,729
Total Liabilities and Fund Balance	\$ 38,381	\$ 30,290	\$ 531	\$ 18,060	\$ 350	\$ 109,599	\$ 71,729

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Project Renew 144	Arts Support Initiative 145	Pawtucket Arts Funding 146	Youth Sports League 147	AED Fund 150	Mayor's Holiday Dinner 155	Vital St. Restoration 158
Assets							
Cash and cash equivalents	\$ 4,706	\$ 20,758	\$ 4,766	\$ 22,603	\$ 2,774	\$ 7,622	\$ 66,950
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 4,706	\$ 20,758	\$ 4,766	\$ 22,603	\$ 2,774	\$ 7,622	\$ 66,950
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	--	--	--	--	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	20,758	--	--	--	7,622	--
Committed	4,706	--	4,766	22,603	2,774	--	66,950
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	4,706	20,758	4,766	22,603	2,774	7,622	66,950
Total Liabilities and Fund Balance	\$ 4,706	\$ 20,758	\$ 4,766	\$ 22,603	\$ 2,774	\$ 7,622	\$ 66,950

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Animal Control 161	Land Records Restoration 162	Alcohol Prevention Fund 163	Recruitment Testing Fund 165	Document Preservation 166	Family Literacy Initiative 175	State Grant In Aid 184
Assets							
Cash and cash equivalents	\$ 64,330	\$ 124,279	\$ 9,854	\$ 7,501	\$ 342,203	\$ 47,372	\$ 11,215
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 64,330	\$ 124,279	\$ 9,854	\$ 7,501	\$ 342,203	\$ 47,372	\$ 11,215
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ 2,391	\$ --	\$ --	\$ --	\$ 1,472	\$ 11,215
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	--	2,391	--	--	--	1,472	11,215
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	121,888	--	7,501	--	45,900	--
Committed	64,330	--	9,854	--	342,203	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	64,330	121,888	9,854	7,501	342,203	45,900	--
Total Liabilities and Fund Balance	\$ 64,330	\$ 124,279	\$ 9,854	\$ 7,501	\$ 342,203	\$ 47,372	\$ 11,215

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Library Donations 185	Champlin Grant 186	Holiday Basket Drive 191	Foundation Contribution Fund 193	Insurance Deductible Reserve 501	Fire Equipment Fund 510	Fire Prevention 550
Assets							
Cash and cash equivalents	\$ 119,335	\$ 385,921	\$ 11,568	\$ 12,837	\$ 301,599	\$ --	\$ 123,420
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 119,335	\$ 385,921	\$ 11,568	\$ 12,837	\$ 301,599	\$ --	\$ 123,420
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ 2,940	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 917
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	2,940	--	--	--	--	--	917
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	385,921	11,568	12,837	--	--	122,503
Committed	116,395	--	--	--	301,599	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	116,395	385,921	11,568	12,837	301,599	--	122,503
Total Liabilities and Fund Balance	\$ 119,335	\$ 385,921	\$ 11,568	\$ 12,837	\$ 301,599	\$ --	\$ 123,420

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Fire Apparatus 551	Clean Diesel PFD (2015) 553	Safer Grant 556	Gun Buy-Back Fund 600	Federal Forfeited Property 603	State Share Drugs 604	Reim O/T Special Squad 607
Assets							
Cash and cash equivalents	\$ 89,487	\$ --	\$ --	\$ 4,760	\$ 281,258	\$ 460,519	\$ --
Other receivables	--	--	--	--	--	--	6,450
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 89,487	\$ --	\$ --	\$ 4,760	\$ 281,258	\$ 460,519	\$ 6,450
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ --	\$ 973	\$ --	\$ 1,274
Due to other funds	--	--	--	--	--	--	3,644
Total Liabilities	--	--	--	--	973	--	4,918
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	4,760	280,285	460,519	1,532
Committed	89,487	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	89,487	--	--	4,760	280,285	460,519	1,532
Total Liabilities and Fund Balance	\$ 89,487	\$ --	\$ --	\$ 4,760	\$ 281,258	\$ 460,519	\$ 6,450

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	RI Traffic Tribunal 609	Bike Patrol 625	D.A.R.E. 638	PTE Overtime 641	PTE Police Equipment 643	Bureau of Justice Assistance – JAG Grant 648	Bureau of Justice Assistance – JAG Grant 649
Assets							
Cash and cash equivalents	\$ 193,745	\$ 21,474	\$ 10,602	\$ --	\$ 182,637	\$ --	\$ --
Other receivables	7,239	--	--	--	--	--	9,027
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 200,984	\$ 21,474	\$ 10,602	\$ --	\$ 182,637	\$ --	\$ 9,027
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ 84,274	\$ 1,183	\$ --	\$ --	\$ --	\$ --	\$ 2,036
Due to other funds	--	--	--	--	--	--	6,871
Total Liabilities	84,274	1,183	--	--	--	--	8,907
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	116,710	20,291	--	--	--	--	120
Committed	--	--	10,602	--	182,637	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	116,710	20,291	10,602	--	182,637	--	120
Total Liabilities and Fund Balance	\$ 200,984	\$ 21,474	\$ 10,602	\$ --	\$ 182,637	\$ --	\$ 9,027

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Dog Pound- Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Assist 653	Spay & Neuter Pound Fund 654	Underage Drinking 658	Highway Safety Grant 2015 660	Seized Vehicles (State) 662
Assets							
Cash and cash equivalents	\$ 55,591	\$ 51,513	\$ 5,504	\$ 5,504	\$ --	\$ --	\$ 47,969
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	--	--
Total Assets	\$ 55,591	\$ 51,513	\$ 5,504	\$ 5,504	\$ --	\$ --	\$ 47,969
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ 779	\$ 2,017	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	779	2,017	--	--	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	49,496	5,504	5,504	--	--	47,969
Committed	54,812	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	54,812	49,496	5,504	5,504	--	--	47,969
Total Liabilities and Fund Balance	\$ 55,591	\$ 51,513	\$ 5,504	\$ 5,504	\$ --	\$ --	\$ 47,969

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Tobacco Enforcement 663	Pending Forfeiture (Campbell) 664	Highway Safety Grant 2014 665	Synar Tobacco Grant 666	Sex Offenders 678	Sex Offenders Project #FWB3000F 679	Details Private Company Reimbursements 690
Assets							
Cash and cash equivalents	\$ --	\$ 112,492	\$ --	\$ --	\$ --	\$ --	\$ --
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	198	--	1,852	297	--	901	98,842
Total Assets	\$ 198	\$ 112,492	\$ 1,852	\$ 297	\$ --	\$ 901	\$ 98,842
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 30,401
Due to other funds	--	--	1,566	297	--	901	68,441
Total Liabilities	--	--	1,566	297	--	901	98,842
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	198	112,492	286	--	--	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	198	112,492	286	--	--	--	--
Total Liabilities and Fund Balance	\$ 198	\$ 112,492	\$ 1,852	\$ 297	\$ --	\$ 901	\$ 98,842

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Details Private Company Reimbursements 694	Evidence Money 697	Misc Police Reimbursements 698	Municipal Waste Reduction 706	GCD Various Polling Site 711	Blackstone Wall Rep 2 731	Slater Park Pavilion 737
Assets							
Cash and cash equivalents	\$ 167,414	\$ 8,870	\$ 2,036	\$ 163,878	\$ 3,776	\$ --	\$ --
Other receivables	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	--	92	--	--	56,863	--
Total Assets	\$ 167,414	\$ 8,870	\$ 2,128	\$ 163,878	\$ 3,776	\$ 56,863	\$ --
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ 2,183	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	56,863	--
Total Liabilities	--	--	--	2,183	--	56,863	--
Fund Balance							
Non-spendable	--	8,870	--	--	--	--	--
Restricted	167,414	--	2,128	161,695	3,776	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	167,414	8,870	2,128	161,695	3,776	--	--
Total Liabilities and Fund Balance	\$ 167,414	\$ 8,870	\$ 2,128	\$ 163,878	\$ 3,776	\$ 56,863	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Vets Park Restroom 738	Cleaning Vehicle (RIDEM) 741	Veg Water Fowl Buffer 742	Summer Youth Initiative 745	PRA Redevelopment 801	Senior Center 817	Senior Center II 818
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ 18,738	\$ --	\$ 729,539	\$ 8,987	\$ 946
Other receivables	--	--	--	--	69,681	--	--
Investments	--	--	--	--	--	--	--
Due from federal and state governments	--	173,583	--	--	--	--	--
Total Assets	\$ --	\$ 173,583	\$ 18,738	\$ --	\$ 799,220	\$ 8,987	\$ 946
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,987	\$ 946
Due to other funds	--	173,583	--	--	--	--	--
Total Liabilities	--	173,583	--	--	--	8,987	946
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	18,738	--	799,220	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	18,738	--	799,220	--	--
Total Liabilities and Fund Balance	\$ --	\$ 173,583	\$ 18,738	\$ --	\$ 799,220	\$ 8,987	\$ 946

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-1

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Senate Grant- Senior Shuttle 822	Senior Center - City 824	Information Specialist 825	Leon Mathieu Donations 827	Senior Center Title III B 828	City Special Revenue Funds Totals
Assets						
Cash and cash equivalents	\$ --	\$ 3,310	\$ 935	\$ 4,132	\$ --	\$ 4,759,107
Other receivables	--	--	--	--	18,770	128,183
Investments	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	332,628
Total Assets	\$ --	\$ 3,310	\$ 935	\$ 4,132	\$ 18,770	\$ 5,219,918
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ --	\$ 3,310	\$ 935	\$ 32	\$ 559	\$ 198,783
Due to other funds	--	--	--	--	18,211	337,465
Total Liabilities	--	3,310	935	32	18,770	536,248
Fund Balance						
Non-spendable	--	--	--	--	--	8,870
Restricted	--	--	--	4,100	--	3,018,232
Committed	--	--	--	--	--	1,656,568
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	--	--	4,100	--	4,683,670
Total Liabilities and Fund Balance	\$ --	\$ 3,310	\$ 935	\$ 4,132	\$ 18,770	\$ 5,219,918

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Pawtucket Public Fund 106	Convergence Fund 2 107	Convergence Fund 108	Substance Abuse 113	EMA Small Grants Fund 117	FY13 Cert (Fed) 120	Department Of Health Deliverable 122
Revenues							
Charges for services	\$ 1,278,399	\$ 27,794	\$ 7,040	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	--	39,293	25,900	115,113	2,945	7,253	4,265
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	1,278,399	67,087	32,940	115,113	2,945	7,253	4,265
Expenditures							
Current:							
Legislative and executive	--	--	--	114,862	--	--	--
Planning	--	86,068	36,186	--	--	--	--
Public safety	1,278,399	--	--	--	2,559	6,627	7,855
Public works	--	--	--	--	--	--	--
Total Expenditures	1,278,399	86,068	36,186	114,862	2,559	6,627	7,855
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	(18,981)	(3,246)	251	386	626	(3,590)
Other financing sources (uses)							
Transfers from other funds	--	33,934	23,013	--	--	--	--
Transfers to other funds	--	(23,013)	(33,934)	--	--	--	(557)
Total Other Financing Sources (Uses)	--	10,921	(10,921)	--	--	--	(557)
Net change in fund balances	--	(8,060)	(14,167)	251	386	626	(4,147)
Fund Balances - Beginning of Year, as restated	--	8,060	33,934	11,414	1,448	(626)	9,645
Fund Balances - End of Year	\$ --	\$ --	\$ 19,767	\$ 11,665	\$ 1,834	\$ --	\$ 5,498

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	EMPG FY 14 (Federal) 123	EMA Special Operations 125	RIRPA Coaching Workshop 128	Slater Park Permits 129	Dog Park 130	Recreation Trips 131	Daggett Farm 132
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ 30,247	\$ --	\$ 951	\$ --
Operating grants and contributions	90,908	--	--	--	--	--	12,874
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	90,908	--	--	30,247	--	951	12,874
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	90,908	--	--	--	--	--	--
Public works	--	--	207	39,627	--	--	2,405
Total Expenditures	90,908	--	207	39,627	--	--	2,405
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	--	(207)	(9,380)	--	951	10,469
Other financing sources (uses)							
Transfers from other funds	--	557	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	557	--	--	--	--	--
Net change in fund balances	--	557	(207)	(9,380)	--	951	10,469
Fund Balances - Beginning of Year, as restated	--	(557)	207	69,905	125	4,295	20,499
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ 60,525	\$ 125	\$ 5,246	\$ 30,968

