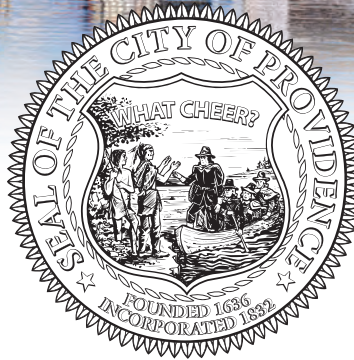


CITY OF PROVIDENCE, RHODE ISLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



CITY OF PROVIDENCE
Finance Department
25 Dorrance Street
Providence, RI 02903

CITY OF PROVIDENCE, RHODE ISLAND
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JUNE 30, 2019

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Introductory Section

**City Officials
As of June 30, 2019**

Mayor
Jorge O. Elorza

City Council

Ward 1 – Seth Yurdin	Ward 6 – Michael J. Correia	Ward 11 – Mary Kay Harris
Ward 2 – Helen Anthony	Ward 7 – John J. Iglizzi	Ward 12 – Katherine Kerwin
Ward 3 – Nirva LaFortune	Ward 8 – James Taylor	Ward 13 – Rachel Miller
Ward 4 – Nicholas A. Narducci, Jr.	Ward 9 – Carmen Castillo	Ward 14 – David A. Salvatore
Ward 5 – Jo-Ann Ryan	Ward 10 – Luis A. Aponte	Ward 15 – Sabina Matos

Department Directors

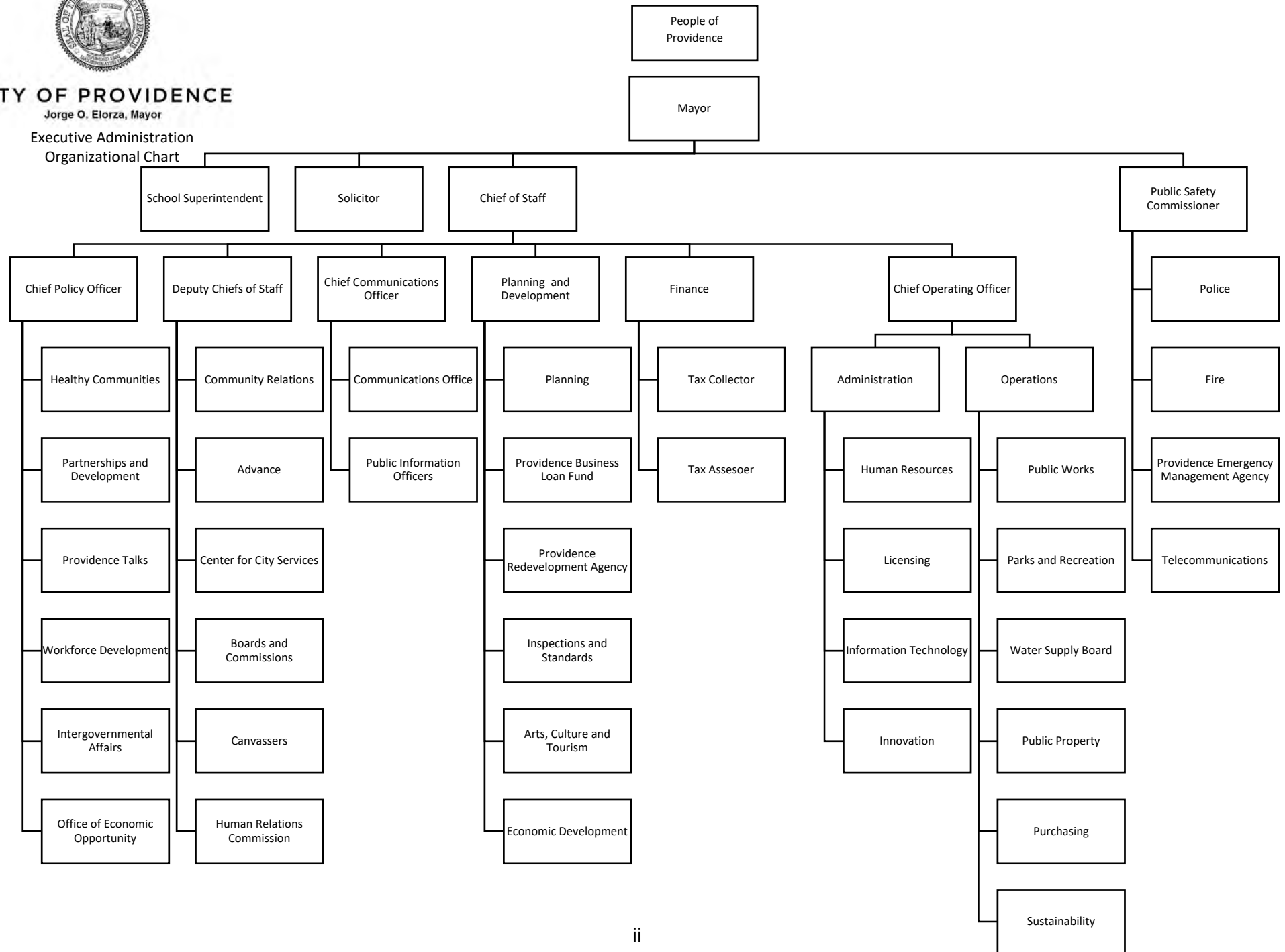
General Manager of Water Supply	Richard A. Caruolo
Commissioner of Public Safety & Acting Fire Chief	Steven M. Pare
Chief of Police Department	Col. Hugh T. Clements, Jr
Chief of Staff	Nicole Pollock
City Clerk	Shawn Selleck
City Controller	Krystle Lindberg
City Solicitor	Jeffrey Dana, Esq
City Treasurer	James J. Lombardi, III
Director of Arts, Culture, and Tourism	Stephanie P. Fortunato
Director of Emergency Management	Kevin Kugel
Director of Finance	Lawrence J. Mancini
Director of Information Technology	James A. Silveria
Director of Inspections and Standards	Jeffrey L. Lykins, RA
Director of Operations	Sabrina Solares-Hand
Director of Public Property	Michael Borg
Director of Personnel	Emmanuel R. Echevarria
Director of Planning and Development	Bonnie Nickerson, AICP
Director of Public Works	Antonio Morabito
Director of Recreation	Michael Stephens
Director of Telecommunications	Carolyn Arias
Internal Auditor	Gina Costa
Recorder of Deeds	John A. Murphy, Acting
Registrar of Vital Statistics	Heather Kilkenny
Superintendent of Parks	Wendy Nilsson
Superintendent of Schools	Christopher N. Maher
Tax Assessor	Thaddeus J. Jankowski
Tax Collector	John A. Murphy
City Engineer	William C. Bombard, P.E.



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

Executive Administration Organizational Chart





CITY OF PROVIDENCE

Jorge O. Eiorza, Mayor

December 28, 2019

Providence City Council
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Honorable Members:

Rhode Island state law requires that all general purpose, local governments publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills that requirement for the fiscal year (FY19) that ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Accountants and advisers from BlumShapiro have issued an unmodified (“clean”) opinion on the City of Providence, Rhode Island's financial statements for the year ending June 30, 2019. A copy of their independent auditor's report is located at the front of the financial section of the report.

Management’s discussion and analysis (MD&A) immediately follow the independent auditor's report and provide a narrative introduction, overview and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The capital city of Providence was founded in 1636 and incorporated in 1831. It occupies a total land area of 18.1 square miles and an additional 1.9 square miles of water, is located at the head of Narragansett Bay on the Providence River, and is the major population, financial, educational, governmental and industrial center of Rhode Island. Situated on the Boston-Washington Interstate 95 corridor, with proximity to multi-billion-dollar markets and multi-million population centers, residents and businesses have ready access to all major forms of transportation, including AMTRAK, Providence & Worcester Railroad, T.F. Green International Airport, the Port of Providence and Interstates 95 and 195. Providence has the largest population of Rhode Island’s 39 cities and towns with 178,036 residents (2010 Census,) up 2.5 percent from 173,618 in 2000 (2000 Census). The demographic profile for the city is as follows: Caucasians 49.8 percent; Hispanics 38.1 percent; African Americans 16.0 percent; Asians 6.4 percent; and Native Americans 1.4 percent.



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

The City has a Mayor-Council form of government with a Home Rule Charter (adopted 1980, effective January 3, 1983). City government is responsible for providing such services as: general government, community development, administrative services, public safety, sanitation, public works, planning and development, workforce development, recreation, parks and public education. The City adopts an annual budget for the General Fund, and separately for the Providence Public School District. The legal level of control is by Department.

FY19 Budget Highlights

On April 24, 2018, Mayor Elorza formally presented the proposed FY19 budget to the City Council. He emphasized the need for municipal and state leaders to advance Collective Impact at both the community and state level to ensure the long-term success of the City of Providence. He highlighted a fourth consecutive year with no tax increases for Providence residents and he made bold and strategic investments in education, critical infrastructure development, neighborhood programming and advanced system innovation throughout City departments. The investments aimed to strengthen neighborhoods; expand economic opportunity for all residents; improve school infrastructure; increase year-long educational and employment opportunities for youth and enhance the capacity of community-based organizations

Surplus

The City ended FY19 with a surplus of \$ 8.9 million. This surplus was achieved primarily through a result of several factors including the adoption of more realistic budgeting practices, careful management of each department's budget, better management of Fire Department callback and overtime, strong tax collections, and attrition.. With the FY19 surplus, the City was able to increase its fund balance to \$ 20.4 million.

Pension ADC Funding

In FY19 the City made another of its earliest 100 percent ADC installments in the past twenty-five years, with nearly 67 percent of its annual payments made by June 30, 2019 and full installment paid by July 29, 2019 and. The timing of these payments saved the City nearly \$2.6 million in interest, which remained within the pension fund.

Medical Surplus

The City's efforts to manage its self-insured medical budget to reflect appropriate funding and preventive options for insureds paid dividends. The last four successive years have resulted in surpluses with approximately \$3.5 for FY 2019, \$1.4 million for FY18, \$1.9 million in FY17 and \$1.2 million for FY16. Reserves totaling approximately \$8.1 million have been set aside to assist the City should catastrophic claims occur.



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

Tax Relief

The FY19 budget continued with year 2, of the mandatory Motor Vehicle Excise Tax Phase-Out, which was enacted by the Rhode Island General Assembly during the 2017 legislative session. The motor vehicle excise tax exemption amount remains at \$2,000 per vehicle. The allowed taxable value is 90% of the NADA clean retail value, and the tax rate is \$50 per thousand. The exemption amount of \$2,000 had already been achieved through Mayor Elorza's direct initiative in FY16 and was implemented prior to the mandatory Tax Phase-out.

FY 2019 Budgeted Initiatives

In the FY19 budget, the Mayor emphasized investments in year long, lifelong learning opportunities, school and neighborhood infrastructure projects, new quality of life supports and continued investments in innovation to ensure Providence is a city that works for every resident and business.

Investing in Youth and Education

In addition to the Maintenance of Effort (MOE) funding to the Providence Public School District in the continuing amount of \$128,546,611, after the first increase in seven years, the FY19 budget included continued investment in the Providence Public School Department with investments in classroom technology, expanded out-of-school and summer programming, and continued financial support for early childhood learning and infrastructure improvements.

In total, the FY19 budget leveraged \$4.56 million in investments directly benefiting Providence youth. These investments included:

- A continuation of \$1 million allocation for the One Providence for Youth: Summer Jobs Program to more than double the number of summer and year-round employment opportunities for youth.
- A third consecutive annual investment of \$1 million in citywide Summer Learning efforts made possible by a continuation of a \$580,000 investment by the City, adding to PPSD's historic allocation of \$420,000.
- A continuation of \$250,000 in support for Providence Talks, the award-winning early intervention program designed to improve the language development of Providence's youngest residents.
- \$250,000 in continued investment for programming, equipment and training to support PVD YoungMakers, a program that partners with local libraries and community partners to ensure every child is within walking distance of technology and maker-based programming.
- \$960,000 in total recreation programming funding for expanded camps.
- A continuation of \$750,000 for School Culture Coordinators support staff for all seven of Providence's middle schools.
- A 10-percent increase and the first increase in 7 years to Providence After School Alliance (PASA), bringing funding to \$275,250 up from \$250,250.



CITY OF PROVIDENCE

Jorge O. Eiorza, Mayor

- Funding (\$75,000) for a new menstrual hygiene product program and better health supports at the school level.