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Carousel Fund 134	Tennis Single League 136	Summer Camp 137	Instructor Programming 138	Arts In The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141
Revenues							
Charges for services	\$ 37,246	\$ 18,539	\$ 260	\$ 26,758	\$ --	\$ 50,234	\$ 19,517
Operating grants and contributions	1,329	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	38,575	18,539	260	26,758	--	50,234	19,517
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	12,568
Planning	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Public works	29,378	18,113	5,381	24,851	--	31,017	--
Total Expenditures	29,378	18,113	5,381	24,851	--	31,017	12,568
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	9,197	426	(5,121)	1,907	--	19,217	6,949
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--
Net change in fund balances	9,197	426	(5,121)	1,907	--	19,217	6,949
Fund Balances - Beginning of Year, as restated	27,960	28,734	5,652	15,786	350	90,382	64,780
Fund Balances - End of Year	\$ 37,157	\$ 29,160	\$ 531	\$ 17,693	\$ 350	\$ 109,599	\$ 71,729

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Project Renew 144	Arts Support Initiative 145	Pawtucket Arts Funding 146	Youth Sports League 147	AED Fund 150	Mayor's Holiday Dinner 155	Vital St. Restoration 158
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12,498
Operating grants and contributions	--	--	--	--	--	1,150	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	--	--	--	--	--	1,150	12,498
Expenditures							
Current:							
Legislative and executive	--	--	10,357	1,650	--	1,936	17
Planning	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Public works	--	--	--	--	2,170	--	--
Total Expenditures	--	--	10,357	1,650	2,170	1,936	17
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	--	(10,357)	(1,650)	(2,170)	(786)	12,481
Other financing sources (uses)							
Transfers from other funds	--	20,390	10,107	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	20,390	10,107	--	--	--	--
Net change in fund balances	--	20,390	(250)	(1,650)	(2,170)	(786)	12,481
Fund Balances - Beginning of Year, as restated	4,706	368	5,016	24,253	4,944	8,408	54,469
Fund Balances - End of Year	\$ 4,706	\$ 20,758	\$ 4,766	\$ 22,603	\$ 2,774	\$ 7,622	\$ 66,950

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Animal Control 161	Land Records Restoration 162	Alcohol Prevention Fund 163	Recruitment Testing Fund 165	Document Preservation 166	Family Literacy Initiative 175	State Grant In Aid 184
Revenues							
Charges for services	\$ 9,571	\$ 7,909	\$ 250	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	--	--	--	--	46,988	74,803	336,605
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	9,571	7,909	250	--	46,988	74,803	336,605
Expenditures							
Current:							
Legislative and executive	--	59	--	--	35,000	56,803	336,605
Planning	--	--	--	--	--	--	--
Public safety	750	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Total Expenditures	750	59	--	--	35,000	56,803	336,605
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	8,821	7,850	250	--	11,988	18,000	--
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--
Net change in fund balances	8,821	7,850	250	--	11,988	18,000	--
Fund Balances - Beginning of Year, as restated	55,509	114,038	9,604	7,501	330,215	27,900	--
Fund Balances - End of Year	\$ 64,330	\$ 121,888	\$ 9,854	\$ 7,501	\$ 342,203	\$ 45,900	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Library Donations 185	Champlin Grant 186	Holiday Basket Drive 191	Foundation Contribution Fund 193	Insurance Deductible Reserve 501	Fire Equipment Fund 510	Fire Prevention 550
Revenues							
Charges for services	\$ 32,423	\$ --	\$ --	\$ --	\$ --	\$ 1,875	\$ 76,434
Operating grants and contributions	--	235,555	11,170	--	755	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	32,423	235,555	11,170	--	755	1,875	76,434
Expenditures							
Current:							
Legislative and executive	32,898	--	12,030	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	22,387	99,437
Public works	--	--	--	--	--	--	--
Total Expenditures	32,898	--	12,030	--	--	22,387	99,437
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(475)	235,555	(860)	--	755	(20,512)	(23,003)
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--
Net change in fund balances	(475)	235,555	(860)	--	755	(20,512)	(23,003)
Fund Balances - Beginning of Year, as restated	116,870	150,366	12,428	12,837	300,844	20,512	145,506
Fund Balances - End of Year	\$ 116,395	\$ 385,921	\$ 11,568	\$ 12,837	\$ 301,599	\$ --	\$ 122,503

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Fire Apparatus 551	Clean Diesel PFD (2015) 553	Safer Grant 556	Gun Buy-Back Fund 600	Federal Forfeited Property 603	State Share Drugs 604	Reim O/T Special Squad 607
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 37,450
Operating grants and contributions	--	--	78,374	--	23,360	73,472	--
Capital grants and contributions	--	193,808	--	--	--	--	--
Total Revenues	--	193,808	78,374	--	23,360	73,472	37,450
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	51,624	193,808	78,374	--	8,028	9,000	42,150
Public works	--	--	--	--	--	--	--
Total Expenditures	51,624	193,808	78,374	--	8,028	9,000	42,150
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(51,624)	--	--	--	15,332	64,472	(4,700)
Other financing sources (uses)							
Transfers from other funds	76,244	--	--	--	--	--	4,762
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	76,244	--	--	--	--	--	4,762
Net change in fund balances	24,620	--	--	--	15,332	64,472	62
Fund Balances - Beginning of Year, as restated	64,867	--	--	4,760	264,953	396,047	1,470
Fund Balances - End of Year	\$ 89,487	\$ --	\$ --	\$ 4,760	\$ 280,285	\$ 460,519	\$ 1,532

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	RI Traffic Tribunal 609	Bike Patrol 625	D.A.R.E. 638	PTE Overtime 641	PTE Police Equipment 643	Bureau of Justice Assistance – JAG Grant #2012DJBX109 648	Bureau of Justice Assistance – JAG Grant 649
Revenues							
Charges for services	\$ 7,775	\$ --	\$ 18,465	\$ --	\$ 56,640	\$ --	\$ --
Operating grants and contributions	66,675	--	18	168,577	--	16,167	40,594
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	74,450	--	18,483	168,577	56,640	16,167	40,594
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	48,888	51,822	--	168,577	12,552	16,170	40,474
Public works	--	--	--	--	--	--	--
Total Expenditures	48,888	51,822	--	168,577	12,552	16,170	40,474
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	25,562	(51,822)	18,483	--	44,088	(3)	120
Other financing sources (uses)							
Transfers from other funds	--	21,624	--	--	4	3	--
Transfers to other funds	--	--	(21,624)	--	(4,849)	--	--
Total Other Financing Sources (Uses)	--	21,624	(21,624)	--	(4,845)	3	--
Net change in fund balances	25,562	(30,198)	(3,141)	--	39,243	--	120
Fund Balances - Beginning of Year, as restated	91,148	50,489	13,743	--	143,394	--	--
Fund Balances - End of Year	\$ 116,710	\$ 20,291	\$ 10,602	\$ --	\$ 182,637	\$ --	\$ 120

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Dog Pound- Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Assist 653	Spay & Neuter Pound Fund 654	Underage Drinking 658	Highway Safety Grant 2015 660	Seized Vehicles (State) 662
Revenues							
Charges for services	\$ 24,240	\$ --	\$ 576	\$ 576	\$ --	\$ --	\$ 8,055
Operating grants and contributions	--	4,612	--	--	1,149	18,485	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	24,240	4,612	576	576	1,149	18,485	8,055
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	18,899	6,712	--	--	1,149	18,899	18,597
Public works	--	--	--	--	--	--	--
Total Expenditures	18,899	6,712	--	--	1,149	18,899	18,597
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	5,341	(2,100)	576	576	--	(414)	(10,542)
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	(4)	--
Total Other Financing Sources (Uses)	--	--	--	--	--	(4)	--
Net change in fund balances	5,341	(2,100)	576	576	--	(418)	(10,542)
Fund Balances - Beginning of Year, as restated	49,471	51,596	4,928	4,928	--	418	58,511
Fund Balances - End of Year	\$ 54,812	\$ 49,496	\$ 5,504	\$ 5,504	\$ --	\$ --	\$ 47,969

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Tobacco Enforcement 663	Pending Forfeiture (Campbell) 664	Highway Safety Grant 2014 665	SYNAR Tobacco Grant 666	Sex Offenders 678	Sex Offenders Project #FWB3000F 679	Details Private Company Reimbursements 690
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	2,096	97,771	36,622	1,881	7,393	1,883	677,857
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	2,096	97,771	36,622	1,881	7,393	1,883	677,857
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	2,384	109,657	36,336	1,881	7,561	1,887	611,445
Public works	--	--	--	--	--	--	--
Total Expenditures	2,384	109,657	36,336	1,881	7,561	1,887	611,445
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(288)	(11,886)	286	--	(168)	(4)	66,412
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	80	4	--
Transfers to other funds	--	--	--	--	--	--	(61,310)
Total Other Financing Sources (Uses)	--	--	--	--	80	4	(61,310)
Net change in fund balances	(288)	(11,886)	286	--	(88)	--	5,102
Fund Balances - Beginning of Year, as restated	486	124,378	--	--	88	--	(5,102)
Fund Balances - End of Year	\$ 198	\$ 112,492	\$ 286	\$ --	\$ --	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Details Private Company Reimbursements 694	Evidence Money 697	Misc Police Reimbursements 698	Municipal Waste Reduction 706	GCD Various Polling Site 711	Blackstone Wall Rep 2 731	Slater Park Pavilion 737
Revenues							
Charges for services	\$ --	\$ 5,530	\$ --	\$ 2,490	\$ --	\$ --	\$ --
Operating grants and contributions	--	--	1,071	43,981	--	4,750	100,000
Capital grants and contributions	--	--	--	--	--	139,563	586,140
Total Revenues	--	5,530	1,071	46,471	--	144,313	686,140
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	--	--	--
Public safety	--	16,460	1,071	--	--	--	--
Public works	--	--	--	62,927	--	--	396,545
Total Expenditures	--	16,460	1,071	62,927	--	--	396,545
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	(10,930)	--	(16,456)	--	144,313	289,595
Other financing sources (uses)							
Transfers from other funds	61,310	--	--	--	--	--	119,095
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	61,310	--	--	--	--	--	119,095
Net change in fund balances	61,310	(10,930)	--	(16,456)	--	144,313	408,690
Fund Balances - Beginning of Year, as restated	106,104	19,800	2,128	178,151	3,776	(144,313)	(408,690)
Fund Balances - End of Year	\$ 167,414	\$ 8,870	\$ 2,128	\$ 161,695	\$ 3,776	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Vets Park Restroom 738	Cleaning Vehicle (RIDEM) 741	Veg Water Fowl Buffer 742	Summer Youth Initiative 745	PRA Redevelopment 801	Senior Center 817	Senior Center II 818
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ 1,440	\$ --	\$ --
Operating grants and contributions	50,000	--	--	3,000	1,601	130,859	29,790
Capital grants and contributions	--	173,583	--	--	--	--	--
Total Revenues	50,000	173,583	--	3,000	3,041	130,859	29,790
Expenditures							
Current:							
Legislative and executive	--	--	--	--	--	--	--
Planning	--	--	--	--	24,620	130,970	29,790
Public safety	--	--	--	--	--	--	--
Public works	88,052	173,583	11,262	3,000	--	--	--
Total Expenditures	88,052	173,583	11,262	3,000	24,620	130,970	29,790
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(38,052)	--	(11,262)	--	(21,579)	(111)	--
Other financing sources (uses)							
Transfers from other funds	71,217	--	30,000	--	--	--	--
Transfers to other funds	--	--	--	--	(165,000)	--	--
Total Other Financing Sources (Uses)	71,217	--	30,000	--	(165,000)	--	--
Net change in fund balances	33,165	--	18,738	--	(186,579)	(111)	--
Fund Balances - Beginning of Year, as restated	(33,165)	--	--	--	985,799	111	--
Fund Balances - End of Year	\$ --	\$ --	\$ 18,738	\$ --	\$ 799,220	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