Additionally, \$20 million was committed to school infrastructure improvements inclusive of buildings, heating, and safety upgrades under a \$20 million bond issue that closed on June 27, 2019. These projects are some of the first major improvements school buildings have seen since a statewide reimbursement imposed by the State in 2011.

Creating Thriving Communities

The FY19 budget continued direct investments into Providence's thriving and diverse communities with an emphasis on improving the quality of space and quality of life for residents and businesses. These investments included:

- Continued multi-departmental support for expanded transportation options for seniors.
- A continuation of \$200,000 in support for Amos House's "A Hand Up," an effective program that provides employment opportunities for unemployed and underemployed individuals.
- Continuation of the nearly \$4 million in funding to the Providence Community Libraries.
- Continuation with \$350,000 in City funding for PVDfest, the City's signature celebration of arts, music, culture, and downtown arts programming.
- \$25,000 for the continued expansion of IDPVD, the City's municipal identification card program, which is available to all Providence residents ages 14 and older.
- Provided the necessary funding for an additional police academy of 48 candidates, bringing the total police force FTEs to 439 as of June 30, 2019 and a fire academy totaling 73 candidates, bringing the fire department to 446 FTEs as of June 30, 2019.

Additionally, \$10 million was committed to recreation and municipal building infrastructure improvements inclusive of buildings, heating, and safety upgrades under a \$10 million bond issue that closed on June 27, 2019.

Providing Jobs & Economic Opportunity

- In FY19 the City strategically engaged with public, private, and philanthropic partners to advance development in two urban innovation districts and catalyze residential and commercial development through the City. Critical advancements included: Growth in the institutional, residential, commercial and hotel sectors citywide.
- 646 hotel rooms under construction, in plan review or undergoing the permitting process
- 1,670 housing units under construction, in plan review or recently completed, 184 of them affordable housing units
- 325,850 sq. ft. of commercial space under construction, in plan review or undergoing the permitting process



CITY OF PROVIDENCE

Jorge O. Eiorza, Mayor

- Public infrastructure investments continue to make Providence an attractive place to invest

Through the Office of Economic Opportunity, the City continues to take proactive steps to expand opportunities for low-income and underemployed or unemployed residents to gain the skills and credentials needed to succeed in the 21st century economy, reduce income inequality, and break the cycle of intergenerational poverty. The Office of Economic Opportunity partnered with the Office of Community Development to leverage staffing and direct funding investments to secure additional funding for key programs, including:

- Leveraging \$159,630 of federal funds for the PVD Self Employment program, an entrepreneurship training programing which served unemployed and under-employed Providence residents by providing technical assistance.
- Leveraging \$169,183 of federal funds for the Providence Design Catalyst, a program in partnership with RIDLT and DESIGNxRI that provided qualifying Providence design businesses with \$150,000 in grant funding capital in amounts up to \$20,000, business mentorship and professional development training.
- PVD HealthWorks brought in \$314,000 of additional outside funding from the Governor's Workforce Board to strengthen Providence's healthcare and social assistance workforce by connecting participants to workforce training, resources and employment opportunities.

A City that Works

The FY19 budget made strategic investments in personnel as well as technology to ensure implementation of systems that reduce red-tape and ease the process of working with City Departments. It also exemplified responsible and transparent budgeting practices and did not rely on one-time fixes to address longstanding fiscal challenges. Highlights included:

- The continued success of the City's online licensing system and the migration of the City's Inspections & Standards online permitting system to a more user-friendly format.
- Processing of 17,760 constituent cases submitted through the City's PVD 311 system and increasing usage of the system via 3,600 new mobile app downloads for a total of 8,800 at the end of FY19, demonstrating our ability to continue to expand this popular public-service access-to-government tool, which now has reached 10,645 users.
- The continued budgeting and funding of a \$3.6 million-dollar rainy day fund appropriation for the City through a 1% allocation of the total budget.
- Continued funding for an ethics coordinator to assist the work of the Providence Ethics Commission in ensuring accountability and transparency in municipal government.
- Funding for a new purchasing strategy manager to analyze market trends and streamline purchasing.



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

Debt Administration

Outstanding government and business-type activity bonds at June 30, 2019 totaled \$521,390. The City has the following bond ratings for general obligation debt:

Moody's Investor Services –	Baa1
Standard and Poor's –	BBB
Fitch –	A-

Acknowledgments

The preparation of this report was possible due to the dedication and hard work of many individuals. I would like to express my appreciation and gratitude to all the staff members who assisted and contributed to its preparation. I also appreciate the dedication of the audit team at BlumShapiro.

Finally, I would like to thank Mayor Jorge O. Elorza and the Providence City Council for their steady and responsible stewardship of all aspects of City government.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lawrence J. Mancini".

Lawrence J. Mancini
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Providence
Rhode Island**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
City of Providence, 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 Providence, Rhode Island, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Providence, Rhode Island'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 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 auditors consider 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, 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 Providence, Rhode Island, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Providence, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section and Annual Supplemental Transparency Report 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 and schedules and the Annual Supplemental Transparency Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report 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 December 28, 2019 on our consideration of the City of Providence, 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 Providence, Rhode Island's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

Cranston, Rhode Island
December 28, 2019

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2019

This Management’s Discussion and Analysis of the City of Providence, Rhode Island’s Basic Financial Statements provides a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019.

Financial Highlights – Primary Government

Government – Wide Highlights

Net Position – The liabilities of the City’s governmental activities exceeded its assets for the fiscal year ending June 30, 2019 by \$1,978 million (presented as “total net position”). Of this amount, a negative of \$2,222 million was reported as “unrestricted”. The net investment in capital assets was \$225 million. The assets of the City’s business-type activities exceed its liabilities by \$300 million. Of this amount, \$320 million represents the City’s business-type activities net investment in capital assets.

Change in Net Position – The City’s total net position increased by \$38.8 million in fiscal year 2019. Net position of governmental activities increased by \$26.9 million due mainly to a reduction in expenses for the public works department as well as executive, legislative, and judicial activities. In addition, net position of business-type activities increased by \$12 million due to enhanced Water Supply Board operations.

Fund Highlights

Governmental Funds – Fund Balances – As of June 30, 2019, the City’s governmental funds reported a combined ending fund balance of \$81 million, a \$7 million increase from the prior year. Of the total fund balance reported, \$20.4 million represents “unassigned fund balance”.

Long-Term Obligations

The City’s total long-term obligations related to its government activities had a net increase of \$26.7 million during the current fiscal year.

The total long-term obligations of the City’s proprietary activities increased \$13 million during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Providence’s basic financial statements. The City’s basic financials statements include three components: 1) government – wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional supplementary information (budget schedules) and other supplementary information (combining financial statements). These components are described in this next section of this analysis.

Basic Financial Statements

The basic financial statements include two types of statements that present different views of the City’s financial information. These statements are the **Government-Wide and the Fund Financial statements**. These financial statements are accompanied by **Notes to the financial Statements**, which provide detailed information about financial statement items.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the city’s operations in a manner similar to a business operating in the private sector. The statements provide short-term and long-term information about the City’s financial position, which assists in assessing the City’s economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. In other words, they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

- The *Statement of Net Position* presents all of the government’s assets and liabilities, with the difference between the two reported as “net position.” Over time, increases or decreases in the City’s 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 showing how the government’s net position changed during the fiscal year. All changes in net position are reported, as soon as, 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 not result in cash flows until future fiscal periods (such as, uncollected taxes and earned, but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the City.

Both of the above financial statements have separate sections for three different types of the City’s programs or activities. These activities are defined below:

- *Governmental Activities* – The activities in this section are supported mostly by tax revenues and intergovernmental revenues (federal and state grants). Most services normally associated with City government fall into this category, including the executive, legislative and judicial, financial administration, human resources, public safety, building inspections, public works, recreation, parks, schools, public property, planning, other general government, judgment and claims, retirement costs, debt service, and other employee benefits.
- *Business-Type Activities* – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The City’s business-type activities include the operations of the Water Supply Board and The Providence Public Building Authority.
- *Component Unit* – The Providence Redevelopment Agency (“PRA”) was founded on December 20, 1946 and has distinct legal existence from the City. PRA is supported primarily by bonds with the intent to foster economic development in substandard and blighted areas. The PRA was formerly grouped with Governmental Activities but is a discretely presented component unit in fiscal year 2019.

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. Like other local Governments, the City uses fund accounting to ensure and demonstrate compliance with finance-regulated legal requirements.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: (1) governmental, (2) proprietary, and (3) fiduciary. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three categories of funds are described below:

Fund Financial Statements (continued)

1. *Governmental Fund Financial Statements* – Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed, short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the current needs of the City.

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

The City has four governmental funds considered to be major funds for financial statement presentation. That is, each major fund is presented in a separate column in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances. The City's four major governmental funds are comprised of the following: (1) the General Fund, (2) the School Fund, (3) the School Grant Fund, and (4) the Capital Projects Fund. All nonmajor governmental funds are presented in single column. The basic governmental fund financial statements can be found immediately following the government-wide statements.

2. *Proprietary Fund Financial Statements* – These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers, including local governments, which are known as enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and proprietary fund financial statements. The City has two major enterprise funds: The Water Supply Board and the Providence Public Buildings Authority. Financial statements for the Providence Public Buildings Authority may be obtained from the City of Providence Finance Department.

The Internal Service Fund is maintained to account for the self-insured health claims and potential legal claims of the City.

The basic proprietary fund financial statements can be found immediately following the governmental fund financial statements.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Fund Financial Statements (continued)

3. *Fiduciary Fund Financial Statements* – These funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. They use the accrual basis of accounting.

The City's fiduciary funds are comprised of the Employee Retirement Fund, various Private-Purpose Trust Funds, and Agency Funds.

The fiduciary financial statements can be found immediately following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund basis financial statements. The notes to the financial statements can be found immediately following the fiduciary fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes budgetary comparison schedules for the general and school funds – the only governmental funds for which legal budgets are adopted annually. In fiscal year 2019, there were no significant modifications to the budgets originally adopted for each fund.

Other Supplementary Information

Combining Financial Statements and Schedules

Combining financial statements are presented for nonmajor governmental funds and combining schedules are presented by individual grant within the school department. These are presented following the required supplementary information. The total columns of these combining financial statements and schedules are presented in the applicable fund financial statement.

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve as a useful indicator of the government's financial position over time. The City's combined net position (government and business-type activities) totaled a deficit of \$1.68 billion at the end of 2019, compared to a deficit of \$1.7 billion at the end of the prior year.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

The largest portion of the City's net position, \$545 million, reflect its investment in capital assets, like land, buildings, equipment, and infrastructure (roads, bridges, and other immovable assets) less any outstanding related debt used to acquire that asset. The City uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the City's investments 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 can not be used to liquidate these liabilities.

	June 30, 2019				June 30, 2018*			
	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
Current and other assets	\$ 313,406	\$ 66,820	\$ 380,226	\$ 16,160	\$ 283,366	\$ 74,130	\$ 357,496	\$ 10,594
Capital Assets	664,607	441,239	1,105,846		671,910	406,568	1,078,478	
Noncurrent Assets			\$ -				-	
Total Assets	<u>978,013</u>	<u>508,059</u>	<u>1,486,072</u>	<u>16,160</u>	<u>955,276</u>	<u>480,698</u>	<u>1,435,974</u>	<u>10,594</u>
Deferred Outflows of Resources	<u>125,105</u>	<u>3,397</u>	<u>128,502</u>		<u>110,280</u>	<u>3,419</u>	<u>113,699</u>	
Current liabilities	193,830	18,570	212,400	4,167	182,558	16,455	199,013	1,175
Noncurrent liabilities	2,736,694	189,514	2,926,208		2,709,966	176,556	2,886,522	
Total Liabilities	<u>2,930,524</u>	<u>208,084</u>	<u>3,138,608</u>	<u>4,167</u>	<u>2,892,524</u>	<u>193,011</u>	<u>3,085,535</u>	<u>1,175</u>
Deferred Inflows of Resources	<u>150,840</u>	<u>3,562</u>	<u>154,402</u>		<u>157,786</u>	<u>3,257</u>	<u>161,043</u>	
Net Position:								
Net investment in capital assets	224,920	319,820	544,740		238,126	294,003	532,129	
Restricted	19,235	49,373	68,608	11,993	18,809	55,216	74,025	9,419
Unrestricted	(2,222,401)	(69,383)	(2,291,784)		(2,241,691)	(61,370)	(2,303,061)	
Total Net Position (as restated)	<u>\$ (1,978,246)</u>	<u>\$ 299,810</u>	<u>\$ (1,678,436)</u>	<u>\$ 11,993</u>	<u>\$ (1,984,756)</u>	<u>\$ 287,849</u>	<u>\$ (1,696,907)</u>	<u>\$ 9,419</u>

Restricted net position of \$69 million primarily represents water restricted funds that are subject to external restrictions on how they may be used. Internally imposed designations of resources are not presented as restricted net position.

*The data above reflects the information that was included in the Comprehensive Annual Financial Report for fiscal year ending June 30, 2018. It does not reflect the restatements in Note 17.

Changes in Net Position

The City's net position increased by \$26.8 million for governmental activities and increased by \$12 million for business-type activities for a combined increase in net position of \$38.8 million. General fund revenues increased due to: enhanced tax collections, a rise in state revenue, and higher than expected public safety revenue. Expenditures for legal claims, debt service, and police services came in higher than their respective budgeted amounts. The City budgeted for a deficit reduction expense of \$3.6 to serve as mechanism to ensure an operating surplus in fiscal year 2019. Approximately 46.06% of the City's total governmental revenues were generated from taxes and payments in lieu of taxes, which is comparable to the prior year. 42.30% of revenues resulted from grants and contributions, including Federal Aid, which is slight increase from the prior year. There were slight changes in both, charges for various goods and services, which provided 6.12% of total revenues, while other revenues and investment and rental income accounted for 4.97% of total revenues, respectively. The City's expenses cover a range of services. The largest expenses were for school, public safety, retirement costs, and employee benefits. Revenues from business-type activities in fiscal year 2019 exceeded expenses by \$12 million. The Business-type activities reported a decrease in revenue of 7.23%, while expenses increased 3.86% from the prior year.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

	June 30, 2019				June 30, 2018*			
	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
Revenues:								
Program revenues:								
Charges for service	\$ 52,155	\$ 104,145	\$ 156,300	\$ 11,644	\$ 47,662	\$ 106,682	\$ 154,344	\$ 10,555
Operating grants and contributions	360,512		360,512		347,226		347,226	
Capital grants and contributions	4,660	916	5,576		5,012	4,229	9,241	
General revenues:								
Property taxes	392,546		392,546		398,613		398,613	
Grants not restricted for a specific purpose	25,118		25,118		22,479		22,479	
Miscellaneous	15,774	(1,101)	14,673		12,395	1,875	14,270	
Unrestricted investment earnings	1,488	673	2,161		1,926		1,926	
Total revenues	852,253	104,633	956,886	11,644	835,313	112,786	948,099	10,555
Expenses:								
Executive, legislative and judicial	30,296		30,296		61,615		61,615	
Finance	28,105		28,105		31,118		31,118	
Public safety	217,100		217,100		221,138		221,138	
Building inspection	4,106		4,106		4,149		4,149	
Public works	28,452		28,452		13,376		13,376	
Recreation	4,481		4,481		4,326		4,326	
Public lands and parks	36,842		36,842		29,847		29,847	
Education	441,456	16,988	458,444		445,724	16,552	462,276	
Community development	18,865		18,865		16,673		16,673	
Interest on long-term debt	15,978		15,978		14,860		14,860	
Economic development		12,945	12,945			11,950	11,950	
Water		62,489	62,489			60,483	60,483	
Providence Redevelopment Agency				9,070				10,928
Total expenses	825,681	92,422	918,103	9,070	842,826	88,985	931,811	10,928
Transfers	250	(250)	-		1,016	(1,016)	-	
Change in net position	26,822	11,961	38,783	2,574	(6,497)	22,785	16,288	(373)
Net position- beginning (as restated)	(2,005,068)	287,849	(1,717,219)	9,419	(1,978,259)	265,064	(1,713,195)	9,792
Net position- ending	\$ (1,978,246)	\$ 299,810	\$ (1,678,436)	\$ 11,993	\$ (1,984,756)	\$ 287,849	\$ (1,696,907)	\$ 9,419

*The data above reflects the information that was included in the Comprehensive Annual Financial Report for fiscal year ending June 30, 2018.

Business-Type Activities

The business-type activities increased the City's net position by \$12 million. This resulted primarily from a \$10.2 million increase in net position of the Water Supply Board. Additionally, there was an increase of net position of \$1.8 million by the Providence Public Building Authority, an increase of \$11 thousand from the school lunch program, an increase of \$673 thousand in investment income, a decrease of \$1.1 million from the sale of Water Supply Board assets, and a decrease of \$250 thousand for transfers out; all of which are contributing to the overall increase.

Financial Analysis of the City's Individual Funds

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

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Governmental Funds

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

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$20.4 million, an increase of \$8.9 million from positive \$11.5 million the prior year. The increase in fund balance is due to an overall increase in revenues collected of \$2.3 million more than prior fiscal year offset by overall increases in expenditures of \$2.1 million, over the prior fiscal year. Other financing sources amounted to \$437 thousand, a decrease of \$2.3 million over the prior fiscal year. Increases in tax collections, fines and forfeitures, and other revenues partially offset the increases in expenditures and other financing sources for the fiscal year ending June 30, 2019. As a measure of the general funds' liquidity, it may be useful to compare both unassigned fund balance and total fund balance.

School Grants-Fund Balance – The school grant funds account for federal and state grants received and expended by the school system. The fiscal year 2019 school grants fund balance is reported at \$5.7 million, an increase of \$1.1 million from fiscal year 2018. All state aid in fiscal 2019 was included in the School's general fund and excluded from the school grants fund.

School Fund – The school fund ended the year with a \$0 fund balance in accordance with City charter regulations. The expenditures were \$402 million as compared to \$395 million in the prior year. All state aid in fiscal 2019 was included in the School's general fund and excluded in the school grants fund.

Capital Projects Fund-Fund Balance – The capital projects fund accounts for resources to be used for the acquisition or construction of capital assets for housing and community improvement activities in the City, other than those financed by proprietary funds. The fiscal year 2019 capital projects fund balance is \$4 million. The \$2.2 million decrease from fiscal year 2018 is attributable most notably to an increase in expenditures related to various public building improvements around the City.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As discussed in the business-type activities above, the City's proprietary net position increased by \$12 million as a result of operations in the individual enterprise funds. This increase is due to a \$10.2 million increase in net position of the Water Supply Board, an increase in net position of \$1.8 million by the Providence Public Building Authority, an \$11 thousand increase in the school lunch program, an increase of \$673 thousand in investment income, and a decrease \$250 thousand for transfers out for fiscal year 2018. In fiscal year 2019, the Water Supply Board's charges for services decreased by \$4.2 million. The Water Supply Board received \$3.3 million less in additional capital grants and contributions as compared to 2018. In total the Water Supply still had revenues exceed expenditures by \$10.2 million.

General Fund Budgetary Highlights

The general fund incurred an uncombined surplus in FY 2019 of \$8.7 million. This will increase the cumulative uncombined general fund balance to a positive \$11.3 million. The GASB 54 requirement for combining funds shows a cumulative general fund balance as \$20.4 million. Total general fund revenues and transfers for the fiscal year were \$498.2 million and total general fund expenditures and transfers for the fiscal year were \$489.4 million.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Further details of favorable and unfavorable variances of revenue and expense items can be found in the Required Supplementary Information on pages 68 to 79 of the fiscal year 2019 Comprehensive Annual Financial Report.

Capital Asset and Debt Administration

Capital Assets (Note 6 to the Basic Financial Statements)

	June 30, 2019			June 30, 2018		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
Land	\$ 46,590	\$ 25,221	\$ 71,811	\$ 46,590	\$ 24,342	\$ 70,932
Building and Improvements	209,216	319,809	529,025	203,015	276,294	479,309
Machinery and Equipment	19,205	9,535	28,740	22,648	3,505	26,153
Infrastructure	87,111		87,111	90,355		90,355
Leased Assets	296,563		296,563	304,729		304,729
Construction in Progress	5,922	85,616	91,538	2,397	101,249	103,646
	<u>\$ 664,607</u>	<u>\$ 440,181</u>	<u>\$ 1,104,788</u>	<u>\$ 669,734</u>	<u>\$ 405,390</u>	<u>\$ 1,075,124</u>

The City's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$1,167 million, net of accumulated depreciation of \$502 million, leaving a net book value of \$665 million. This investment in capital assets included land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items.

Debt Administration

	June 30, 2019			June 30, 2018		
	Governmental	Business-type	Total	Governmental	Business-type	Total
	Activities	Activities		Activities	Activities	
General Obligation Bonds	\$ 59,380		\$ 59,380	\$ 67,920		\$ 67,920
Revenue Bonds	33,441	120,361	153,802	37,558	111,387	148,945
Unamortized Bond Premiums	3,256		3,256	3,825		3,825
Capital Notes Payable	33,979		33,979	39,341		39,341
Notes Payable	4,679		4,679	5,102		5,102
PPBA Debt		304,952	304,952		300,350	300,350
	<u>\$ 134,735</u>	<u>\$ 425,313</u>	<u>\$ 560,048</u>	<u>\$ 153,746</u>	<u>\$ 411,737</u>	<u>\$ 565,483</u>

The authority of the City to incur debt is governed by federal and state laws, which restrict the amounts and purposes for which a municipality can incur debt.

General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the City Council.

The City's total outstanding notes and bonds decreased by \$5.4 million during the current fiscal year.

CITY OF PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019


The 2004 State legislative session authorized the City to issue variable rate debt and to participate in interest rate swaps. The City is developing policies that will set guidelines and procedures and define permitted instruments. It will set participant requirements and limitations on exposure, as well as ongoing management and reporting requirements.

The City of Providence maintains the following ratings from Wall Street's credit agencies for general obligation debt: a Baa1 rating from Moody's Investors Service, a BBB rating from Standard and Poor and a A- rating from Fitch. The City of Providence continues to perform long-term strategic planning in a pro-active attempt to control costs: examples of these costs are health insurance, pension costs, education, salaries and benefits and debt service. The City has negotiated with all of its unions to increase employee contributions for health insurance.

Additional information on the City's long-term debt obligations can be found in Notes 7 and 8 to the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Providence's finances for all of the City of Providence's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: City of Providence, Finance Department, Providence City Hall, 25 Dorrance Street, Providence, RI 02903.



Basic Financial Statements

CITY OF PROVIDENCE
STATEMENT OF NET POSITION
JUNE 30, 2019
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Providence Redevelopment Agency
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 95,105	\$ 66,883	\$ 161,988	\$ 13,088
Restricted cash and cash equivalents		35,699	35,699	
Investments	18,993	19,280	38,273	
Taxes receivable (net of allowance)	23,198		23,198	
Intergovernmental receivable	49,075		49,075	5
Loan receivable (net of allowance)	21,534		21,534	621
Restricted receivables		673	673	
Other receivable	23,795		23,795	
Charges for service receivable (net of allowance)		21,812	21,812	
Internal balances	78,009	(78,009)		
Other assets	3,697	482	4,179	2,446
Total current assets	313,406	66,820	380,226	16,160
Noncurrent Assets:				
Notes receivable		1,058	1,058	
Capital assets, nondepreciable	52,512	110,837	163,349	
Capital assets, depreciable, net	612,095	329,344	941,439	
Total noncurrent assets	664,607	441,239	1,105,846	
Total assets	978,013	508,059	1,486,072	16,160
Deferred Outflow of Resources:				
Deferred Outflows of Resources related to pension	85,088	2,494	87,582	
Deferred Outflows of Resources related to OPEB	40,017	903	40,920	
Total deferred outflows of resources	125,105	3,397	128,502	
Liabilities:				
Current liabilities:				
Warrants and accounts payable	34,302	9,531	43,833	3,404
Payable to retirement plan	30,226		30,226	
Due to other governments	241		241	
Accrued liabilities	31,007		31,007	625
Unearned revenue	17,509		17,509	138
Amounts payable with current restricted assets		2,770	2,770	
Long term debt due within one year	80,545	6,269	86,814	
Total current liabilities	193,830	18,570	212,400	4,167
Noncurrent liabilities:				
Due in more than one year	2,736,694	189,514	2,926,208	
Total noncurrent liabilities	2,736,694	189,514	2,926,208	
Total liabilities	2,930,524	208,084	3,138,608	4,167
Deferred Inflows of Resources:				
Deferred Inflows of Resources related to pension	20,205	613	20,818	
Deferred Inflows of Resources related to OPEB	130,635	2,949	133,584	
Total deferred inflows of resources	150,840	3,562	154,402	
Net Position:				
Net investment in capital assets	224,920	319,820	544,740	
Restricted for:				
Various endowments:				
Expendable	19,099		19,099	11,993
Nonexpendable	136		136	
Water Quality Protection		39,358	39,358	
Debt service		10,015	10,015	
Unrestricted	(2,222,401)	(69,383)	(2,291,784)	
Total Net Position	\$ (1,978,246)	\$ 299,810	\$ (1,678,436)	\$ 11,993