G-2

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Senate Grant- Senior Shuttle 822	Senior Center - City 824	Information Specialist 825	Leon Mathieu Donations 827	Senior Center Title III B 828	City Special Revenue Funds Totals
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,801,182
Operating grants and contributions	2,000	--	19,273	11,600	37,540	2,759,357
Capital grants and contributions	--	--	--	--	--	1,093,094
Total Revenues	2,000	--	19,273	11,600	37,540	5,653,633
Expenditures						
Current:						
Legislative and executive	--	--	--	--	--	614,785
Planning	2,000	283,826	19,273	7,800	37,843	658,376
Public safety	--	--	--	--	--	3,083,327
Public works	--	--	--	--	--	888,518
Total Expenditures	2,000	283,826	19,273	7,800	37,843	5,245,006
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	--	(283,826)	--	3,800	(303)	408,627
Other financing sources (uses)						
Transfers from other funds	--	283,826	--	--	--	756,170
Transfers to other funds	--	--	--	--	--	(310,291)
Total Other Financing Sources (Uses)	--	283,826	--	--	--	445,879
Net change in fund balances	--	--	--	3,800	(303)	854,506
Fund Balances - Beginning of Year, as restated	--	--	--	300	303	3,829,164
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ 4,100	\$ --	\$ 4,683,670

CITY OF PAWTUCKET, RHODE ISLAND

H-1

NON-MAJOR GOVERNMENTAL - HUD RESTRICTED FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	Planning Department					
	CDBG Community Development 871	Home Program 874	Planning Shelter 873	Emergency Public Service 872	Plaza Shops City 876	Visitors Center City 877
	Assets					
Cash and cash equivalents	\$ 100	\$ 23,072	\$ 6,025	\$ --	\$ 59	\$ 3,877
Other receivables	3,865	--	--	34,807	--	--
Due from federal and state governments	267,776	2,679	6,595	--	--	--
Notes receivable	--	--	--	--	--	--
Total Assets	\$ 271,741	\$ 25,751	\$ 12,620	\$ 34,807	\$ 59	\$ 3,877
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 192,127	\$ 4,888	\$ 12,595	\$ 34,804	\$ 59	\$ 3,877
Due to other funds	77,652	--	--	3	--	--
Total Liabilities	269,779	4,888	12,595	34,807	59	3,877
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	1,962	20,863	25	--	--	--
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,962	20,863	25	--	--	--
Total Liabilities and Fund Balance	\$ 271,741	\$ 25,751	\$ 12,620	\$ 34,807	\$ 59	\$ 3,877

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

H-1

NON-MAJOR GOVERNMENTAL - HUD RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Redevelopment Agency		
	UDAG City 875	Pawtucket Redevelopment Agency 878	HUD Restricted Funds Totals
Assets			
Cash and cash equivalents	\$ 89,487	\$ 242,697	\$ 365,317
Other receivables	--	--	38,672
Due from federal and state governments	--	39,046	316,096
Notes receivable	--	2,452,750	2,452,750
Total Assets	\$ 89,487	\$ 2,734,493	\$ 3,172,835
Liabilities and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	\$ --	\$ 2,460,633	\$ 2,708,983
Due to other funds	--	61,361	139,016
Total Liabilities	--	2,521,994	2,847,999
Fund Balance			
Non-spendable	--	--	--
Restricted	89,487	212,499	324,836
Committed	--	--	--
Unassigned	--	--	--
Total Fund Balance	89,487	212,499	324,836
Total Liabilities and Fund Balance	\$ 89,487	\$ 2,734,493	\$ 3,172,835

CITY OF PAWTUCKET, RHODE ISLAND

H-2

NON-MAJOR GOVERNMENTAL - HUD RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Planning Department					
	CDBG Community		Planning	CDBG Public	Plaza Shops City	Visitors Center City
	Development	Home Program	Emergency Shelter	Service	876	877
	871	874	873	872		
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ 2,010	\$ --
Operating grants amd contributions	1,098,478	232,150	81,750	194,257	--	35,188
Investment income	--	--	--	--	--	--
Total Revenues	1,098,478	232,150	81,750	194,257	2,010	35,188
Expenditures						
Current:						
Planning	1,096,613	227,200	81,750	194,257	7,632	34,007
Total Expenditures	1,096,613	227,200	81,750	194,257	7,632	34,007
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	1,865	4,950	--	--	(5,622)	1,181
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	19,012	2,886
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	19,012	2,886
Net change in fund balances	1,865	4,950	--	--	13,390	4,067
Fund Balances - Beginning of Year, as restated	97	15,913	25	--	(13,390)	(4,067)
Fund Balances - End of Year	\$ 1,962	\$ 20,863	\$ 25	\$ --	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

H-2

NON-MAJOR GOVERNMENTAL - HUD RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Redevelopment Agency		HUD Restricted Funds Totals
	UDAG City 875	Pawtucket Redevelopment Agency 878	
Revenues			
Charges for services	\$ 1,365	\$ --	\$ 3,375
Operating grants and contributions	--	445,588	2,087,411
Investment income	--	358	358
Total Revenues	<u>1,365</u>	<u>445,946</u>	<u>2,091,144</u>
Expenditures			
Current:			
Planning	1,000	438,108	2,080,567
Total Expenditures	<u>1,000</u>	<u>438,108</u>	<u>2,080,567</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures Before Other Financing Sources (Uses)	<u>365</u>	<u>7,838</u>	<u>10,577</u>
Other financing sources (uses)			
Transfers from other funds	58,795	--	80,693
Transfers to other funds	(42,588)	(56,538)	(99,126)
Total Other Financing Sources (Uses)	<u>16,207</u>	<u>(56,538)</u>	<u>(18,433)</u>
Net change in fund balances	<u>16,572</u>	<u>(48,700)</u>	<u>(7,856)</u>
Fund Balances - Beginning of Year, as restated	<u>72,915</u>	<u>261,199</u>	<u>332,692</u>
Fund Balances - End of Year	<u>\$ 89,487</u>	<u>\$ 212,499</u>	<u>\$ 324,836</u>

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Americorp 24040115 203	21st Century Learning 204	PTO Curvin 24040079 206	Fresh Fruit & Veg. Program 207	Dental Program Medical Reimb. 211	Child Opportunity Zones 213, 228, 230
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ 102	\$ --	\$ 79,510	\$ 393
Due from federal and state governments	26,064	167,162	--	22,445	--	11,633
Total Assets	\$ 26,064	\$ 167,162	\$ 102	\$ 22,445	\$ 79,510	\$ 12,026
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 14,298	\$ 14,063	\$ --	\$ 21,210	\$ --	\$ 1,389
Due to other funds	9,420	153,099	--	1,235	51,347	10,615
Total Liabilities	23,718	167,162	--	22,445	51,347	12,004
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	2,346	--	102	--	28,163	22
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	2,346	--	102	--	28,163	22
Total Liabilities and Fund Balances	\$ 26,064	\$ 167,162	\$ 102	\$ 22,445	\$ 79,510	\$ 12,026

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Luke Charitable FDN 214	Pawtucket Rotary 215	Perm School Fund 217	RI Foundation #2 218	Perkins Law & Public Safety 221	Title III 222
Assets						
Cash and cash equivalents	\$ 102	\$ --	\$ 3,846	\$ 71,040	\$ --	\$ --
Due from federal and state governments	--	--	--	--	--	15,985
Total Assets	\$ 102	\$ --	\$ 3,846	\$ 71,040	\$ --	\$ 15,985
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ --	\$ --	\$ 256	\$ 643	\$ --	\$ 1,368
Due to other funds	--	--	--	--	--	14,617
Total Liabilities	--	--	256	643	--	15,985
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	102	--	3,590	70,397	--	--
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	102	--	3,590	70,397	--	--
Total Liabilities and Fund Balances	\$ 102	\$ --	\$ 3,846	\$ 71,040	\$ --	\$ 15,985

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Title III Immigrant Asst 12 223	Title I Part A 224	Legislative After School-Varieur 226	IDEA Part B 227	Adult Ed/ Event Start 231	Title II- Professional Dev. 232
Assets						
Cash and cash equivalents	\$ 25,346	\$ --	\$ 3,500	\$ --	\$ --	\$ --
Due from federal and state governments	7,906	203,445	--	154,515	114,190	86,843
Total Assets	\$ 33,252	\$ 203,445	\$ 3,500	\$ 154,515	\$ 114,190	\$ 86,843
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 32,605	\$ 47,591	\$ 3,463	\$ 37,270	\$ 11,830	\$ 54,349
Due to other funds	--	155,854	--	117,245	102,360	32,274
Total Liabilities	32,605	203,445	3,463	154,515	114,190	86,623
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	647	--	37	--	--	220
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	647	--	37	--	--	220
Total Liabilities and Fund Balances	\$ 33,252	\$ 203,445	\$ 3,500	\$ 154,515	\$ 114,190	\$ 86,843

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Improvement of Education PEP 233	RISCA Shea 23183008 237	21042100 Immigrant 239	Friends of Varieur 241	RISCA JMW 243	PSA Mott 248
Assets						
Cash and cash equivalents	\$ 3,559	\$ 525	\$ --	\$ 1,810	\$ 1,726	\$ 38,661
Due from federal and state governments	75,377	--	31,082	--	--	--
Total Assets	\$ 78,936	\$ 525	\$ 31,082	\$ 1,810	\$ 1,726	\$ 38,661
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 78,936	\$ 365	\$ 16,891	\$ --	\$ 1,191	\$ 18,542
Due to other funds	--	--	14,191	--	--	--
Total Liabilities	78,936	365	31,082	--	1,191	18,542
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	--	160	--	1,810	535	20,119
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	160	--	1,810	535	20,119
Total Liabilities and Fund Balances	\$ 78,936	\$ 525	\$ 31,082	\$ 1,810	\$ 1,726	\$ 38,661

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Curtis Care After School Prog. 249	CTE 250	Perkins Grant 251	RI Dept. Health 253	CTE Categorical 255	American Medical Corp. 259
Assets						
Cash and cash equivalents	\$ --	\$ 66,066	\$ --	\$ --	\$ 104,912	\$ --
Due from federal and state governments	10,537	--	60,007	5,666	--	--
Total Assets	\$ 10,537	\$ 66,066	\$ 60,007	\$ 5,666	\$ 104,912	\$ --
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 472	\$ 51,567	\$ --	\$ 852	\$ 50	\$ --
Due to other funds	10,065	--	60,007	4,784	--	--
Total Liabilities	10,537	51,567	60,007	5,636	50	--
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	--	14,499	--	30	104,862	--
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	14,499	--	30	104,862	--
Total Liabilities and Fund Balances	\$ 10,537	\$ 66,066	\$ 60,007	\$ 5,666	\$ 104,912	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	URI Confucius 260	SIG Tolman 262	RI Foundation #1 263	Integration Math 264	Verizon 265	Catch Amer Acadmy Pediatric 267
Assets						
Cash and cash equivalents	\$ 104	\$ --	\$ 10,856	\$ --	\$ 20,000	\$ --
Due from federal and state governments	7,765	--	--	4,014	--	3,935
Total Assets	\$ 7,869	\$ --	\$ 10,856	\$ 4,014	\$ 20,000	\$ 3,935
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ --	\$ --	\$ 9,037	\$ 3,801	\$ --	\$ --
Due to other funds	--	--	--	213	--	3,935
Total Liabilities	--	--	9,037	4,014	--	3,935
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	7,869	--	1,819	--	20,000	--
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	7,869	--	1,819	--	20,000	--
Total Liabilities and Fund Balances	\$ 7,869	\$ --	\$ 10,856	\$ 4,014	\$ 20,000	\$ 3,935

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	WIA Incentive 268	School Improvement Shea High School 275	21st Century Learning - Expansion 276	JMW Art Schl Legis Grant 277	IDEA Sec. 619 279	21383100 DOH Disease 281
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 1,500	\$ --	\$ 1,985
Due from federal and state governments	4,630	--	67,230	--	5,582	--
Total Assets	\$ 4,630	\$ --	\$ 67,230	\$ 1,500	\$ 5,582	\$ 1,985
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 2,595	\$ --	\$ 19,291	\$ --	\$ --	\$ --
Due to other funds	2,035	--	47,939	--	5,582	--
Total Liabilities	4,630	--	67,230	--	5,582	--
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	--	--	--	1,500	--	1,985
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	--	--	1,500	--	1,985
Total Liabilities and Fund Balances	\$ 4,630	\$ --	\$ 67,230	\$ 1,500	\$ 5,582	\$ 1,985