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019
 (In Thousands)

Functions/Programs	Net Revenue (Expense) and Changes in Net Position							Component Unit Providence Redevelopment Agency
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
Executive, legislative, and judicial	\$ 30,296	\$ 377	\$ 4	\$	\$ (29,915)	\$	\$ (29,915)	\$
Finance	28,105	7,413			(20,692)		(20,692)	
Public Safety	217,100	32,144	11,108		(173,848)		(173,848)	
Building inspection	4,106	7,402			3,296		3,296	
Public Works	28,452	262		4,024	(24,166)		(24,166)	
Recreation	4,481	1,421	589		(2,471)		(2,471)	
Public land and parks	36,842	1,716	190	636	(34,300)		(34,300)	
Education	441,456		332,577		(108,879)		(108,879)	
Community development	18,865	1,420	16,044		(1,401)		(1,401)	
Interest on long-term debt	15,978				(15,978)		(15,978)	
Total governmental activities	<u>825,681</u>	<u>52,155</u>	<u>360,512</u>	<u>4,660</u>	<u>(408,354)</u>	<u>-</u>	<u>(408,354)</u>	<u>-</u>
Business-type activities:								
Water Supply Board	62,489	72,330		916		10,757	10,757	
PPBA	12,945	14,826				1,881	1,881	
Nonmajor School lunch program	16,988	16,989				1	1	
Total business-type activities	<u>92,422</u>	<u>104,145</u>	<u>-</u>	<u>916</u>	<u>-</u>	<u>12,639</u>	<u>12,639</u>	<u>-</u>
Component unit:								
Providence Redevelopment Agency	<u>9,070</u>	<u>11,644</u>						<u>2,574</u>
Total	<u>\$ 927,173</u>	<u>\$ 167,944</u>	<u>\$ 360,512</u>	<u>\$ 5,576</u>	<u>(408,354)</u>	<u>12,639</u>	<u>(395,715)</u>	<u>2,574</u>
General revenues:								
Taxes:								
Property taxes					351,543		351,543	
Payment in lieu of taxes					41,003		41,003	
Grants and contributions not restricted to specific programs					25,118		25,118	
Investment earnings					1,488	673	2,161	
Miscellaneous					15,774	(1,101)	14,673	
Total general revenues					<u>434,926</u>	<u>(428)</u>	<u>434,498</u>	<u>-</u>
Transfers					<u>250</u>	<u>(250)</u>	<u>-</u>	
Change in Net Position					26,822	11,961	38,783	2,574
Net Position at Beginning of Year, as Restated					<u>(2,005,068)</u>	<u>287,849</u>	<u>(1,717,219)</u>	<u>9,419</u>
Net Position at End of Year					<u>\$ (1,978,246)</u>	<u>\$ 299,810</u>	<u>(1,678,436)</u>	<u>\$ 11,993</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Fund	School Grants Fund	Capital Projects		
ASSETS						
Cash and cash equivalents	\$ 32,005	\$ 28,409	\$ 12,428	\$ 1,704	\$ 15,937	\$ 90,483
Investments					18,992	18,992
Receivables, net:						
Taxes	23,198					23,198
Loans					13,271	13,271
Intergovernmental	36,967	975	8,678		10,647	57,267
Other	10,941	116		7,625	2,912	21,594
Due from other funds	51,422	22,004	7,582	446	12,372	93,826
Other assets	573				757	1,330
Total Assets	<u>\$ 155,106</u>	<u>\$ 51,504</u>	<u>\$ 28,688</u>	<u>\$ 9,775</u>	<u>\$ 74,888</u>	<u>\$ 319,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Warrants and accounts payable	\$ 9,358	\$ 16,354	\$ 1,720	\$ 1,885	\$ 3,416	\$ 32,733
Accrued liabilities	1,650	23,904			1,431	26,985
Unearned revenue	3,252		4,259		9,998	17,509
Due to employee retirement plan	26,959					26,959
Due to other funds	68,076	11,246	17,036	3,899	9,047	109,304
Due to other governments	231		10			241
Total liabilities	<u>109,526</u>	<u>51,504</u>	<u>23,025</u>	<u>5,784</u>	<u>23,892</u>	<u>213,731</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	20,859					20,859
Unavailable revenue - other receivables	4,316					4,316
Total deferred inflows of resources	<u>25,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,175</u>
Fund balances:						
Nonspendable					136	136
Restricted			5,357	3,991	41,935	51,283
Committed			306		8,932	9,238
Unassigned	20,405				(7)	20,398
Total fund balances	<u>20,405</u>	<u>-</u>	<u>5,663</u>	<u>3,991</u>	<u>50,996</u>	<u>81,055</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 155,106</u>	<u>\$ 51,504</u>	<u>\$ 28,688</u>	<u>\$ 9,775</u>	<u>\$ 74,888</u>	<u>\$ 319,961</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019
(In Thousands)

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$	81,055
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	1,166,800	
Less accumulated depreciation		<u>(502,193)</u>	
Net capital assets			664,607

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

Property tax receivables greater than 60 days	20,859
Accounts and other receivables	4,316
Deferred outflows related to OPEB	40,017
Deferred outflows related to pension	85,088

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

8,064

Long-term liabilities, including bonds payable and deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(111,838)
PPBA debt	(304,952)
Unspent PPBA bond proceeds	77,080
Unamortized bond premium	(3,256)
Interest payable on bonds and notes	(4,026)
Compensated absences	(38,941)
Claims and Judgements	(16,099)
Capital lease	(19,641)
Total OPEB liability	(1,039,243)
Net pension liability	(1,270,496)
Deferred inflows related to OPEB	(130,635)
Deferred inflows related to pension	<u>(20,205)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u>(1,978,246)</u>
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The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	School Fund	School Grants Fund	Capital Projects		
Revenues:						
Taxes	\$ 353,386	\$	\$	\$	\$	\$ 353,386
Departmental revenue	102,745	(15)			3,298	106,028
Federal and state grants and reimbursements	43,448	272,960	35,405	4,054	27,751	383,618
Investment and rental income	413	101			1,679	2,193
Fines and forfeitures	4,406		21			4,427
Other	1,117	6	902		1,394	3,419
Total revenues	<u>505,515</u>	<u>273,052</u>	<u>36,328</u>	<u>4,054</u>	<u>34,122</u>	<u>853,071</u>
Expenditures:						
Current:						
Executive, legislative, and judicial	14,249				323	14,572
Finance	47,555					47,555
Public safety	171,261				17,376	188,637
Building inspection	3,856				38	3,894
Public works	21,705					21,705
Recreation	3,207				1,240	4,447
Public lands and parks	22,864				1,219	24,083
Other departments	14,639					14,639
Grants	5,647				1,069	6,716
Education		401,839	35,066			436,905
Community development					11,719	11,719
Noncurrent:						
Capital outlays	34,391			6,313	15	40,719
Debt Service:						
Principal	44,472				2,078	46,550
Interest and other costs	18,441				56	18,497
Total expenditures	<u>402,287</u>	<u>401,839</u>	<u>35,066</u>	<u>6,313</u>	<u>35,133</u>	<u>880,638</u>
Excess (Deficiency) of Revenues over Expenditures	<u>103,228</u>	<u>(128,787)</u>	<u>1,262</u>	<u>(2,259)</u>	<u>(1,011)</u>	<u>(27,567)</u>
Other Financing Sources (Uses):						
Issuance of bonds	30,000					30,000
Bond premium	4,391					4,391
Transfers in	437	128,787	1,240	30	1,243	131,737
Transfers out	(129,113)		(1,481)		(893)	(131,487)
Total other financing sources (uses)	<u>(94,285)</u>	<u>128,787</u>	<u>(241)</u>	<u>30</u>	<u>350</u>	<u>34,641</u>
Net Change in Fund Balances	8,943	-	1,021	(2,229)	(661)	7,074
Fund Balances at Beginning of Year	<u>11,462</u>	<u>-</u>	<u>4,642</u>	<u>6,220</u>	<u>51,657</u>	<u>73,981</u>
Fund Balance at End of Year	<u>\$ 20,405</u>	<u>\$ -</u>	<u>\$ 5,663</u>	<u>\$ 3,991</u>	<u>\$ 50,996</u>	<u>\$ 81,055</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$	7,074
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	21,473
Depreciation expense	(26,532)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold.

	(68)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(1,842)
Accounts and other receivables - accrual basis change	1,208

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of notes payable and capital leases	
Issuance of PPBA debt	(34,391)
Bond principal payments	12,657
Note payable and capital lease principal payments	5,785
PPBA debt principal payments	29,789
Unspent PPBA bond proceeds	21,797
Amortization of premiums	569

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(2,204)
Accrued interest	(1,907)
Change in total OPEB liability	(31,949)
Change in net pension liability	(20,220)
Claims and judgements	20,289
Deferred inflows related to OPEB	(13,361)
Deferred inflows related to pension	(25,192)
Deferred outflows related to OPEB	40,017
Deferred outflows related to pension	20,309

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	3,521
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Change in Net Position of Governmental Activities (Exhibit II)	\$	<u>26,822</u>
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The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019
(In Thousands)

	Business-Type Activities-Enterprise Funds				Governmental
	Water Supply Board	Public Building Authority	Nonmajor School Lunch Program	Totals	Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,398	\$ 61,730	\$ 3,755	\$ 66,883	\$ 4,623
Restricted cash	35,699			35,699	
Investments		19,280		19,280	
Receivables, net	9,931	9,336	2,545	21,812	2,272
Restricted receivables	673			673	
Due from primary government		478,821		478,821	
Due from other funds			295	295	47,561
Inventories	430			430	
Other assets	52			52	2,367
Total current assets	<u>48,183</u>	<u>569,167</u>	<u>6,595</u>	<u>623,945</u>	<u>56,823</u>
Noncurrent assets:					
Notes receivable	1,058			1,058	
Capital assets:					
Land	25,221			25,221	
Buildings and improvements	123,991			123,991	
Improvements other than buildings	412,532			412,532	
Machinery and equipment	40,599			40,599	
Construction in progress	85,616			85,616	
	687,959			687,959	
Less accumulated depreciation	<u>247,778</u>			<u>247,778</u>	
Total noncurrent assets	<u>441,239</u>	<u>-</u>	<u>-</u>	<u>441,239</u>	<u>-</u>
Total assets	<u>489,422</u>	<u>569,167</u>	<u>6,595</u>	<u>1,065,184</u>	<u>56,823</u>
Deferred Outflows of Resources:					
Deferred Outflows of Resources Related to Pension	2,494			2,494	
Deferred Outflows of Resources Related to OPEB	903			903	
Total deferred outflows of resources	<u>3,397</u>	<u>-</u>	<u>-</u>	<u>3,397</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	4,257	4,205	3,000	11,462	1,551
Risk management claims payable				-	12,773
Due to other funds	771		453	1,224	34,435
Other		67,065		67,065	
Amounts payable from restricted assets	2,770			2,770	
Current portion of long-term debt and capital leases, net	6,269	27,609		33,878	
Total current liabilities	<u>14,067</u>	<u>98,879</u>	<u>3,453</u>	<u>116,399</u>	<u>48,759</u>
Noncurrent liabilities:					
Revenue bonds and PAP Loans, net	114,092	458,824		572,916	
Net pension liability	51,964			51,964	
Total OPEB liability	23,458			23,458	
Total noncurrent liabilities	<u>189,514</u>	<u>458,824</u>	<u>-</u>	<u>648,338</u>	<u>-</u>
Total liabilities	<u>203,581</u>	<u>557,703</u>	<u>3,453</u>	<u>764,737</u>	<u>48,759</u>
Deferred Inflows of Resources:					
Deferred Inflows related to pensions	613			613	
Deferred Inflows related to OPEB	2,949			2,949	
Net deferred charges on debt refunding		472		472	
Total deferred inflows of resources	<u>3,562</u>	<u>472</u>	<u>-</u>	<u>4,034</u>	<u>-</u>
Net Position:					
Net investment in capital assets	319,820			319,820	
Restricted for Water Quality Protection	39,358			39,358	
Restricted for debt service		10,015		10,015	
Unrestricted	<u>(73,502)</u>	<u>977</u>	<u>3,142</u>	<u>(69,383)</u>	<u>8,064</u>
Total Net Position	<u>\$ 285,676</u>	<u>\$ 10,992</u>	<u>\$ 3,142</u>	<u>\$ 299,810</u>	<u>\$ 8,064</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Business-Type Activities-Enterprise Funds				Governmental Activities
	Water Supply Board	Public Building Authority	Non-major School Lunch Program	Totals	Internal Service Fund
Operating Revenues:					
Charges for sales and services	\$ 72,323	\$	\$ 2,312	\$ 74,635	\$ 14,540
Federal and state grants and reimbursements			14,677	14,677	
Lease receipts		13,747		13,747	
Other	7	1,079		1,086	96,831
Total operating revenues	<u>72,330</u>	<u>14,826</u>	<u>16,989</u>	<u>104,145</u>	<u>111,371</u>
Operating Expenses:					
Cost of sales and services	23,813		16,988	40,801	
Health claims					107,870
Administration	26,186	737		26,923	
Depreciation and amortization	9,430			9,430	
Other		26		26	
Total operating expenses	<u>59,429</u>	<u>763</u>	<u>16,988</u>	<u>77,180</u>	<u>107,870</u>
Operating Income	<u>12,901</u>	<u>14,063</u>	<u>1</u>	<u>26,965</u>	<u>3,501</u>
Nonoperating Revenues (Expenses):					
Investment income	506	157	10	673	20
Interest expense	(3,060)	(12,152)		(15,212)	
Loss on sale of asset	(1,101)			(1,101)	
Amortization expense		(30)		(30)	
Total nonoperating revenues (expenses)	<u>(3,655)</u>	<u>(12,025)</u>	<u>10</u>	<u>(15,670)</u>	<u>20</u>
Net Income Before Capital Grants, Contributions and Transfers	9,246	2,038	11	11,295	3,521
Capital Grants and Contributions	916			916	
Transfers in		(250)		(250)	
Change in Net Position	10,162	1,788	11	11,961	3,521
Net Position, Beginning	<u>275,514</u>	<u>9,204</u>	<u>3,131</u>	<u>287,849</u>	<u>4,543</u>
Net Position, Ending	<u>\$ 285,676</u>	<u>\$ 10,992</u>	<u>\$ 3,142</u>	<u>\$ 299,810</u>	<u>\$ 8,064</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(In Thousands)

	Business-Type Activities-Enterprise Funds				Governmental
	Water Supply Board	Public Building Authority	Non-major School Lunch Program	Totals	Internal Service Fund
Cash Flows from Operating Activities:					
Cash received from customers and other	\$ 72,674	\$ 61,189	\$ 1,326	\$ 135,189	\$ 111,371
Cash received from intergovernmental sources			16,238	16,238	
Cash paid to vendors	(23,554)	(518)	(16,440)	(40,512)	(109,685)
Cash paid to employees	(20,962)		(420)	(21,382)	
Net cash provided by (used in) operating activities	<u>28,158</u>	<u>60,671</u>	<u>704</u>	<u>89,533</u>	<u>1,686</u>
Cash Flows from Noncapital Financing Activities:					
Transfer to other funds		(250)		(250)	
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>(250)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of capital assets	(45,322)	(10,870)		(56,192)	
Interest paid on debt	(3,060)	(12,152)		(15,212)	
Proceeds from bond issuance	15,130	34,391		49,521	
Proceeds from notes receivable	120			120	
Repayment of long-term debt and capital leases	(6,156)	(45,694)		(51,850)	
Capital grants	916			916	
Net cash provided by (used in) capital and related financing activities	<u>(38,372)</u>	<u>(34,325)</u>	<u>-</u>	<u>(72,697)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchase of investment securities		(1,177)		(1,177)	
Investment income	506	157	10	673	20
Net cash provided by (used in) investing activities	<u>506</u>	<u>(1,020)</u>	<u>10</u>	<u>(504)</u>	<u>20</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,708)	25,076	714	16,082	1,706
Cash and Cash Equivalents, July 1, 2018	46,805	36,654	3,041	86,500	2,917
Cash and Cash Equivalents, Unrestricted, June 30, 2019	<u>1,398</u>	<u>61,730</u>	<u>3,755</u>	<u>66,883</u>	<u>4,623</u>
Cash and Cash Equivalents, Restricted, June 30, 2019	<u>\$ 35,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,699</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash					
Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 12,901	\$ 14,063	\$ 1	\$ 26,965	\$ 3,501
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	9,430	30		9,460	
(Increase) decrease in receivables	553	11,474	575	12,602	(424)
(Increase) decrease in inventories	(19)			(19)	
(Increase) decrease in other assets	13			13	(71)
(Increase) decrease in deferred outflows of resources	22			22	
(Increase) decrease in due from other funds			(59)	(59)	(5,216)
Increase (decrease) in accounts payable and accrued expenses	663	1,168	90	1,921	1,357
Increase (decrease) in due to other funds	114	33,936	97	34,147	3,082
Increase (decrease) in other payables	305			305	
Increase (decrease) in net pension liability	1,183			1,183	
Increase (decrease) in OPEB liability	2,993			2,993	
Increase (decrease) in risk management claims payable					(543)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 28,158</u>	<u>\$ 60,671</u>	<u>\$ 704</u>	<u>\$ 89,533</u>	<u>\$ 1,686</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Employee Retirement Plan</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
Assets:			
Investments, at fair value:			
U.S. Government securities	\$ 14,287	\$	\$
Corporate and foreign bonds	62,287		
Corporate equity securities	127,136		
Mutual funds	87,809	2,004	
Alternative investments	7,413		
Total investments	<u>298,932</u>	<u>2,004</u>	<u>-</u>
Cash and cash equivalents	<u>12,063</u>	<u>29</u>	<u>2,088</u>
Receivables:			
Loans receivable	26,272		
Due from primary government	30,337		14
Intergovernmental	42		
Other	334		
Total receivables	<u>56,985</u>	<u>-</u>	<u>14</u>
Total assets	<u>367,980</u>	<u>2,033</u>	<u>\$ 2,102</u>
Liabilities:			
Accounts payable	615		\$
Due to primary government	111		
Due to student group			1,024
Other payables			1,078
Total liabilities	<u>726</u>	<u>-</u>	<u>\$ 2,102</u>
Net Position Restricted for Pensions and Held in Trust	<u>\$ 367,254</u>	<u>\$ 2,033</u>	

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Employee Retirement Plan</u>	<u>Private Purpose Trust Funds</u>
Additions:		
Contributions:		
Employer	\$ 83,357	\$
Employees	12,654	
Donations		20
Total contributions	<u>96,011</u>	<u>20</u>
Investment Earnings:		
Investment income	<u>15,249</u>	<u>91</u>
Total additions	<u>111,260</u>	<u>111</u>
Deductions:		
Benefits	102,828	225
Administrative expenses	176	
Total deductions	<u>103,004</u>	<u>225</u>
Change in Net Position	8,256	(114)
Net Position Restricted for Pension Benefits and Held in Trust, July 1, 2018	<u>358,998</u>	<u>2,147</u>
Net Position Restricted for Pension Benefits and Held in Trust, June 30, 2019	<u>\$ 367,254</u>	<u>\$ 2,033</u>

The accompanying notes are an integral part of the financial statements

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(Amounts expressed in thousands)

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Providence, Rhode Island (the City) was incorporated in 1832. The City covers 18.5 square miles located in southeastern New England, at the head of the Narragansett Bay on the Atlantic sea coast. The City is approximately 45 miles from Boston and approximately 3 1/2 hours from New York by automobile or rail.

The City operates under a Mayor-Council form of government. A Home Rule Charter was adopted in November 1980 and became fully effective on January 3, 1983. The Mayor is elected by the voters of the City to a four-year term. City Council members are also elected to four-year terms, which coincide with the term of the Mayor. Most department heads and other City officials are appointed by the Mayor.

The City complies with generally accepted accounting principles (GAAP), including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

All dollar values disclosed herein are in thousands (000 omitted).

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a. The primary government is legally entitled to or can otherwise access the organization's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c. The primary government is obligated in some manner for the debt of the organization.

The criterion has been considered and the blended component units discussed below are included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(Amounts expressed in thousands)

Discretely Presented Component Unit

The Providence Redevelopment Agency

The Providence Redevelopment Agency (“PRA”) was formed on December 20, 1946 pursuant to R.I.G.L. 45-31 (the Act) by a duly enacted resolution of the City Council of the City. Under the Act, the PRA constitutes a body corporate and politic, exercising public and essential government functions, and having a distinct legal existence from the City. As such, the PRA has the authority to acquire, develop as a building site, administer, sell and lease property, has the power of eminent domain, and the power to issue bonds, notes and other evidence of indebtedness. The PRA does not have the power to levy taxes. The PRA is presented as a discretely presented component unit.

The PRA was created to eliminate and prevent blighted and substandard areas in the City and replace such areas through redevelopment of well-planned, integrated stable, safe and healthful neighborhoods. As such, the services provided by PRA are intended to provide an almost exclusive benefit to the City.

The Powers of the PRA are vested in eight members, including the Mayor of the City ex officio, five members appointed by the Mayor of the City and two members who are also members of the City Council, appointed by the City Council. All appointed members of the PRA must be resident electors of the City.

Blended Component Unit

The component unit provides services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefits the City, even though they do not provide services directly to it. The component unit has been reported as if it was part of the primary government through a method of inclusion known as blending. A description of the component unit, criteria for inclusion and its relationship with the City is as follows:

Providence Public Buildings Authority

The Providence Public Buildings Authority (“PPBA”) was created by an act of the Rhode Island General Assembly and was empowered by resolution of the Providence City Council on August 13, 1987, and by resolution of the Public Finance Board, created under Section 42-10.11 of the General Laws of Rhode Island, on February 12, 1988. Membership is comprised of 5 members appointed by the Mayor and approved by the City Council. The PPBA is presented as a blended enterprise fund.

The purpose of the PPBA is to acquire, construct, maintain, renovate, repair and operate public facilities and public equipment through the use of public financing for the City. These activities are structured as financing leases between the PPBA and the City. The future payments to be received on these leases is presented as “Due from City of Providence - lease obligations” on the PPBA Statement of Net Position. These activities allow the PPBA to provide for the conduct of the executive, legislative and judicial functions of the government. The PPBA is obligated to pay the principal and interest on any financing solely from the rents, revenues and receipts derived under the lease agreements with the City or from receipts on the disposition of the assets being financed. The PPBA’s administrative expenses are paid on an annual basis by the lessee in the form of additional rent.

Complete financial statements of the PPBA can be obtained through the City of Providence Finance Department, City Hall, Providence, Rhode Island 02903.

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(Amounts expressed in thousands)

Government-Wide Fund Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The effect of inter-fund activity has not been removed from these statements. The statements distinguish between governmental activities, business-type activities, and a component unit. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the City is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Only current financial assets and liabilities 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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items, primarily permits and fees, are considered to be measurable only when cash is received by the City.

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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 liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. Proprietary funds distinguish operating revenues and expenses from non-operating items.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and the government's internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations, maintenance, sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Revenues from charges for services of the Providence Water Supply Board are recognized on the accrual basis, net of estimated uncollectibles. Depending upon consumption, metered water sale customers are billed monthly, quarterly or annually for water usage. Large commercial customers and other local water suppliers are billed more frequently.

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 of resources, liabilities, deferred inflows of resources, 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:

- d. Total assets and deferred outflow of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of that individual, governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- e. Total assets and deferred outflow of resources, liabilities and deferred inflow of resources, 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.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *School Fund* accounts for operations of the Providence school system. Revenue is derived primarily from State and Federal Aid and transfers from the City.
- The *School Grants Fund* accounts for federal, state, and private grants received and expended by the school system

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- The *Capital Projects Fund* accounts for resources to be used for the acquisition or construction of capital assets for the housing and community improvement activities in the City.

The City reports the following major proprietary funds:

- The *Water Supply Board* accounts for the activities of the Providence Water Supply Board.
- The *Providence Public Buildings Authority* accounts for the activities related to acquisition, construction and leasing of capital assets to the City.