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Evaluation of Safe Dates 282	Junior High Sports 284	Wireless Classroom Initiative 287	Adult Ed-COZ 289	Legislative Start w/Arts 290	Big Yellow Bus 292
Assets						
Cash and cash equivalents	\$ 2,000	\$ 14,370	\$ --	\$ 2,105	\$ --	\$ --
Due from federal and state governments	--	--	--	--	--	--
Total Assets	\$ 2,000	\$ 14,370	\$ --	\$ 2,105	\$ --	\$ --
Liabilities and Fund Balance						
Liabilities						
Accounts payable and accrued expenses	\$ 2,000	\$ 107	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Total Liabilities	2,000	107	--	--	--	--
Fund Balances						
Non-spendable	--	--	--	--	--	--
Restricted	--	14,263	--	2,105	--	--
Committed	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	14,263	--	2,105	--	--
Total Liabilities and Fund Balances	\$ 2,000	\$ 14,370	\$ --	\$ 2,105	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-1

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	21272109 Lunch Equip 294	21272109 Lunch Equip 295	Pepsi Scholarship Fund 296	Arts Talk Project 297	Legislative Grant Slater 298	Marine Corp. Tolman 299	School Restricted Funds Totals
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ 2,500	\$ 470	\$ 269	\$ --	\$ 457,257
Due from federal and state governments	--	57,347	--	--	--	414	1,143,774
Total Assets	\$ --	\$ 57,347	\$ 2,500	\$ 470	\$ 269	\$ 414	\$ 1,601,031
Liabilities and Fund Balance							
Liabilities							
Accounts payable and accrued expenses	\$ --	\$ 22,490	\$ --	\$ --	\$ --	\$ --	\$ 468,522
Due to other funds	--	34,857	--	--	--	414	832,088
Total Liabilities	--	57,347	--	--	--	414	1,300,610
Fund Balances							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	2,500	470	269	--	300,421
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	2,500	470	269	--	300,421
Total Liabilities and Fund Balances	\$ --	\$ 57,347	\$ 2,500	\$ 470	\$ 269	\$ 414	\$ 1,601,031

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Americorp 24040115 203	21st Century Learning 204	PTO Curvin 24040079 206	Fresh Fruit & Veg. Program 207	Dental Program Medical Reimb. 211	Child Opportunity Zones 213, 228, 230
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	82,240	611,294	350	271,299	--	33,210
Total Revenues	82,240	611,294	350	271,299	--	33,210
Expenditures						
Education	79,894	596,687	248	271,299	--	33,188
Total Expenditures	79,894	596,687	248	271,299	--	33,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,346	14,607	102	--	--	22
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	(14,607)	--	--	--	--
Total Other Financing Sources (Uses)	--	(14,607)	--	--	--	--
Net change in fund balances	2,346	--	102	--	--	22
Fund Balances - Beginning of Year, as restated	--	--	--	--	28,163	--
Fund Balances - End of Year	\$ 2,346	\$ --	\$ 102	\$ --	\$ 28,163	\$ 22

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

I-2

NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Luke Charitable FDN 214	Pawtucket Rotary 215	Perm School Fund 217	RI Foundation #2 218	Perkins Law & Public Safety 221	Title III 222
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	--	10,000	--	--	--	303,657
Total Revenues	--	10,000	--	--	--	303,657
Expenditures						
Education	121	10,000	19,461	12,961	--	300,544
Total Expenditures	121	10,000	19,461	12,961	--	300,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121)	--	(19,461)	(12,961)	--	3,113
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	(3,113)
Total Other Financing Sources (Uses)	--	--	--	--	--	(3,113)
Net change in fund balances	(121)	--	(19,461)	(12,961)	--	--
Fund Balances - Beginning of Year, as restated	223	--	23,051	83,358	--	--
Fund Balances - End of Year	\$ 102	\$ --	\$ 3,590	\$ 70,397	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Title III Immigrant ASST12 223	Title I Part A 224	Legislative After School-Varieur 226	IDEA Part B 227	Adult Ed/ Event Start 231	Title II- Professional Development 232
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	39,539	3,961,279	3,500	2,288,495	344,539	589,048
Total Revenues	39,539	3,961,279	3,500	2,288,495	344,539	589,048
Expenditures						
Education	38,892	3,957,571	6,963	2,216,669	344,539	558,492
Total Expenditures	38,892	3,957,571	6,963	2,216,669	344,539	558,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	647	3,708	(3,463)	71,826	--	30,556
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	(3,708)	--	(71,826)	--	(30,709)
Total Other Financing Sources (Uses)	--	(3,708)	--	(71,826)	--	(30,709)
Net change in fund balances	647	--	(3,463)	--	--	(153)
Fund Balances - Beginning of Year, as restated	--	--	3,500	--	--	373
Fund Balances - End of Year	\$ 647	\$ --	\$ 37	\$ --	\$ --	\$ 220

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Improvement of Education PEP 233	RISCA Shea 23183008 237	21042100 Immigrant 239	Friends of Varieur 241	RISCA JMW 243	PSA Mott 248
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 147,560
Operating grants and contributions	692,201	525	38,623	500	3,300	3,541
Total Revenues	692,201	525	38,623	500	3,300	151,101
Expenditures						
Education	680,418	365	37,852	223	2,898	175,616
Total Expenditures	680,418	365	37,852	223	2,898	175,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,783	160	771	277	402	(24,515)
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	(11,783)	--	(771)	--	--	--
Total Other Financing Sources (Uses)	(11,783)	--	(771)	--	--	--
Net change in fund balances	--	160	--	277	402	(24,515)
Fund Balances - Beginning of Year, as restated	--	--	--	1,533	133	44,634
Fund Balances - End of Year	\$ --	\$ 160	\$ --	\$ 1,810	\$ 535	\$ 20,119

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Curtis Care After School Prog. 249	CTE 250	Perkins Grant 251	RI Dept. Health 253	CTE Categorical 255	American Medical Corp. 259
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	48,089	--	151,938	21,426	104,415	--
Total Revenues	48,089	--	151,938	21,426	104,415	--
Expenditures						
Education	48,089	91,184	151,938	23,434	6,684	5,000
Total Expenditures	48,089	91,184	151,938	23,434	6,684	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(91,184)	--	(2,008)	97,731	(5,000)
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net change in fund balances	--	(91,184)	--	(2,008)	97,731	(5,000)
Fund Balances - Beginning of Year, as restated	--	105,683	--	2,038	7,131	5,000
Fund Balances - End of Year	\$ --	\$ 14,499	\$ --	\$ 30	\$ 104,862	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2016

	URI Confucius 260	SIG Tolman 262	RI Foundation #1 263	Integration Math 264	Verizon 24012043 265	Catch-Amer Acadmy Pediatric 267
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	7,765	38,908	23,491	11,723	20,000	22,723
Total Revenues	<u>7,765</u>	<u>38,908</u>	<u>23,491</u>	<u>11,723</u>	<u>20,000</u>	<u>22,723</u>
Expenditures						
Education	7,411	38,908	24,732	11,723	--	22,723
Total Expenditures	<u>7,411</u>	<u>38,908</u>	<u>24,732</u>	<u>11,723</u>	<u>--</u>	<u>22,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>354</u>	<u>--</u>	<u>(1,241)</u>	<u>--</u>	<u>20,000</u>	<u>--</u>
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>354</u>	<u>--</u>	<u>(1,241)</u>	<u>--</u>	<u>20,000</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>7,515</u>	<u>--</u>	<u>3,060</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 7,869</u>	<u>\$ --</u>	<u>\$ 1,819</u>	<u>\$ --</u>	<u>\$ 20,000</u>	<u>\$ --</u>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	WIA Incentive 268	School Improvement Shea High School 275	21st Century Learning - Expansion 276	JMW Art Schl Legis Grant 277	IDEA Sec. 619 279	21383100 DOH Disease 281
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	4,630	66,944	231,051	1,500	80,396	3,346
Total Revenues	4,630	66,944	231,051	1,500	80,396	3,346
Expenditures						
Education	4,630	66,944	225,584	--	79,682	1,361
Total Expenditures	4,630	66,944	225,584	--	79,682	1,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	5,467	1,500	714	1,985
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	(5,467)	--	(714)	--
Total Other Financing Sources (Uses)	--	--	(5,467)	--	(714)	--
Net change in fund balances	--	--	--	1,500	--	1,985
Fund Balances - Beginning of Year, as restated	--	--	--	--	--	--
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ 1,500	\$ --	\$ 1,985

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Evaluation of Safe Dates 282	Junior High Sports 284	Wireless Classroom Initiative 287	Adult Ed-COZ 289	Legislative Start W/Arts 290	Big Yellow Bus 292
Revenues						
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating grants and contributions	2,000	15,000	482,105	3,020	4,800	1,200
Total Revenues	2,000	15,000	482,105	3,020	4,800	1,200
Expenditures						
Education	2,000	24,157	172,130	3,761	4,800	1,200
Total Expenditures	2,000	24,157	172,130	3,761	4,800	1,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(9,157)	309,975	(741)	--	--
Other financing sources (uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net change in fund balances	--	(9,157)	309,975	(741)	--	--
Fund Balances - Beginning of Year, as restated	--	23,420	(309,975)	2,846	--	--
Fund Balances - End of Year	\$ --	\$ 14,263	\$ --	\$ 2,105	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SCHOOL RESTRICTED FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 2016

	21272109 Lunch Equip 294	21272109 Lunch Equip 295	Pepsi Scholarship Fund 296	Arts Talk Project 297	Legislative Grant Slater 298	24040020 JROTC 299	School Restricted Funds Total
Revenues							
Charges for services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 147,560
Operating grants and contributions	12,940	77,678	--	800	--	1,425	10,716,453
Total Revenues	12,940	77,678	--	800	--	1,425	10,864,013
Expenditures							
Education	12,940	77,678	2,000	486	3,475	1,425	10,460,980
Total Expenditures	12,940	77,678	2,000	486	3,475	1,425	10,460,980
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	(2,000)	314	(3,475)	--	403,033
Other financing sources (uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	(142,698)
Total Other Financing Sources (Uses)	--	--	--	--	--	--	(142,698)
Net change in fund balances	--	--	(2,000)	314	(3,475)	--	260,335
Fund Balances - Beginning of Year, as restated	--	--	4,500	156	3,744	--	40,086
Fund Balances - End of Year	\$ --	\$ --	\$ 2,500	\$ 470	\$ 269	\$ --	\$ 300,421

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	CH168/155 PL2012 Streets & Sidewalks 409	CH34 &44 PL2010Street Sidewalk 2012 413	CH137/112 PL2014 Streets & Sidewalks 415	CH 34/43 PL2008 Renovate & Improve Public Building 426	CH 167/157 PL2012 Renovate & Improve Public Building 428	CH 202/220 PL2014 Renovate & Improve Public Building 429
Assets						
Cash and cash equivalents	\$ 122,271	\$ 173,718	\$ 216,754	\$ 32,073	\$ 59,957	\$ 2,048,288
Intergovernmental receivables	--	--	--	--	--	--
Accounts receivable	--	--	--	--	--	--
Total Assets	\$ 122,271	\$ 173,718	\$ 216,754	\$ 32,073	\$ 59,957	\$ 2,048,288
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ 635	\$ --	\$ 82,998	\$ --	\$ 3,150	\$ 198,134
Due to other funds	--	--	--	--	--	--
Notes payable	--	--	420,000	--	--	2,150,000
Total Liabilities	635	--	502,998	--	3,150	2,348,134
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	121,636	173,718	--	32,073	56,807	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	(286,244)	--	--	(299,846)
Total Fund Balance	121,636	173,718	(286,244)	32,073	56,807	(299,846)
Total Liabilities and Fund Balance	\$ 122,271	\$ 173,718	\$ 216,754	\$ 32,073	\$ 59,957	\$ 2,048,288

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-1

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	CH37/45 PL2010 Renovate & Equip Recreation 431	CH 165/158 PL2012 Renovate & Equip Recreation 432	CH132/114 PL2014 Parks/Rec 433	CH170/153 PL2012 Sewer & Sanitary System 456	CH133/113 PL2014 Sew/San 457	CH477/428 PL2012 School Renovate & Equip School 464
Assets						
Cash and cash equivalents	\$ 76,633	\$ 456,774	\$ 1,200,000	\$ 71,056	\$ 108,575	\$ 620,242
Intergovernmental receivables	33,985	--	--	--	--	--
Accounts receivable	--	--	--	--	--	--
Total Assets	\$ 110,618	\$ 456,774	\$ 1,200,000	\$ 71,056	\$ 108,575	\$ 620,242
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ 27,925	\$ 4,999	\$ --	\$ 71,014	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Notes payable	--	500,000	1,200,000	--	200,000	1,500,000
Total Liabilities	27,925	504,999	1,200,000	71,014	200,000	1,500,000
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	82,693	--	--	42	--	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	(48,225)	--	--	(91,425)	(879,758)
Total Fund Balance	82,693	(48,225)	--	42	(91,425)	(879,758)
Total Liabilities and Fund Balance	\$ 110,618	\$ 456,774	\$ 1,200,000	\$ 71,056	\$ 108,575	\$ 620,242