Additionally, the City reports the following fund types:

- The *Internal Service Fund* is used by management to charge the costs of self-insurance and legal claims to individual funds.
- The *Pension Trust Fund* accounts for the activities of the City of Providence Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.
- The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for the benefit of individuals, organizations or other governments.
- The *Agency Fund* accounts for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. These funds account for assets held by the School Department as an agent for student activities and by the City for probate purposes.

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Pension Plan Accounting

Employees’ Retirement System of the City of Providence

The Employee Retirement Plan (Pension Trust Fund) is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

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, based on value of underlying assets.

Funding Policy

The City makes contributions at the discretion of management.

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Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. For purposes of the cash flow statement, the City considers certificates of deposits and highly liquid short-term investment funds with original maturities of three months or less, when purchased, to be cash equivalents, including amounts reported as restricted.

Investments

Investments and pooled fixed income investments are stated at fair value, based on quoted market prices.

Property Taxes

The City's property tax is levied each year on July 1 based on the assessed property value, as of the prior December 31, for all real property, tangible property, equipment and motor vehicles located in the City. Assessed values of real property were established by the City Assessor's office at 100% of appraised market value based on 2012 State mandated statistical updated valuations less exemptions. Assessed values of tangible property and equipment and motor vehicles are determined annually at 100% of market value, and a \$1,000 exemption on motor vehicle assessments. Payments on the gross levy are due in equal quarterly installments in July, October, January, and April. Property taxes attach as an enforceable lien on property when levied.

Allowance for Collection Losses

The allowance for possible loan losses is maintained at a level believed adequate by management to absorb potential losses for outstanding loans. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, past loan loss experience and current economic conditions.

All trade and property tax receivables for governmental and proprietary funds are reported net of an allowance for uncollectibles. The property tax receivable allowance of \$37,118 is equal to 61.5% of outstanding property taxes at June 30, 2019.

Inventories and Prepaid Items

Proprietary fund inventory is stated at the lower of weighted average cost or market using the first-in, first-out method. Inventory consists primarily of materials and supplies. Inventory is not maintained in governmental funds, but is recorded as an expenditure at the time of purchase. Inventory on hand at year-end is not material.

Any material payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

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Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the government as all computer equipment and assets with an initial, individual cost of more than a range of \$5,000 to \$100,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital asset, as applicable.

Capital assets of the governmental activities are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Year</u>
Buildings	45
Building improvements	20
Public domain infrastructure	45
System infrastructure	30
Vehicles	6
Office equipment	7
Computer equipment	5
Machinery and equipment	15

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Property, plant and equipment of the business-type activities and proprietary funds are depreciated using the straight-line method over the following estimated useful lives:

	<u>Water Supply Board</u>
Buildings, source of supply, structures, and improvements	5 - 75 years
Improvements other than buildings	3 - 75 years
Machinery and equipment	3 - 50 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds from project specific debt issued over the same period.

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Self-Insurance

The City is self-insured in most areas of risk, subject to certain third-party “stop loss” coinsurance. Self-insured risks include general liability, property and casualty, workers’ compensation, unemployment and employee health insurance claims. Claims incurred but not paid, including those which have not been reported, are accrued as long-term obligations in the government-wide and internal service fund financial statements. Obligations are paid out of the General Fund and the Internal Service Funds.

Compensated Absences

Under the terms of various contracts and policies, employees are granted vacation and sick leave based on length of service. The City’s policy is to recognize the cost of vacation and sick leave in governmental funds when paid (matured). The liability for vacation and sick leave is recognized when earned in the government-wide and proprietary fund financial statements. For governmental activities the general fund is used to satisfy this liability as it becomes due, while each enterprise fund accounts for all its settlement of business-type liabilities for compensated absences.

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan’s fiduciary net position. The pension plan’s fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer’s prior fiscal year, consistently applied from period to period.

Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer’s prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond proceeds, premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of bond principal are recognized as expenditures as it comes due.

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Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 and OPEB plans (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Fund Equity

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category represents the net position of the City, which are restricted by outside parties or enabling legislation.

Unrestricted Net Position or Deficits

This category represents the net position of the City, which do not meet the definition of “restricted” or “invested in capital assets, net of related debt”. Deficits require future funding.

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Governmental fund equity is classified as fund balance. Fund balance is classified into one of the following five categories: non-spendable, restricted, committed, assigned, or unassigned. These categories are defined below.

Nonspendable Fund Balance

This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash.

Restricted Fund Balance

This includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

This includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts usually through city ordinance. The City Council is the highest level of decision-making authority for the City of Providence and utilizes City Ordinances to vote on the City's budget and resolutions proposed by the various committees.

Assigned Fund Balance

This includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The City of Providence does not currently have a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for the expenditures incurred. Accordingly, by default, the City is following the policy prescribed by GASB Statement No. 54 which specifies that fund balance is reduced first by committed, then by assigned, then by unassigned when expenditures are incurred for purposes for which any unrestricted fund balance could be used.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Flow Assumptions

The City of Providence does not currently have a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for the expenditures incurred. Accordingly, by default, the City is following the policy prescribed by GASB Statement No. 54 which specifies that fund balance is reduced first by committed, then by assigned, then by unassigned when expenditures are incurred for purposes for which any unrestricted fund balance could be used. In all situations, the City considers restricted fund balance to be used first when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

**CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City employs the following procedures in establishing the General Fund budgetary data reflected in the accompanying required supplementary information:

- At least sixty days prior to July 1, the Mayor submits a proposed operating budget for the upcoming fiscal year to the City Council. The operating budget includes proposed expenditures and the means of financing appropriations over expected revenues.
- The final budget is legally enacted through passage of an ordinance.
- The Mayor is authorized to make minor transfers of budgeted amounts between departments. Significant budget revisions or transfers must be approved by the City Council.

The General and School funds are the only governmental funds that have legally adopted annual budgets. The “actual amounts” presented in the accompanying schedules are presented on a budgetary basis.

The budget for the School Fund is prepared annually and approved by the Providence School Board. The amount of the annual transfer from the General Fund is ultimately determined through the adoption of the General Fund budget. This appropriation does not lapse at year-end.

Excess Of Expenditures Over Appropriations

- The executive, legislative and judicial line was overspent by \$109
- The finance line was overspent by \$228
- The recreation line was overspent by \$262
- The public properties line was overspent by \$1,987

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

The City’s custodial credit risk policy is in accordance with RI General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to 100% of time deposits with maturities greater than sixty days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators will insure or pledge eligible collateral equal to 100% of deposits, regardless of maturities.

CITY OF PROVIDENCE, RHODE ISLAND
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Investments

The City policy for pension investments is under the oversight of the Board of Investment Commissioners. The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes and Section 17-189 of the City Ordinance, which states, "The Board of Investment Commissioners is authorized and empowered to execute the disposition and investment of the funds which are within its control in any securities and investments as would be acquired by prudent persons of discretion and intelligence in these matters, who are seeking a reasonable income and the preservation of their capital."

Interest Rate Risk

The City does not have a formal investment policy for its pension funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations

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

Custodial Credit Risk

Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$132,614 of the City's bank balance of \$133,801 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Uninsured and collateral held by pledging banks trust department, not in City's name		<u>132,614</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>132,614</u></u>

CITY OF PROVIDENCE, RHODE ISLAND
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Cash Equivalents

At June 30, 2019, the City's cash equivalents amounted to \$94,786. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations). The pools all have maturities of less than one year.

Santander Investment	\$	257
Webster Bank Investment		35
Bank RI CD		261
HarborOne CD		854
Home Loan Investment Bank CD		159
State Street		3,409
BNY Mellon		70,818
US Bank		18,730
Morgan Stanley		5
Wainwright Investment		87
Edward Jones Investments		<u>171</u>
 Total	 \$	 <u><u>94,786</u></u>

Investments

As of June 30, 2019, the City had the following investments:

	Total Value	Fair Value	NAV	Investment Maturities (Years)		
				Less Than 1	1 - 10	More Than 10
Interest-bearing investments at fair value:						
Certificate of Deposit	\$ 99	\$ 99	\$	\$	\$ 99	\$
U.S. Government Securities	14,287	14,287			14,287	
Foreign Bonds	1,300	1,300		500	800	
U.S. Government Agencies	11,329	11,329		11,329		
Corporate Bonds	<u>61,076</u>	<u>61,076</u>			<u>53,834</u>	<u>7,242</u>
 Total interest-bearing investments at fair value	 88,091	 88,091	 -	 11,829	 69,020	 7,242
Guaranteed Investment Contracts (NAV)	<u>7,950</u>		<u>7,950</u>	<u>-</u>	<u>7,950</u>	<u>-</u>
 Total Interest Bearing Investments	 96,041	 \$ <u>88,091</u>	 \$ <u>7,950</u>	 \$ <u>11,829</u>	 \$ <u>76,970</u>	 \$ <u>7,242</u>
 Common Stock	 126,138					
Mutual Funds	108,618					
Preferred Stock	999					
Limited Partnership Units	353					
Alternative Investments	<u>7,060</u>					
 Total Investments	 \$ <u>339,209</u>					

CITY OF PROVIDENCE, RHODE ISLAND
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Presented below is the rating of investments for each debt investment type:

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>Certificate of Deposit</u>	<u>Guaranteed Investment Contract</u>	<u>Foreign Bonds</u>	<u>U.S. Government Agencies</u>
Aaa	\$ 7,156	\$	\$	\$	\$	\$
Aa1	340					
Aa2	1,812					
Aa3	3,368					
A1	3,043			7,950		
A2	6,292					
A3	6,645					
Baa1	6,865					
Baa2	5,392					
Baa3	4,128					
Ba1	1,107					
Ba2	1,917					
Ba3						
B1	336					
B2	21					
B3	68					
Unrated	<u>12,586</u>	<u>14,287</u>	<u>99</u>		<u>1,300</u>	<u>11,329</u>
	<u>\$ 61,076</u>	<u>\$ 14,287</u>	<u>\$ 99</u>	<u>\$ 7,950</u>	<u>\$ 1,300</u>	<u>\$ 11,329</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 14,287	\$	\$ 14,287	\$
U.S. Government Agencies	11,329		11,329	
Corporate Bonds	61,076		61,076	
Common Stock	126,138	126,138		
Preferred Stock	999		999	
Mutual Funds	108,618	108,618		
Limited Partnership Units	353			353
Foreign Bonds	1,300		1,300	
Alternative Investments	7,060		7,060	
Total investments by fair value level	<u>331,160</u>	<u>\$ 234,756</u>	<u>\$ 96,051</u>	<u>\$ 353</u>
Investments recorded at net asset value:				
Guaranteed Investment Contracts	7,950			
Investments not recorded at fair value:				
Certificates of Deposit	<u>99</u>			
Total Investments	<u>\$ 339,209</u>			

CITY OF PROVIDENCE, RHODE ISLAND
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JUNE 30, 2019

(Amounts expressed in thousands)

4. RECEIVABLES

Receivables as of year end for the City’s individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>School Fund</u>	<u>School Grants Fund</u>	<u>Capital Projects</u>	<u>Water Supply Board</u>	<u>Public Building Authority</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:								
Taxes	\$ 60,316	\$	\$	\$	\$	\$	\$	\$ 60,316
Intergovernmental	36,967	975	8,678				10,647	57,267
User charges					11,221	9,336		20,557
Loans							43,195	43,195
Notes					1,058			1,058
Accounts and other	60,406	116		7,625	673		8,063	76,883
Gross receivables	<u>157,689</u>	<u>1,091</u>	<u>8,678</u>	<u>7,625</u>	<u>12,952</u>	<u>9,336</u>	<u>61,905</u>	<u>259,276</u>
Less allowance for uncollectibles:								
Taxes	37,118							37,118
User charges					1,290			1,290
Loans							3,652	3,652
Accounts and other	49,465							49,465
Total allowance	<u>86,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>-</u>	<u>3,652</u>	<u>91,525</u>
Net Total Receivables	\$ <u>71,106</u>	\$ <u>1,091</u>	\$ <u>8,678</u>	\$ <u>7,625</u>	\$ <u>11,662</u>	\$ <u>9,336</u>	\$ <u>58,253</u>	\$ <u>167,751</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2019 is presented below:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 51,422	\$ 95,035
School Fund	22,004	11,246
School Grants Fund	7,582	17,036
Capital Projects Fund	446	3,899
Nonmajor Governmental Funds	12,372	9,047
Water Supply Board		771
School Lunch Program	295	453
Agency Fund	14	
Employee Retirement Plan	30,337	111
Internal Service Fund	47,561	34,435
	<u>\$ 172,033</u>	<u>\$ 172,033</u>

CITY OF PROVIDENCE, RHODE ISLAND
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The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

A summary of interfund transfers is presented below:

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>
General Fund	\$ 437	\$ 129,113
School Fund	128,787	
School Grants Fund	1,240	1,481
Capital Projects Fund	30	
Nonmajor Governmental Funds	1,243	893
Providence Public Building Authority		<u>250</u>
	<u>\$ 131,737</u>	<u>\$ 131,737</u>

Transfers from the General Fund represents the financing of various programs and activities which consists primarily of the School Fund. Transfers from the School Grants to both the School Fund and General Fund was to reimburse costs related to Federal grants activity. Transfers from the Nonmajor governmental funds to primarily other nonmajor governmental funds are reimbursable costs related to Federal grants activity. Transfers to Providence Public Building Authority are to cover general and administrative costs incurred by the Providence Public Building Authority.