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-1

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	CH138/115 PL14 Road & Traffic 471	CH39/50 PL2006 Road & Traffic 472	CH39/42 PL2010 Road & Traffic 473	CH 33/41 PL2008 Road & Traffic 474	CH169/156 PL2012 Road & Traffic 475	CH136/116 PL2014 Bridges 476
Assets						
Cash and cash equivalents	\$ 30,000	\$ --	\$ 46,237	\$ 12,687	\$ 131,563	\$ 150,278
Intergovernmental receivables	--	--	--	--	--	--
Accounts receivable	--	--	--	--	--	--
Total Assets	\$ 30,000	\$ --	\$ 46,237	\$ 12,687	\$ 131,563	\$ 150,278
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 5,152	\$ --
Due to other funds	--	--	--	--	--	--
Notes payable	30,000	--	--	--	200,000	200,000
Total Liabilities	30,000	--	--	--	205,152	200,000
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	--	--	46,237	12,687	--	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	(73,589)	(49,722)
Total Fund Balance	--	--	46,237	12,687	(73,589)	(49,722)
Total Liabilities and Fund Balance	\$ 30,000	\$ --	\$ 46,237	\$ 12,687	\$ 131,563	\$ 150,278

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-1

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	CH166/154 PL2012 Highway 477	CH 35/45 PL2008 Bridges 478	CH46/48 PL2010 Bridges 479	RI Clean Water Finance 495	RICWFA Road Loan \$15M 496	School SBA Loan 498
Assets						
Cash and cash equivalents	\$ --	\$ 21,024	\$ --	\$ --	\$ --	\$ --
Intergovernmental receivables	--	--	--	--	2,024,955	352,000
Accounts receivable	--	--	--	--	--	811,276
Total Assets	\$ --	\$ 21,024	\$ --	\$ --	\$ 2,024,955	\$ 1,163,276
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 271,967
Due to other funds	--	--	--	--	--	241,801
Notes payable	100,000	--	--	--	--	--
Total Liabilities	100,000	--	--	--	--	513,768
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	--	21,024	--	--	2,024,955	649,508
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	(100,000)	--	--	--	--	--
Total Fund Balance	(100,000)	21,024	--	--	2,024,955	649,508
Total Liabilities and Fund Balance	\$ --	\$ 21,024	\$ --	\$ --	\$ 2,024,955	\$ 1,163,276

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Slater Park Disc Trail 739	Max Read Synthetic Field 740	Newman Crosby Soccer Complex 812	State Preservation Grant 835	Healthy Places By Design 840	State Pier Town Landing 841
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental receivables	20,000	307,325	--	--	--	13,016
Accounts receivable	--	--	--	--	--	--
Total Assets	\$ 20,000	\$ 307,325	\$ --	\$ --	\$ --	\$ 13,016
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ 307,325	\$ --	\$ --	\$ --	\$ --
Due to other funds	7,705	--	--	--	--	13,016
Notes payable	--	--	--	--	--	--
Total Liabilities	7,705	307,325	--	--	--	13,016
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	12,295	--	--	--	--	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	12,295	--	--	--	--	--
Total Liabilities and Fund Balance	\$ 20,000	\$ 307,325	\$ --	\$ --	\$ --	\$ 13,016

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-1

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Galego Court Soccer Field 844	River Corridor Dev. Plan 848	Friendship Gardens Improv 849	Brownsfields-State Pier 853	Leap 1 Federal And State 856	Leap 2 State 857
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental receivables	--	--	--	13,731	--	--
Accounts receivable	--	--	--	--	--	--
Total Assets	\$ --	\$ --	\$ --	\$ 13,731	\$ --	\$ --
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	13,731	--	--
Notes payable	--	--	--	--	--	--
Total Liabilities	--	--	--	13,731	--	--
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	--	--	--	--	--	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	--	--	--	--	--	--
Total Liabilities and Fund Balance	\$ --	\$ --	\$ --	\$ 13,731	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-1

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	NEA Our Town Grant 859	Main St Bridge Side Repl 861	Main Street Façade 880	Lease FY 2013 893	Lease FY2015 895	Capital Projects Funds Totals
Assets						
Cash and cash equivalents	\$ 19,303	\$ 110,070	\$ 105,000	\$ 688,109	\$ 261,387	\$ 6,761,999
Intergovernmental receivables	--	1,157	--	--	--	2,766,169
Accounts receivable	--	--	--	--	--	811,276
Total Assets	\$ 19,303	\$ 111,227	\$ 105,000	\$ 688,109	\$ 261,387	\$ 10,339,444
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ 80,608	\$ --	\$ --	\$ --	\$ 1,053,907
Due to other funds	--	--	--	--	--	276,253
Notes payable	--	--	--	--	--	6,500,000
Total Liabilities	--	80,608	--	--	--	7,830,160
Fund Balance						
Non-spendable	--	--	--	--	--	--
Restricted	19,303	30,619	105,000	688,109	261,387	4,338,093
Committed	--	--	--	--	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	(1,828,809)
Total Fund Balance	19,303	30,619	105,000	688,109	261,387	2,509,284
Total Liabilities and Fund Balance	\$ 19,303	\$ 111,227	\$ 105,000	\$ 688,109	\$ 261,387	\$ 10,339,444

CITY OF PAWTUCKET, RHODE ISLAND

J-2

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	CH168/155 PL2012 Streets & Sidewalks 409	CH34 &44 PL2010Street Sidewalk 2012 413	CH137/112 PL2014 Streets & Sidewalks 415	CH 34/43 PL2008 Renovate & Improve Public Building 426	CH 167/157 PL2012 Renovate & Improve Public Building 428	CH 202/220 PL2014 Renovate & Improve Public Building 429	CH37/45 PL2010 Renovate & Equip Recreation 431
Revenues							
Capital grants and contributions	\$ 26,990	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	--	--	--	--	--	--	--
Total Revenues	26,990	--	--	--	--	--	--
Expenditures							
Planning	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Public works	43,837	--	286,244	--	178,983	299,846	404,175
Legislative and executive	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Total Expenditures	43,837	--	286,244	--	178,983	299,846	404,175
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(16,847)	--	(286,244)	--	(178,983)	(299,846)	(404,175)
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	(97,813)
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	(97,813)
Net Change in Fund Balances	(16,847)	--	(286,244)	--	(178,983)	(299,846)	(501,988)
Fund Balances - Beginning of Year, as restated	138,483	173,718	--	32,073	235,790	--	584,681
Fund Balances - End of Year	\$ 121,636	\$ 173,718	\$ (286,244)	\$ 32,073	\$ 56,807	\$ (299,846)	\$ 82,693

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-2

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	CH 165/158 PL2012 Renovate & Equip Recreation 432	CH 132/114 PL2014 Renovate & Equip Recreation 433	CH170/153 PL2012 Sewer & Sanitary System 456	CH133/113 PL2014 Sewer & Sanitary System 457	CH477/428 PL2012 School Renovate & Equip School Building 464	CH138/115 PL14 Road & Traffic 471
Revenues						
Capital grants and contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	--	--	--	--	--	--
Total Revenues	--	--	--	--	--	--
Expenditures						
Planning	--	--	--	--	--	--
Public safety	--	--	--	--	--	--
Public works	23,937	--	165,967	61,425	--	--
Legislative and executive	--	--	--	--	--	--
Education	--	--	--	--	394,525	--
Total Expenditures	23,937	--	165,967	61,425	394,525	--
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	(23,937)	--	(165,967)	(61,425)	(394,525)	--
Other Financing Sources (Uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	(124,288)	--	--	(30,000)	--	--
Bond proceeds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	(124,288)	--	--	(30,000)	--	--
Net Change in Fund Balances	(148,225)	--	(165,967)	(91,425)	(394,525)	--
Fund Balances - Beginning of Year, as restated	100,000	--	166,009	--	(485,233)	--
Fund Balances - End of Year	\$ (48,225)	\$ --	\$ 42	\$ (91,425)	\$ (879,758)	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-2

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	CH39/50 PL2006 Road & Traffic 472	CH39/42 PL2010 Road & Traffic 473	CH 33/41 PL2008 Road & Traffic 474	CH169/156 PL2012 Road & Traffic 475	CH136/116 PL2014 Bridges 476	CH166/154 PL2012 Highway 477	CH 35/45 PL2008 Bridges 478
Revenues							
Capital grants and contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	--	--	--	--	--	--	--
Total Revenues	--	--	--	--	--	--	--
Expenditures							
Planning	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Public works	--	153,763	100,176	73,589	--	--	--
Legislative and executive	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Total Expenditures	--	153,763	100,176	73,589	--	--	--
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	(153,763)	(100,176)	(73,589)	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	(49,722)	(200,000)	(11,307)
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	(49,722)	(200,000)	(11,307)
Net Change in Fund Balances	--	(153,763)	(100,176)	(73,589)	(49,722)	(200,000)	(11,307)
Fund Balances - Beginning of Year, as restated	--	200,000	112,863	--	--	100,000	32,331
Fund Balances - End of Year	\$ --	\$ 46,237	\$ 12,687	\$ (73,589)	\$ (49,722)	\$ (100,000)	\$ 21,024

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	CH46/48 PL2010 Bridges 479	RI Clean Water Finance 495	RICWFA Road Loan \$15M 496	School SBA Loan Fund 498	Slater Park Disc Trail 739	Max Read Synthetic Field 740	Newman Crosby Soccer Complex 812	State Preservation Grant 835
Revenues								
Capital grants and contributions	\$ --	\$ --	\$ --	\$ 948,034	\$ 45,000	\$ 307,325	\$ --	\$ --
Investment income	--	--	--	--	--	--	--	--
Total Revenues	--	--	--	948,034	45,000	307,325	--	--
Expenditures								
Planning	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--
Public works	--	6,169	5,925,045	--	64,494	307,325	--	--
Legislative and executive	--	--	--	--	--	--	--	--
Education	--	--	--	1,150,526	--	--	--	--
Total Expenditures	--	6,169	5,925,045	1,150,526	64,494	307,325	--	--
Excess (Deficiency) of Revenues Over (Under)								
Expenditures Before Other Financing Sources (Uses)	--	(6,169)	(5,925,045)	(202,492)	(19,494)	--	--	--
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	500,000	31,789	--	--	--
Transfers to other funds	(200,000)	--	--	--	--	--	(7,084)	(125)
Bond proceeds	--	--	3,000,000	352,000	--	--	--	--
Total Other Financing Sources (Uses)	(200,000)	--	3,000,000	852,000	31,789	--	(7,084)	(125)
Net Change in Fund Balances	(200,000)	(6,169)	(2,925,045)	649,508	12,295	--	(7,084)	(125)
Fund Balances - Beginning of Year, as restated	200,000	6,169	4,950,000	--	--	--	7,084	125
Fund Balances - End of Year	\$ --	\$ --	\$ 2,024,955	\$ 649,508	\$ 12,295	\$ --	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-2

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Healthy Places By Design 840	State Pier Town Landing 841	Galego Court Soccer Field 844	River Corridor Dev. Plan 848	Friendship Gardens Improv 849	Brownsfields-State Pier 853	Leap 1 Federal And State 856
Revenues							
Capital grants and contributions	\$ --	\$ 13,016	\$ --	\$ --	\$ --	\$ 33,907	\$ --
Investment income	--	--	--	--	--	--	--
Total Revenues	--	13,016	--	--	--	33,907	--
Expenditures							
Planning	--	604	--	--	--	40,445	--
Public safety	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Legislative and executive	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Total Expenditures	--	604	--	--	--	40,445	--
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	12,412	--	--	--	(6,538)	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	5,798	--	6,538	1,090
Transfers to other funds	(18,295)	--	(25,926)	--	(7,365)	--	--
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	(18,295)	--	(25,926)	5,798	(7,365)	6,538	1,090
Net Change in Fund Balances	(18,295)	12,412	(25,926)	5,798	(7,365)	--	1,090
Fund Balances - Beginning of Year, as restated	18,295	(12,412)	25,926	(5,798)	7,365	--	(1,090)
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

J-2

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Leap 2 State 857	Nea Our Town Grant 859	Main St Bridge Side Repl 861	Main Street Façade 880	Lease FY 2013 893	Lease FY2015 895	Capital Projects Funds Totals
Revenues							
Capital grants and contributions	\$ --	\$ 500	\$ 130,038	\$ --	\$ --	\$ --	\$ 1,504,810
Investment income	--	--	--	--	2,954	2,547	5,501
Total Revenues	--	500	130,038	--	2,954	2,547	1,510,311
Expenditures							
Planning	--	34,273	--	--	--	15,000	90,322
Public safety	--	--	--	--	--	606,120	606,120
Public works	--	--	682,651	--	--	1,050,964	9,828,590
Legislative and executive	--	--	--	--	83,308	3,058	86,366
Education	--	--	--	--	--	--	1,545,051
Total Expenditures	--	34,273	682,651	--	83,308	1,675,142	12,156,449
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	(33,773)	(552,613)	--	(80,354)	(1,672,595)	(10,646,138)
Other Financing Sources (Uses)							
Transfers from other funds	13,802	60,000	511,029	105,000	--	--	1,235,046
Transfers to other funds	--	--	--	--	--	--	(771,925)
Bond proceeds	--	--	--	--	--	--	3,352,000
Total Other Financing Sources (Uses)	13,802	60,000	511,029	105,000	--	--	3,815,121
Net Change in Fund Balances	13,802	26,227	(41,584)	105,000	(80,354)	(1,672,595)	(6,831,017)
Fund Balances - Beginning of Year, as restated	(13,802)	(6,924)	72,203	--	768,463	1,933,982	9,340,301
Fund Balances - End of Year	\$ --	\$ 19,303	\$ 30,619	\$ 105,000	\$ 688,109	\$ 261,387	\$ 2,509,284

CITY OF PAWTUCKET, RHODE ISLAND

K-1

NON-MAJOR GOVERNMENTAL - PERMANENT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Pawtucket TriCentennial 142	Library Zucker Trust 170	Library Little Acorn Trust 172	Mabel Anderson Fund 176	Library Caidin Trust 177	Father St. Godard Religious Studies 179
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investments	11,018	25,377	537,691	13,205	93,382	12,108
Notes receivable	--	--	--	--	--	--
Total Assets	\$ 11,018	\$ 25,377	\$ 537,691	\$ 13,205	\$ 93,382	\$ 12,108
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	\$ --	\$ --	\$ --	\$ 190	\$ --	\$ --
Due to other funds	--	960	--	--	2,035	--
Total Liabilities	--	960	--	190	2,035	--
Fund Balance						
Non-spendable	11,018	24,417	537,691	13,015	91,347	12,108
Total Fund Balance	11,018	24,417	537,691	13,015	91,347	12,108
Total Liabilities and Fund Balance	\$ 11,018	\$ 25,377	\$ 537,691	\$ 13,205	\$ 93,382	\$ 12,108

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

K-1

NON-MAJOR GOVERNMENTAL - PERMANENT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2016

	Community Service Library 180	Citizens Committee PPL 181	Gerald Burns Fund 194	Cemetery Perpetual Care 708	Cemetery Improvements 709	Permanent Funds Totals
Assets						
Cash and cash equivalents	\$ --	\$ 10	\$ --	\$ 157,917	\$ 85,344	\$ 243,271
Investments	25,174	24,297	21,136	--	--	763,388
Notes receivable	--	--	--	190,000	--	190,000
Total Assets	\$ 25,174	\$ 24,307	\$ 21,136	\$ 347,917	\$ 85,344	\$ 1,196,659
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 190
Due to other funds	308	--	511	--	--	3,814
Total Liabilities	308	--	511	--	--	4,004
Fund Balance						
Non-spendable	24,866	24,307	20,625	347,917	85,344	1,192,655
Total Fund Balance	24,866	24,307	20,625	347,917	85,344	1,192,655
Total Liabilities and Fund Balance	\$ 25,174	\$ 24,307	\$ 21,136	\$ 347,917	\$ 85,344	\$ 1,196,659

CITY OF PAWTUCKET, RHODE ISLAND

K-2

NON-MAJOR GOVERNMENTAL - PERMANENT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Pawtucket TriCentennial 142	Library Zucker Trust 170	Library Little Acorn Trust 172	Mabel Anderson Fund 176	Library Caidin Trust 177	Father St. Godard Religious Studies 179
Revenues						
Operating grants & contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	464	2,133	25,104	1,110	7,853	502
Total Revenues	464	2,133	25,104	1,110	7,853	502
Expenditures						
Legislative and executive	--	924	6,751	190	2,035	491
Public works	--	--	--	--	--	--
Total Expenditures	--	924	6,751	190	2,035	491
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	464	1,209	18,353	920	5,818	11
Other Financing Sources (Uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	464	1,209	18,353	920	5,818	11
Fund Balances - Beginning of Year, as restated	10,554	23,208	519,338	12,095	85,529	12,097
Fund Balances - End of year	\$ 11,018	\$ 24,417	\$ 537,691	\$ 13,015	\$ 91,347	\$ 12,108

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

K-2

NON-MAJOR GOVERNMENTAL - PERMANENT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2016

	Community Service Library 180	Citizens Committee PPL 181	Gerald Burns Fund 194	Cemetery Perpetual Care 708	Cemetery Improvements 709	Permanent Funds Totals
Revenues						
Operating grants & contributions	\$ --	\$ --	\$ --	\$ 350	\$ --	\$ 350
Investment income	2,117	1,990	1,777	282	213	43,545
Total Revenues	2,117	1,990	1,777	632	213	43,895
Expenditures						
Legislative and executive	308	--	511	--	--	11,210
Public works	--	--	--	--	--	--
Total Expenditures	308	--	511	--	--	11,210
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	1,809	1,990	1,266	632	213	32,685
Other Financing Sources (Uses)						
Transfers from other funds	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	1,809	1,990	1,266	632	213	32,685
Fund Balances - Beginning of Year, as restated	23,057	22,317	19,359	347,285	85,131	1,159,970
Fund Balances - End of year	\$ 24,866	\$ 24,307	\$ 20,625	\$ 347,917	\$ 85,344	\$ 1,192,655

CITY OF PAWTUCKET, RHODE ISLAND

L-1

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Beginning Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2016</u>
<u>SCHOOL ACTIVITY FUNDS</u>				
Assets				
Cash	\$ <u>311,365</u>	\$ <u>470,392</u>	\$ <u>470,736</u>	\$ <u>311,021</u>
Liabilities				
Due to student groups	\$ <u>311,365</u>	\$ <u>470,392</u>	\$ <u>470,736</u>	\$ <u>311,021</u>

City of Pawtucket
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2016

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<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Property Tax Collection	\$ 99,817,594	\$ -
Prior Year Property Tax Collection	2,441,146	-
Interest & Penalty	811,877	-
PILOT & Tax Treaty (excluded from certified levy)	-	-
Other Local Property Taxes	-	-
Licenses and Permits	822,811	-
Fines and Forfeitures	334,369	-
Investment Income	142,668	-
Departmental	1,445,854	-
Rescue Run Revenue	2,242,610	-
Police & Fire Detail	941,494	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	506,089
Impact Aid	-	-
Medicaid	-	1,279,944
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	4,186,129
CDBG	554,771	-
COPS Grants	-	-
SAFER Grants	78,374	-
Other Federal Aid Funds	107,571	9,543,588
MV Excise Tax Reimbursement	794,500	-
State PILOT Program	554,958	-
Distressed Community Relief Fund	1,430,131	-
Library Resource Aid	336,605	-
Library Construction Aid	-	-
Public Service Corporation Tax	918,089	-
Meals & Beverage Tax	812,269	-
Hotel Tax	41,586	-
LEA Aid	-	78,798,602
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	2,193,361	-
State Food Service Revenue	-	71,390
Incentive Aid	347,825	-
Property Revaluation Reimbursement	-	-
Other State Revenue	64,316	1,952,118
Other Revenue	634,946	1,188,429
Local Appropriation for Education	-	30,207,632
Regional Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 117,869,725</u>	<u>\$ 127,733,921</u>
Transfer from Capital Projects Funds	\$ -	\$ -
Transfer from Other Funds	-	-
Debt Proceeds	-	-
Other Financing Sources	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>

City of Pawtucket
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2016

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<u>EXPENDITURES</u>	General Government	Finance	Social Services	Information Technology	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 1,469,612	\$ 1,303,552	\$ 278,738	\$ 275,675	\$ 807,463	\$ 1,153,911	\$ 2,894,094	\$ 841,245	\$ 10,719,385
Compensation - Group B	-	-	-	-	-	-	-	-	1,170,723
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	13,988	11,607	17	570	4,406	54,092	199,621	53,893	787,148
Overtime - Group B	-	-	-	-	-	-	-	-	94,641
Police & Fire Detail	-	-	-	-	-	-	-	-	611,445
Active Medical Insurance - Group A	268,497	266,808	79,189	66,356	221,773	227,657	832,941	264,228	1,785,128
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	220,374
Active Dental insurance- Group A	15,332	18,195	5,675	4,991	14,807	15,081	53,935	17,000	114,296
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	16,114
Payroll Taxes	108,654	95,967	19,932	21,003	62,922	91,557	231,380	66,499	276,277
Life Insurance	4,026	4,726	1,225	1,050	3,501	3,151	11,553	3,676	79,102
Defined Contribution- Group A	52,561	11,816	1,865	3,225	7,239	6,212	25,037	7,452	-
Defined Contribution - Group B	-	-	-	-	-	-	-	-	9,628
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Local Pension- Group A	-	-	-	-	-	-	-	-	7,113,087
Local Pension - Group B	-	-	-	-	-	-	-	-	-
State Pension- Group A	176,713	213,845	31,528	46,201	126,997	162,828	462,411	126,758	-
State Pension - Group B	-	-	-	-	-	-	-	-	192,865
Other Pension	-	-	-	-	-	-	-	-	-
Purchased Services	455,052	131,544	8,625	42,711	221,393	24,651	784,154	58,769	257,131
Materials/Supplies	45,601	41,970	7,595	85	16,847	140,478	42,976	32,582	345,587
Software Licenses	850	-	-	124,991	-	5,137	-	-	21,767
Capital Outlays	103,614	14,466	-	15,725	3,108	18,538	214,814	39,515	161,002
Insurance	1,112,495	-	-	-	-	-	-	-	-
Maintenance	5,650	3,686	7,544	16,794	1,046	107,090	194,526	47,473	161,478
Vehicle Operations	-	-	8,924	-	2,259	1,521	193,929	59,250	233,061
Utilities	21,097	16,175	54,167	37,772	24,892	97,923	399,622	230,793	105,196
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,151,376	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	208,928	-	-
Trash Removal & Recycling	-	-	-	-	-	-	2,766,421	-	-
Claims & Settlements	453,600	-	-	-	-	-	-	-	-
Community Support	131,593	-	-	-	-	-	-	-	-
Other Operation Expenditures	18,568	270	-	3,566	9,140	26,611	-	-	14,502
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,457,503	\$ 2,134,627	\$ 505,024	\$ 660,715	\$ 1,527,793	\$ 2,136,438	\$ 10,667,718	\$ 1,849,133	\$ 24,489,937