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6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 46,590	\$	\$	\$ 46,590
Construction in progress - City	2,397	969	2,175	1,191
Construction in progress - PPBA		4,731		4,731
Total capital assets not being depreciated	<u>48,987</u>	<u>5,700</u>	<u>2,175</u>	<u>52,512</u>
Capital assets being depreciated:				
Buildings	185,925			185,925
Improvements other than buildings	122,777	14,626		137,403
Machinery and equipment	85,066	3,295	1,692	86,669
Infrastructure	283,321	27		283,348
Building - PPBA leases	420,943			420,943
Total capital assets being depreciated	<u>1,098,032</u>	<u>17,948</u>	<u>1,692</u>	<u>1,114,288</u>
Less accumulated depreciation for:				
Buildings	77,867	3,046		80,913
Improvements other than buildings	27,820	5,379		33,199
Machinery and equipment	62,418	6,670	1,624	67,464
Infrastructure	192,966	3,271		196,237
Buildings - leases	116,214	8,166		124,380
Total accumulated depreciation	<u>477,285</u>	<u>26,532</u>	<u>1,624</u>	<u>502,193</u>
Total capital assets being depreciated, net	<u>620,747</u>	<u>(8,584)</u>	<u>68</u>	<u>612,095</u>
Governmental Activities Capital Assets, Net	<u>\$ 669,734</u>	<u>\$ (2,884)</u>	<u>\$ 2,243</u>	<u>\$ 664,607</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 24,342	\$ 879	\$	\$ 25,221
Scituate Reservoir Project	18,682			18,682
Construction in progress	82,566	50,631	66,263	66,934
Total capital assets not being depreciated	<u>125,590</u>	<u>51,510</u>	<u>66,263</u>	<u>110,837</u>
Capital assets being depreciated:				
Buildings and improvements	123,451	1,622	1,082	123,991
Improvements other than building	361,186	51,346		412,532
Machinery and equipment	33,511	7,107	19	40,599
Total capital assets being depreciated	<u>518,148</u>	<u>60,075</u>	<u>1,101</u>	<u>577,122</u>
Less accumulated depreciation for:				
Buildings and improvements	76,283	3,578		79,861
Improvements other than building	132,060	4,793		136,853
Machinery and equipment	30,005	1,059		31,064
Total accumulated depreciation	<u>238,348</u>	<u>9,430</u>	<u>-</u>	<u>247,778</u>
Total capital assets being depreciated, net	<u>279,800</u>	<u>50,645</u>	<u>1,101</u>	<u>329,344</u>
Business-type activities capital assets, net	<u>\$ 405,390</u>	<u>\$ 102,155</u>	<u>\$ 67,364</u>	<u>\$ 440,181</u>

CITY OF PROVIDENCE, RHODE ISLAND
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The leased assets reported in the table above represent assets, principally buildings and related improvements, leased by the City from the Providence Public Building Authority. For the governmental-wide statements, the capital assets and related PPBA debt is presented principally in the governmental activities column and the related transactions are eliminated.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Executive, legislative and judicial	\$ 14
Finance	127
Public Safety	2,134
Public Works	5,883
Recreation	40
Public land and parks	12,486
Education	4,322
Community development	<u>1,526</u>
Total Depreciation Expense - Governmental Activities	\$ <u>26,532</u>
Business-type activities:	
Water Supply Board	<u>\$ 9,430</u>

7. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 67,920	\$ 8,540	\$ 59,380	\$ 8,905	
Revenue bonds	37,558	4,117	33,441	2,670	
Add unamortized premiums	3,825	569	3,256	344	
Total bonds payable	<u>109,303</u>	<u>13,226</u>	<u>96,077</u>	<u>11,919</u>	
Notes from direct borrowings:					
Notes payable	5,102	423	4,679	426	
Capital leases	23,578	3,937	19,641	4,047	
Capital notes	15,763	1,425	14,338	1,500	
Total notes from direct borrowings	<u>44,443</u>	<u>5,785</u>	<u>38,658</u>	<u>5,973</u>	
Total bonds, notes, and leases payable	153,746	19,011	134,735	17,892	
Claims and judgements	49,704		20,832	28,872	28,872
Compensated absences	36,737	2,247	43	38,941	3,893
Net pension liability	1,250,276	20,220		1,270,496	
Net OPEB liability	1,007,294	31,949		1,039,243	
PPBA debt	<u>300,350</u>	<u>34,391</u>	<u>29,789</u>	<u>304,952</u>	<u>29,888</u>
Governmental Activities Long-Term Liabilities	<u>\$ 2,798,107</u>	<u>\$ 88,807</u>	<u>\$ 69,675</u>	<u>\$ 2,817,239</u>	<u>\$ 80,545</u>

CITY OF PROVIDENCE, RHODE ISLAND
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Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:					
Bonds payable:					
PPBA - City	\$ 61,778	\$ 10,000	\$ 4,765	\$ 67,013	\$ 5,518
Bonds and notes from direct borrowings:					
Revenue bonds - water	111,387	15,130	6,156	120,361	6,269
PPBA - City	218,260	20,000	22,949	215,311	22,091
PPBA - PAP notes*	197,386		15,906	181,480	
PPBA - Bond premiums	20,312	4,391	2,075	22,628	2,279
Total bonds and notes payable	<u>609,123</u>	<u>49,521</u>	<u>51,851</u>	<u>606,793</u>	<u>36,157</u>
Net pension liability	50,781	1,183		51,964	
Net OPEB liability	<u>20,465</u>	<u>2,993</u>		<u>23,458</u>	
Business-Type Activities Proprietary Funds Long-Term Liabilities	<u>\$ 680,369</u>	<u>\$ 53,697</u>	<u>\$ 51,851</u>	682,215	36,157
Less PPBA Eliminations				<u>(486,432)</u>	<u>(29,888)</u>
Business-Type Activities Long-Term Liabilities				<u>\$ 195,783</u>	<u>\$ 6,269</u>

*Amount represents internal loans between the City and the PPBA and is therefore eliminated on the entity-wide statements. The \$204,108 difference between business type PPBA eliminations and governmental PPBA eliminations consists of \$181,480 of PAP loans between the City and PPBA and \$22,628 of net bond premium.

The Water Supply Board long-term debt is general obligation debt of the City. However, because it is the intent of the City to have the Board meet the debt service requirements of this debt, such amounts are recorded in the enterprise funds of the City. Similarly, debt of the PPBA that will be met by the Water Supply Board has been recorded as the Water Supply Board's debt.

Debt service requirements for bonds and notes payable at June 30, 2019 were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>			
	<u>Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 11,575	\$ 4,334	\$ 5,973	\$ 936
2021	7,660	3,895	4,667	744
2022	8,035	3,510	5,370	590
2023	8,435	3,105	5,680	428
2024	8,845	2,705	4,767	765
2025-2029	37,651	7,071	8,658	6,367
2030-2034	10,620	1,015	2,437	6,856
2035-2039			1,106	4,399
2040-2044				
Total	<u>\$ 92,821</u>	<u>\$ 25,635</u>	<u>\$ 38,658</u>	<u>\$ 21,085</u>

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PPBA					
<u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Notes from</u>		
			<u>Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 5,518	\$ 3,352	\$ 22,091	\$ 8,534	
2021	5,525	3,113	20,848	7,794	
2022	4,350	2,868	20,191	6,964	
2023	4,405	2,634	20,409	6,171	
2024	4,650	2,388	21,167	5,365	
2025-2029	16,350	8,359	89,322	14,994	
2030-2034	12,735	4,986	11,320	3,122	
2035-2039	13,480	1,478	9,963	920	
2040-2044					
Total	\$ <u>67,013</u>	\$ <u>29,178</u>	\$ <u>215,311</u>	\$ <u>53,864</u>	

Revenue Bonds - Water					
<u>Year Ending June 30,</u>	<u>ARRA Principal</u>		<u>Interest</u>	<u>Total</u>	
	<u>Principal</u>	<u>Forgiveness</u>			
2020	\$ 6,269	\$ (334)	\$ 3,007	\$ 8,942	
2021	7,103	(341)	3,018	9,780	
2022	7,176	(348)	2,865	9,693	
2023	7,025	(357)	2,701	9,369	
2024	7,195	(365)	2,530	9,360	
2025-2029	38,666	(1,947)	9,032	45,751	
2030-2034	32,568	(1,766)	4,273	35,075	
2035-2039	13,363	(504)	730	13,589	
2040-2044	996		13	1,009	
Total	\$ <u>120,361</u>	\$ <u>(5,962)</u>	\$ <u>28,169</u>	\$ <u>142,568</u>	

CITY OF PROVIDENCE, RHODE ISLAND
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Bonds Payable

The following is a schedule of changes in bonds payable for the year ended June 30, 2019:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2018	Issued	Retired	Balance Outstanding June 30, 2019
Governmental Activities:								
December 2001 - Taxable Refunding Bonds 2010 Series A	12/1/2007	1/15/2026	3.0-6.8	\$ 13,000	\$ 6,680	\$ -	\$ 660	\$ 6,020
PRA Taxable Lease Revenue Bonds 2010 Series 1	12/21/2010	6/30/2026	4.6-5.0	30,545	20,705	-	2,200	18,505
GO Road Bond 2013 Series A	8/27/2010	10/15/2018	4.2	12,600	967	-	967	-
GO Refunding Bonds 2014 Series A	1/15/2013	1/15/1933	5.0	39,345	32,125	-	1,545	30,580
GO Refunding Bonds 2014 Series B	7/8/2014	7/15/2019	2.5	17,480	5,495	-	2,725	2,770
GO Refunding Bonds 2014 Series B	7/8/2014	7/15/2019	1.0-3.25	6,285	2,915	-	1,410	1,505
PRA Refunding Bonds 2015 Series A	3/31/2015	4/1/2029	2.0-5.0	44,910	36,591	-	3,150	33,441
Total governmental activities bonds payable					\$ 105,478	\$ -	\$ 12,657	\$ 92,821
Business-Type Activities:								
Water Revenue Bonds 1998 Series A	5/1/1998	12/1/2018	3.9-5.1	28,270	270	-	270	-
1999 Series A	7/1/1999	12/1/2019	4.1-5.5	39,750	510	-	250	260
2001 Series A	12/1/2001	12/1/2021	3.3-5.1	9,995	665	-	155	510
2007 Series B	11/7/2007	5/15/2021	3.8-5.5	16,470	4,185	-	1,365	2,820
2009 Series A	6/30/2009	6/30/2021	6.3	12,000	3,883	-	1,215	2,668
2009 Series A QSCB	12/30/2009	6/15/2025	1.9	22,320	10,480	-	1,480	9,000
2011 Series A	4/28/2011	6/15/2026	3.0-5.9	35,000	21,915	-	2,265	19,650
2010 Series A QSCB	12/7/2010	5/15/2029	2.5	12,280	12,280	-	-	12,280
2010 Series B QSCB	12/7/2010	5/15/2029	2.5	9,665	9,665	-	-	9,665
2013 Series A	11/19/2013	5/14/2024	3.0-5.0	69,705	30,725	-	7,855	22,870
2015 Series A	5/1/2015	5/15/2028	3.0-5.0	146,325	131,625	-	11,415	120,210
2015 Series B	12/1/2015	5/15/2035	2.0-4.0	10,000	9,300	-	430	8,870
2017 Series A	9/15/2017	9/15/2037	3.0-5.0	34,535	34,535	-	610	33,925
2017 Series B	9/15/2017	9/15/2037	3.0-5.0	10,000	10,000	-	404	9,596
2019 Series A	6/27/2019	6/15/2039	3.0-5.0	20,000	-	20,000	-	20,000
2019 Series B	6/27/2019	6/15/2039	4.0-5.0	10,000	-	10,000	-	10,000
Total business-type activities bonds payable					\$ 391,425	\$ 45,130	\$ 33,870	\$ 402,685

Capital Notes

The following table below shows the changes in capital notes payable for the year ended June 30, 2019. These capital notes are eligible for principal forgiveness through the American Recovery and Reinvestment Act of 2009 (ARRA) and could total \$6,290.