City of Pawtucket
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2016

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<u>EXPENDITURES</u>	Fire Department	Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 10,685,072	\$ -	\$ 560,281	\$ -	\$ -	\$ -	\$ 30,989,028	\$ 59,350,650
Compensation - Group B	334,918	-	-	-	-	-	1,505,641	7,799,800
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	2,015,718	-	42,195	-	-	-	3,183,255	-
Overtime - Group B	16,006	-	-	-	-	-	110,647	422,198
Police & Fire Detail	-	-	-	-	-	-	611,445	-
Active Medical Insurance - Group A	1,844,571	-	71,279	-	-	-	5,928,427	9,411,674
Active Medical Insurance- Group B	7,361	-	-	-	-	-	227,735	2,843,216
Active Dental insurance- Group A	106,463	-	4,374	-	-	-	370,149	862,389
Active Dental Insurance- Group B	820	-	-	-	-	-	16,934	244,707
Payroll Taxes	185,453	-	82,096	-	-	-	1,241,740	5,055,162
Life Insurance	47,713	-	5,602	-	-	-	165,325	413,636
Defined Contribution- Group A	-	-	4,539	-	-	-	119,946	357,569
Defined Contribution - Group B	197	-	-	-	-	-	9,825	68,586
Other Benefits- Group A	-	-	-	-	-	-	-	587,074
Other Benefits- Group B	-	-	-	-	-	-	-	-
Local Pension- Group A	6,995,776	-	-	-	-	-	14,108,863	-
Local Pension - Group B	-	-	-	-	-	-	-	-
State Pension- Group A	-	-	85,585	-	-	-	1,432,866	8,209,809
State Pension - Group B	11,660	-	-	-	-	-	204,525	1,129,630
Other Pension	-	-	-	-	-	-	-	-
Purchased Services	66,049	-	11,670	-	-	-	2,061,749	19,903,620
Materials/Supplies	235,712	-	26,896	-	-	-	936,329	2,807,765
Software Licenses	-	-	-	-	-	-	152,745	155,928
Capital Outlays	312,512	-	46,022	-	-	-	929,316	2,250,269
Insurance	-	-	-	-	-	-	1,112,495	123,141
Maintenance	76,531	-	9,591	-	-	-	631,409	636,371
Vehicle Operations	173,439	-	6,536	-	-	-	678,919	71,978
Utilities	177,014	-	91,948	-	-	-	1,256,599	870,720
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,151,376	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	208,928	-
Trash Removal & Recycling	-	-	-	-	-	-	2,765,421	-
Claims & Settlements	-	-	-	-	-	-	453,600	-
Community Support	-	-	-	-	-	-	131,593	-
Other Operation Expenditures	134,486	-	6,085	-	-	-	213,228	228,260
Local Appropriation for Education	-	-	-	30,207,632	-	-	30,207,632	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	3,136,609	-	3,136,609	-
Municipal Debt- Interest	-	-	-	-	1,149,181	-	1,149,181	-
School Debt- Principal	-	-	-	-	1,733,240	-	1,733,240	-
School Debt- Interest	-	-	-	-	996,311	-	996,311	-
Retiree Medical Insurance- Total	-	-	-	-	-	7,600,097	7,600,097	2,387,930
Retiree Dental Insurance- Total	-	-	-	-	-	303,709	303,709	216,196
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 23,427,471	\$ -	\$ 1,054,699	\$ 30,207,632	\$ 7,015,341	\$ 7,903,806	\$ 118,037,837	\$ 126,408,277

Transfer to Capital Project Funds	\$ -	\$ -
Transfer to Other Funds	1,884,452	-
Payment to Bond Escrow Agent	-	-
Other Financing Uses	-	-
Total Other Financing Uses	\$ 1,884,452	\$ -
Net Change in Fund Balance	(2,052,564)	1,325,645
Fund Balance - beginning of year	16,758,160	1,055,389
Fund Balance - end of year	\$ 14,705,596	\$ 2,381,034

Totals might not add due to rounding.

City of Pawtucket
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2016

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Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance	Fund Balance/ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
General Fund	\$ 116,705,051	\$ -	\$ 86,438,531	\$ 32,406,407	\$ (2,139,887)	\$ 16,234,440	\$ 14,094,553
Family Literacy Initiative	74,803		56,803	-	18,000	27,900	45,900
State Grant In Aid	336,605		336,605	-	-	-	-
Library Donations	32,423		32,898	-	(475)	116,870	116,395
Safer Grant	78,374		78,374	-	-	-	-
Details Private Company Reimbursement	677,857		611,445	61,310	5,102	(5,102)	-
Details Private Company Reimbursement	-	61,310	-	-	61,310	106,104	167,414
Senior Ctr CDBG	130,859		130,970	-	(111)	111	-
Senior Ctr DEA	29,790		29,790	-	-	-	-
Senate Grant Senior Shuttle	2,000		2,000	-	-	-	-
Senior Ctr City	-	283,826	283,826	-	-	-	-
Senior Ctr Information Specialist	19,273		19,273	-	-	-	-
Leon Mathieu Donations	11,600		7,800	-	3,800	300	4,100
Senior Center Title III-B DEA	37,540		37,843	-	(303)	303	-
CDBG Community Development	1,098,478		1,096,613	-	1,865	97	1,962
Emergency Shelter	81,750		81,750	-	-	25	25
Home Program	232,150		227,200	-	4,950	15,913	20,863
Pawtucket Redevelopment Agency	445,946		438,108	56,538	(48,700)	261,199	212,499
Totals per audited financial statements	\$ 119,994,499	\$ 345,136	\$ 89,909,829	\$ 32,524,255	\$ (2,094,449)	\$ 16,758,160	\$ 14,663,711

Reconciliation from financial statements to MTP2

Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	30,207,632	(30,207,632)	\$ -	\$ -	\$ -
Debt Reimbursement (COPS Lease) reported as expenditure credits on financial statements but revenue on MTP2	269,208		269,208				
Employee medical co-pays reported as revenue on financial statements, but expenditure credits on MTP2	(1,185,667)		(1,185,667)				-
RIDOT reimbursement for police details reported as expenditure credits on financial statements but revenue on MTP2	263,637		263,637				-
Transfers to Arts Support Initiative & Pawtucket Arts Funding (Fund 145 & 146) reported as Other Financing Use on financial statements but as Community Support on MTP2			30,497	(30,497)			-
Program activity in CDBG Funds (871,873,874,878) that are not reported on the MTP2 because they are for program revenues & expenses and not for administration.	(1,471,952)		(1,457,299)	(56,538)	41,885		41,885
Eliminate transfers between Funds reported on MTP2:							
- from General Fund to Senior Ctr City		(283,826)		(283,826)			
- from Police Details 690 to 694		(61,310)		(61,310)			
Rounding							
Totals Per MTP2	\$ 117,869,725	\$ -	\$ 118,037,837	\$ 1,884,452	\$ (2,052,564)	\$ 16,758,160	\$ 14,705,596

City of Pawtucket
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2016

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Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance	Fund Balance/ (Deficit) - Beginning	Fund Balance/ (Deficit) - Ending
School Unrestricted Fund	\$ 85,238,192	\$ 30,350,330	\$ 114,642,425	\$ 2,282,635	\$ (1,336,538)	\$ 2,713,553	\$ 1,377,015
Enterprise Fund	4,677,439		4,707,883		(30,444)	84,385	53,941
SBA School Capital Project Fund	948,034	852,000	1,150,526		649,508	-	649,508
School Special Revenue Funds	10,864,013		10,460,980	142,698	260,335	40,086	300,421
Totals per audited financial statements	\$ 101,727,678	\$ 31,202,330	\$ 130,961,814	\$ 2,425,333	\$ (457,139)	\$ 2,838,024	\$ 2,380,885

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	30,207,632	\$ (30,207,632)	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(4,553,389)		(4,553,389)		-		-
GAAP reporting on loan proceeds for HVAC SBA Loan Project & capital outlay as a Other Source but reported as revenue on MTP2	352,000	(352,000)			-		-
One-time transfer of prior year reserves for medical out of the School Unrestricted Fund to the Internal Service Fund not reported on MTP2			-	(1,782,635)	1,782,635	(1,782,635)	-
Transfer (of 500k from School Unrestricted to the School SBA Capital Projects Fund) is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero.		(500,000)		(500,000)	-		-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.		(142,698)		(142,698)	-		-
Miscellaneous variances between UCOA & FS			(148)		148		148
Rounding			-	-	1	-	1
Totals Per MTP2	\$ 127,733,921	\$ -	\$ 126,408,277	\$ -	\$ 1,325,645	\$ 1,055,389	\$ 2,381,034

CITY OF PAWTUCKET, RHODE ISLAND

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NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The Annual Supplemental Transparency Report (MTP2) is a new supplemental schedule required by the State of Rhode Island, as a result of newly enacted legislation, Article 8 of the Appropriations Act (2016 House Bill 7454 sub A as amended). This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) on the Division of Municipal Finance website to host municipal financial information in a centralized location.

The format of the Annual Supplemental Transparency Report (MTP2) was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2 – REPORTABLE GOVERNMENT SERVICES

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The Annual Supplemental Transparency Report (MTP2) includes a reconciliation to the fund level statements.

NOTE 3 – ALLOCATIONS

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's budget and accounting system. To report these costs, the City made reasonable allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4 – EMPLOYEE GROUPS

Group A - This item includes compensation (salaries, longevity, stipends, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for the primary work force of the department (Police Department: Police Officers, Fire Department: Fire Fighters, Education Department: Certified Employees, and Other Departments: All Employees).

Group B - This item would only include compensation (salaries, longevity, stipend, clothing, shift differential, out-of-rank, holiday pay, and bonuses) and benefits (medical and dental insurance, pension contributions, OPEB (pay-go and ADC contributions) for administrative and civilian dispatch employees in Police and Fire Departments and Non-Certified employees for Education Department.

CITY OF PAWTUCKET, RHODE ISLAND

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NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 – EDUCATION REVENUE AND EXPENDITURES

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

STATISTICAL SECTION

CITY OF PAWTUCKET, RHODE ISLAND

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TAX COLLECTOR'S ANNUAL REPORT

REAL ESTATE, MOTOR VEHICLE, AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance, July 1, 2015	Current year assessment	Supplements	Abatements/ Adjustments	Amount to be collected	Collections	Balance, June 30, 2016
2015	\$ --	\$ 102,806,633	\$ --	\$ (437,306)	\$ 102,369,327	\$ (99,149,077)	\$ 3,220,250
2014	3,711,817	--	--	(167,568)	3,544,249	(2,459,264)	1,084,985
2013	1,384,222	--	--	(48,184)	1,336,038	(397,489)	938,549
2012	1,080,165	--	--	(23,129)	1,057,036	(148,120)	908,916
2011	923,845	--	--	(10,876)	912,969	(79,474)	833,495
2010	560,590	--	--	(4,163)	556,427	(29,010)	527,417
2009	357,092	--	--	(9,048)	348,044	(12,346)	335,698
2008	376,579	--	--	(902)	375,677	(9,848)	365,829
2007	341,780	--	--	(445)	341,335	(6,471)	334,864
2006 & prior	710,775	--	--	(371,475)	339,300	(7,528)	331,772
	<u>\$ 9,446,865</u>	<u>\$ 102,806,633</u>	<u>\$ --</u>	<u>\$ (1,073,096)</u>	<u>\$ 111,180,402</u>	<u>\$ (102,298,627)</u>	<u>\$ 8,881,775</u>

Schedule of Net Assessed Property, Value by Category:

Description of Property	Valuations December 31, 2014	Levy July 1, 2015	Reconciliation of Current Year Property Tax Revenue
Real property	\$ 3,320,626,123	\$ 81,987,719	Current year collections \$ 102,298,627
Motor vehicles	289,173,499	14,720,615	
Tangible	<u>147,762,277</u>	<u>6,098,299</u>	Reserve collected within 60 days subsequent to fiscal year end 2016 <u>792,661</u>
Total	3,757,561,899	102,806,633	<u>103,091,288</u>
Exemptions	<u>(145,681,619)</u>	<u>--</u>	Prior year revenue received in current year <u>(832,547)</u>
Net Assessed value	<u>\$ 3,611,880,280</u>	<u>\$ 102,806,633</u>	Current year property tax revenue <u>\$ 102,258,741</u>

CITY OF PAWTUCKET

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LONG -TERM DEBT - GOVERNMENTAL AND BUSINESS ACTIVITY

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	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding June 30, 2015 (as restated)	Additions	Maturities During the Year	Outstanding June 30, 2016	Interest Paid
General Obligation Bonds and Loans Payable									
School & Public Improvement Bond (Refunded City Portion 11/201-	7/1/2005	3.25% - 5%	7/1/2025	\$ 13,300,000	\$ 3,420,000	\$ --	\$ 625,000	\$ 2,795,000	\$ 131,149
School Bond	6/27/2006	4% - 5%	4/1/2010	1,500,000	980,000	--	70,000	910,000	45,975
School & Public Improvement Bond	7/1/2009	2% - 4.75%	7/15/2029	8,200,000	6,690,000	--	325,000	6,365,000	288,650
School & Public Improvement Bond	6/15/2009	2.5% - 6.25%	4/1/2029	6,000,000	4,765,000	--	240,000	4,525,000	257,375
School & Public Improvement Bond	4/14/2010	3.36%	7/1/2018	7,593,349	3,611,910	--	856,334	2,755,576	106,974
Cemetary Perpetual Care Loan	6/23/2011	0%	7/23/2021	400,000	230,000	--	40,000	190,000	--
School Improvement Bond Refunded 2001	12/5/2013	3.14%	12/5/2021	2,115,000	1,835,000	--	285,000	1,550,000	55,561
Road Improvement Bond (RICWFA)	9/3/2014	0.64% - 2.97%	9/3/2035	3,500,000	3,500,000	--	138,000	3,362,000	98,579
Public Improvement Bond Refunded 2001 & 2005	11/19/2014	2% - 5%	11/19/2021	7,571,748	7,571,748	--	352,122	7,219,626	250,164
Public Improvement Bond	11/21/2014	2% - 5%	11/21/2035	6,000,000	6,000,000	--	205,000	5,795,000	247,300
School Improvement Bond (RIHEBC)	11/21/2014	2% - 4%	11/21/2034	8,000,000	7,785,000	--	305,000	7,480,000	265,267
Road Improvement Bond (RICWFA)	5/28/2015	0.66% - 2.93%	5/28/2035	5,000,000	5,000,000	--	1,000	4,999,000	45,255
Road Improvement Bond (RICWFA)	4/19/2016	0.60% - 2.57%	9/1/1935	3,000,000	--	3,000,000	--	3,000,000	--
RIHEBC SBA Loan	6/29/2016	1.92%	6/1/2026	352,000	--	352,000	--	352,000	--
Total General Obligation Bonds and Loans Payable				<u>72,532,097</u>	<u>51,388,658</u>	<u>3,352,000</u>	<u>3,442,456</u>	<u>51,298,202</u>	<u>1,792,249</u>
Bond Premiums and Capital Leases									
Bond Premiums				N/A	898,869	--	11,873	886,996	--
Capital Leases				N/A	8,987,680	--	1,526,451	7,461,229	286,140
Total Bond Premiums and Capital Leases				<u>--</u>	<u>9,886,549</u>	<u>--</u>	<u>1,538,324</u>	<u>8,348,225</u>	<u>286,140</u>
Total Governmental Activities Long-term Obligations				<u>\$ 72,532,097</u>	<u>61,275,207</u>	<u>3,352,000</u>	<u>4,980,780</u>	<u>59,646,427</u>	<u>2,078,389</u>
Accrued Expenses									
Compensated absences					7,976,495	114,918	--	8,091,413	--
Net OPEB obligation					90,253,231	9,675,987	--	99,929,218	--
Pension liability					2,599,239	--	136,855	2,462,384	--
Net Pension liability					<u>243,381,406</u>	<u>28,353,329</u>	<u>--</u>	<u>271,734,735</u>	<u>--</u>
Toal Accrued Expense					<u>344,210,371</u>	<u>38,144,234</u>	<u>136,855</u>	<u>382,217,750</u>	<u>--</u>
Total Long-term Liabilities					<u>\$405,485,578</u>	<u>\$ 41,496,234</u>	<u>\$ 5,117,635</u>	<u>\$441,864,177</u>	<u>\$ 2,078,389</u>

(Continued)

CITY OF PAWTUCKET

LONG -TERM DEBT - GOVERNMENTAL AND BUSINESS ACTIVITY

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding June 30, 2015 (as restated)	Additions	Maturities During the Year	Outstanding June 30, 2016	Interest Paid
Business-type Activities									
Bonds, Notes and Loans Payable:									
Water Fund:									
Water System Improvement Bond Refunded 2001	11/19/2014	2% - 5%	11/19/2021	\$ 113,252	\$ 113,252	\$ --	\$ 17,878	\$ 95,374	\$ 3,486
Water System Improvement Bond	4/14/2010	3.36%	7/1/2018	336,651	163,090	--	40,000	123,090	4,830
RI Clean Water Financing Agency Bonds - 2003A	12/17/2003	5.00%	9/1/2035	19,340,000	19,340,000	--	19,340,000	--	770,259
RI Clean Water Financing Agency Bonds - 2003A	12/17/2003	6.00%	9/1/2035	7,655,000	7,655,000	--	7,655,000	--	327,889
RI Clean Water Financing Agency Bonds - 2004A	3/11/2004	2.0% - 5.0%	9/1/2024	41,875,000	26,050,000	--	2,248,000	23,802,000	722,516
RI Clean Water Financing Agency Bonds - 2005A	3/23/2005	2.0% - 5.0%	9/1/2027	31,909,000	22,998,000	--	1,430,000	21,568,000	690,169
RI Clean Water Financing Agency Bonds - 2009A	11/19/2009	.86% - 4.72%	9/1/2030	5,935,000	5,031,000	--	239,000	4,792,000	124,087
RI Clean Water Financing Agency Bonds - 2012 Direct Loan	11/4/2011	1.12% - 3.71%	9/1/2031	7,485,000	6,607,000	--	303,000	6,304,000	198,008
RI Clean Water Financing Agency Bonds - 2012A	6/14/2012	.53% - 3.33%	9/1/2032	1,955,000	1,799,000	--	79,000	1,720,000	45,199
RI Clean Water Financing Agency Bonds - 2013A	5/14/2013	.37% - 2.83%	9/1/2034	8,645,000	8,643,000	--	349,000	8,294,000	180,262
RI Infrastructure Bank Bonds - 2015A	8/6/2015	.77% - 3.24%	9/1/2034	5,907,000	--	5,907,000	1,000	5,906,000	37,012
RI Infrastructure Bank Bonds - 2016A	1/27/2016	.40% - 2.80%	9/1/2035	4,718,000	--	4,718,000	--	4,718,000	805
RI Infrastructure Bank Bonds - 2015B	12/18/2015	3.50% - 5.00%	9/1/2035	24,265,000	--	24,265,000	--	24,265,000	289,589
Total Water Fund Bonds, Notes and Loans Payable				<u>160,138,903</u>	<u>98,399,342</u>	<u>34,890,000</u>	<u>31,701,878</u>	<u>101,587,464</u>	<u>3,394,111</u>
Other Liabilities									
Water Fund:									
Bond Premiums				--	290,202	1,054,096	316,554	1,027,744	--
Less undrawn loan proceeds held by the state				--	(865,112)	(10,625,000)	(4,348,569)	(7,141,543)	--
Total Other Liabilities				--	<u>(574,910)</u>	<u>(9,570,904)</u>	<u>(4,032,015)</u>	<u>(6,113,799)</u>	--
Total Business-type Activities Long Term Obligations				<u>\$ 160,138,903</u>	<u>97,824,432</u>	<u>25,319,096</u>	<u>27,669,863</u>	<u>95,473,665</u>	<u>3,394,111</u>
Accrued Expenses									
Compensated absences					860,889	--	123,371	737,518	--
Net OPEB obligation					1,530,256	75,011	--	1,605,267	--
Net Pension liability					2,993,898	738,782	--	3,732,680	--
Total Accrued Expense					<u>5,385,043</u>	<u>813,793</u>	<u>123,371</u>	<u>6,075,465</u>	--
Total Long-term Liabilities					<u>\$ 103,209,475</u>	<u>\$26,132,889</u>	<u>\$ 27,793,234</u>	<u>\$ 101,549,130</u>	<u>\$ 3,394,111</u>

(Continued)

CITY OF PAWTUCKET

LONG -TERM DEBT - GOVERNMENTAL AND BUSINESS ACTIVITY

	Authorized	Outstanding June 30, 2015 (as restated)	Additions	Maturities During the Year	Outstanding June 30, 2016	Interest Paid
Bonds, Notes, Bond Premiums and Capital Leases						
Governmental Activities Long-term Obligations	\$ 72,532,097	\$ 61,275,207	\$ 3,352,000	\$ 4,980,780	\$ 59,646,427	\$2,078,389
Business-type Activities Long-term Obligations	<u>160,138,903</u>	<u>97,824,432</u>	<u>25,319,096</u>	<u>27,669,863</u>	<u>95,473,665</u>	<u>3,394,111</u>
Total Bonds, Notes, Bond Premiums and Capital Leases	<u>\$232,671,000</u>	<u>159,099,639</u>	<u>28,671,096</u>	<u>32,650,643</u>	<u>155,120,092</u>	<u>5,472,500</u>
Accrued Expenses						
Compensated absences		8,837,384	114,918	123,371	8,828,931	--
Net OPEB obligation		91,783,487	9,750,998	--	101,534,485	--
Pension liability		2,599,239	--	136,855	2,462,384	--
Net Pension liability		<u>246,375,304</u>	<u>29,092,111</u>	<u>--</u>	<u>275,467,415</u>	<u>--</u>
Toal Accrued Expense		<u>349,595,414</u>	<u>38,958,027</u>	<u>260,226</u>	<u>388,293,215</u>	<u>--</u>
Total Long-term Liabilities		<u>\$508,695,053</u>	<u>\$67,629,123</u>	<u>\$ 32,910,869</u>	<u>\$ 543,413,307</u>	<u>\$5,472,500</u>

CITY OF PAWTUCKET, RHODE ISLAND

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**SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GOVERNMENT ACTIVITIES**

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2017	7.36%	\$ 3,777,621	\$ 1,816,667	\$ 5,594,288
2018	7.77%	3,987,954	1,736,305	5,724,259
2019	7.92%	4,064,568	1,606,495	5,671,063
2020	6.23%	3,196,816	1,481,998	4,678,814
2021	6.40%	3,283,092	1,358,782	4,641,874
2022	6.53%	3,349,351	1,231,087	4,580,438
2023	5.77%	2,961,200	1,110,490	4,071,690
2024	5.99%	3,075,200	992,461	4,067,661
2025	6.25%	3,208,200	870,929	4,079,129
2026	6.49%	3,328,200	747,265	4,075,465
2027	4.43%	2,274,000	635,528	2,909,528
2028	4.63%	2,377,000	541,113	2,918,113
2029	4.82%	2,475,000	444,136	2,919,136
2030	4.04%	2,074,000	342,655	2,416,655
2031	2.97%	1,526,000	274,978	1,800,978
2032	3.08%	1,582,000	217,478	1,799,478
2033	3.21%	1,645,000	156,995	1,801,995
2034	3.33%	1,709,000	90,456	1,799,456
2035	2.35%	1,205,000	33,255	1,238,255
2036	0.39%	199,000	3,055	202,055
		<u>\$ 51,298,202</u>	<u>\$ 15,692,128</u>	<u>\$ 66,990,330</u>

CITY OF PAWTUCKET, RHODE ISLAND

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**SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - BUSINESS-TYPE ACTIVITIES**

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2017	4.76%	\$ 4,839,579	\$ 3,374,525	\$ 8,214,104
2018	5.36%	5,447,247	3,287,526	8,734,773
2019	5.52%	5,603,299	3,128,316	8,731,615
2020	5.64%	5,728,384	2,957,637	8,686,021
2021	5.81%	5,907,108	2,776,753	8,683,861
2022	6.00%	6,096,847	2,584,600	8,681,447
2023	6.18%	6,282,000	2,381,093	8,663,093
2024	6.40%	6,499,000	2,165,963	8,664,963
2025	6.62%	6,724,000	1,938,706	8,662,706
2026	5.50%	5,590,000	1,712,920	7,302,920
2027	5.72%	5,811,000	1,489,227	7,300,227
2028	5.96%	6,054,000	1,253,785	7,307,785
2029	3.98%	4,042,000	1,049,546	5,091,546
2030	4.15%	4,211,000	894,126	5,105,126
2031	4.29%	4,361,000	745,228	5,106,228
2032	4.04%	4,104,000	594,358	4,698,358
2033	3.66%	3,722,000	454,760	4,176,760
2034	3.67%	3,724,000	322,260	4,046,260
2035	3.80%	3,857,000	186,041	4,043,041
2036	2.94%	2,984,000	58,331	3,042,331
		<u>\$ 101,587,464</u>	<u>\$ 33,355,701</u>	<u>\$ 134,943,165</u>

CITY OF PAWTUCKET, RHODE ISLAND

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COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2016

Gross assessed value	\$ 3,757,561,899
Less: exempt property	<u>(145,681,619)</u>
Total Taxable Assessed Value	<u>\$ 3,611,880,280</u>
Debt Limit - 3 percent of total assessed value	\$ 108,356,408
Amount of debt applicable to debt limit:	
Total bonded debt	<u>(3,714,000)</u>
Legal Debt Margin	<u>\$ 104,642,408</u>