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2018	Issued	Retired	Balance Outstanding June 30, 2019
Port of Providence 2003 Series A	5/1/2003	9/1/2023	1.7-4.3	\$ 20,820	\$ 8,905	\$ -	\$ 1,425	\$ 7,480
Port of Providence 2006 Series A	5/1/2006	9/1/2036	5.3-5.6	6,858	6,858	-	-	6,858
Total Governmental Activities Capital Notes Payable					\$ 15,763	\$ -	\$ 1,425	\$ 14,338

Notes Payable

The following are the changes notes payable for the year ended June 30, 2019:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding July 1, 2018	Issued	Retired	Balance Outstanding June 30, 2019
HUD Section 108 Loan	2/1/2010	8/1/1931	0.2-7.2	\$ 10,000	\$ 2,078	\$ -	\$ 110	\$ 1,968
School Building Authority Capital Fund Loan Bond	6/30/2016	6/1/2026	1.9	1,831	1,465	-	183	1,282
Efficient Building Fund Loan	7/8/2016	6/30/2026	1.3-2.9	1,252	1,252	-	94	1,158
School Building Authority Capital Fund 2017	12/1/2017	12/1/2026	2.35	342	307	-	36	271
Total Governmental Activities Notes Payable					\$ 5,102	\$ -	\$ 423	\$ 4,679

CITY OF PROVIDENCE, RHODE ISLAND
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PPBA Eliminations

The Providence Public Building Authority (PPBA) issues long-term bonds for the acquisition and construction of capital assets. Upon acquisition or completion, these capital assets are leased to the City. Because the PPBA is included as a blended component unit in the accompanying statements, the capital assets and related debt are reported as part of the governmental activities and business-type activities columns in the government-wide statements as presented below. The respective amounts in the PPBA statements have been eliminated in the business-type activities column in order to properly reflect the debt and assets.

The City and the Water Supply Board entered into lease agreements with the PPBA relating to various capital projects. In connection with these lease agreements, the PPBA issued revenue bonds that will be repaid by the Water Board with the Water Quality Protection Charge. The City repays the PPBA as lease payments from general revenues. The PPBA debt to be repaid by the proprietary funds has been shown as debt in those funds' financial statements. PPBA debt to be repaid by the City is presented as debt of the governmental activities in the government-wide statement of net position.

Debt Limit

Except as explained below, under Rhode Island law, the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. The current outstanding debt of the City subject to the 3% debt limit is \$30.1 million and the current 3% debt limit of the City is \$348.0 million based on taxable property as of December 31, 2018, of approximately \$11.6 billion, leaving a remaining borrowing capacity of approximately \$317.9 million.

The State of Rhode Island General Assembly (General Assembly) may, by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 2019, the total outstanding debt of the City issued outside the 3% debt limit was \$28.8 million, excluding water bonds and sewer bonds which are deemed self-supporting.

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The City has not requested the State Director of Administration to authorize indebtedness of the City under Section 45-12-11.

**CITY OF PROVIDENCE, RHODE ISLAND
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8. LEASE COMMITMENT

Property and equipment carried at approximately \$43,500 with approximately \$15,700 in accumulated depreciation, in the governmental activities is being acquired under capital lease arrangements.

The City is obligated under various capital leases to make the following aggregate annual lease payments:

<u>Year Ending June 30,</u>	
2020	\$ 4,541
2021	3,061
2022	3,060
2023	3,060
2024	3,061
2025-2029	<u>4,698</u>
Total payments	21,481
Less interest	<u>(1,840)</u>
Principal Balance	<u>\$ 19,641</u>

Lease expenditures approximated \$3,937 for the fiscal year ended June 30, 2019.

9. RESTRICTED ASSETS AND RELATED LIABILITIES

The State of Rhode Island enacted the Public Drinking Water Protection Act of 1987 (the Act) that empowers suppliers of public drinking water to levy a surcharge (the Water Quality Protection Surcharge) of \$0.01 per hundred gallons of water for all customers. The Act was amended numerous times and effective July 1, 2002, the surcharge increased to \$0.0292 per hundred gallons of water for all customers. In addition to the increase, the Water Supply Board will retain 36.1% of the surcharge in its Water Quality Protection fund, remit 57% to the State Water Resources Board and retain 6.9% for general operations.

The restricted assets are pooled with the cash and cash equivalents and investments of other funds maintained by the City. The earnings from pooled cash and cash equivalents and investments are allocated in proportion to each funds' balance.

**CITY OF PROVIDENCE, RHODE ISLAND
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10. FUND EQUITY

The components of fund balance at June 30, 2019 are as follows:

	<u>General</u>	<u>School Grants Fund</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Trust	\$	\$	\$	\$ 136	\$ 136
Restricted for:					
Trust				19,099	19,099
Education		5,357			5,357
Capital projects			3,991		3,991
Federal programs				17,675	17,675
Public lands and parks				2,550	2,550
Law enforcement and fire prevention				2,112	2,112
Community development				499	499
Committed to:					
Education		306			306
Capital projects				8,422	8,422
Public lands and parks				510	510
Unassigned	20,405			(7)	20,398
Total Fund Balances	<u>\$ 20,405</u>	<u>\$ 5,663</u>	<u>\$ 3,991</u>	<u>\$ 50,996</u>	<u>\$ 81,055</u>

11. DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans - the Employees' Retirement System of the City of Providence (ERS), a single employer plan; and the Employees' Retirement System of the State of Rhode Island (the System), a cost-sharing multiple employer plan. The ERS is presented in the accompanying financial statements as a pension trust fund. A separate financial statement is not issued. The System is not included in the basic financial statements.

A. Employees' Retirement System of the City of Providence (ERS)

Plan Description

ERS is a single-employer defined benefit pension plan that covers most management employees of the City, except school teachers. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided to retirees and beneficiaries at varying percentages ranging from 0% to 3%. Benefits are paid at varying amounts not to exceed 100% of final compensation for Class A (city) employees or 100% of final compensation for Class B at age 63 for police and 60 for fire. Final compensation is the average of the highest four years of base compensation including longevity pay earned by a member during his total service as an employee.

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(Amounts expressed in thousands)

ERS is governed by an Employee Retirement Board provided by the Providence Home Rule Charter. The ERS consists of elected officials, management and employee representation and provides for establishing rules and regulations and is responsible for the administration and operation of the city employee retirement system. The Board has the discretion and authority to interpret the Plan and to determine the eligibility and benefits of Participants and beneficiaries pursuant to the provisions of the Plan. On all such matters, the decision of a majority of the then members of the Board shall govern and be binding upon the Employer, Participants, and beneficiaries.

Membership of the ERS plan consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	3,185
Inactive employees entitled to but not yet receiving benefits	473
Active employees	<u>2,889</u>
Total	<u><u>6,547</u></u>

Contributions

Class A members and police officers are required to contribute 8% of their salary to the Plan. Class B members, other than police officers, are required to contribute 8% of their salary to the Plan if they were hired prior to July 1, 2011 and 9% if they were hired on or after July 1, 2011. The Mayor and City Council contribute to the Plan at a rate of \$350 per year. Additionally, the City shall contribute from time to time amounts sufficient with the contributions of elected officials to provide the special pensions granted to them. The City contributions are determined actuarially. The current year contribution was determined with the July 1, 2016 actuarial valuation.

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(Amounts expressed in thousands)

Investment Policy

The City policy for pension investments is under the oversight of the Board of Investment Commissioners. The Board contracts with an investment advisory firm and approves any new investment vehicles presented by the consultant. The Board follows all applicable state statutes and Section 17-189 of the City Ordinance, which states, "The Board of Investment Commissioners is authorized and empowered to execute the disposition and investment of the funds which are within its control in any securities and investments as would be acquired by prudent persons of discretion and intelligence in these matters, who are seeking a reasonable income and the preservation of their capital." The following is a representation of the Board's adopted asset allocation strategy:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	45.25%	6.16%
International Developed Markets Equity	12.75%	6.69%
Core Fixed Income	26.00%	1.89%
Hedge fund, GTAA, risk parity	16.00%	3.68%
Total Portfolio	100.00%	

* Long-Term Returns are provided by Segal Group, Inc. The returns are geometric means.

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Retirement System at June 30, 2019 were as follows:

Total pension liability	\$ 1,403,526
Plan fiduciary net position	(367,254)
Net Pension Liability	\$ 1,036,272
Plan fiduciary net position as a percentage of the total pension liability	25.83%

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary increases	3.5%
Investment rate of return	8.00%

Mortality rates were based on the RP-2006 Employee and Healthy Annuitant Mortality Table projected generationally with scale BB2D, set forward 1 year post-retirement for Class A employees and the RP-2006 Blue Collar Employee and Healthy Annuitant Mortality Table projected generationally with scale BB2D, set forward 1 year post-retirement for Class B employees.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the rates term rates shown above are geometric averages. The impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 8.00% was used.

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 1,377,056	\$ 358,998	\$ 1,018,058
Changes for the year:			
Service cost	19,541		19,541
Interest on total pension liability	107,615		107,615
Differences between expected and actual experience	2,142		2,142
Changes in assumptions			
Employer contributions		83,357	(83,357)
Member contributions		12,654	(12,654)
Net investment income (loss)		15,249	(15,249)
Benefit payments, including refund to employee contributions	(102,828)	(102,828)	
Administrative expenses		(176)	176
Net changes	<u>26,470</u>	<u>8,256</u>	<u>18,214</u>
Balances as of June 30, 2019	<u>\$ 1,403,526</u>	<u>\$ 367,254</u>	<u>\$ 1,036,272</u>

Sensitivity in the Net Pension Liability

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	1% Decrease in Discount Rate (7.00%)	Current Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability as of June 30, 2019	\$ 1,192,228	\$ 1,036,272	\$ 905,768

**CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

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

For the year ended June 30, 2019, the City recognized pension expense of \$104,364. At June 30, 2019, the City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,799	\$ 873
Changes of assumptions	12,064	
Net difference between projected and actual earnings on pension plan investments	12,787	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,326</u>	<u>1,326</u>
Total	<u>\$ 35,976</u>	<u>\$ 2,199</u>

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

Year Ended June 30,

2020	\$ 20,427
2021	5,395
2022	4,887
2023	<u>3,068</u>
Total	<u>\$ 33,777</u>

B. Employees Retirement System of the State of Rhode Island

General Information about the Pension Plan

Plan description - Certain employees of the City of Providence 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.

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

The System issues a publicly available 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 administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2016.

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

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 2019, City of Providence teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the City of Providence 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 City of Providence; the rates were 10.06% and 13.45% of annual covered payroll for the fiscal year ended June 30, 2019 for the state and City of Providence, respectively. The City contributed \$21,525, \$20,980 and \$21,329 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contribution.

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

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

At June 30, 2019, the City reported a liability of \$286,187 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the City 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 City of Providence were as follows:

City's proportionate share of the pension liability	\$	286,187
State's proportionate share of the pension liability associated with the City		<u>213,475</u>
Total Net Pension Liability	\$	<u><u>499,662</u></u>

The net pension liability was measured as of June 30, 2018, 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, 2017 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's 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, 2019 the City's proportion was 8.38%

For the year ended June 30, 2019, the City recognized gross pension expense of \$43,115 and revenue of \$19,481 for support provided by the State. At June 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,186	\$ 5,458
Changes of assumptions	20,788	3,368
Net difference between projected and actual earnings on pension plan investments	3,418	
Contributions subsequent to measurement date	22,183	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,031</u>	<u>9,793</u>
Total	<u><u>\$ 51,606</u></u>	<u><u>\$ 18,619</u></u>

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

\$22,183 reported as deferred outflows of resources related to pensions resulting from the City's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. 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 Ended June 30,</u>	
2020	\$ 5,866
2021	2,373
2022	(2,610)
2023	1,150
2024	2,642
Thereafter	<u>1,383</u>
Total	<u>\$ 10,804</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

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 a collective summary of capital market expectations from 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity:		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Market Equity	4.80%	8.90%
Private Growth:		
Private Equity	11.30%	9.08%
None-Core RE	2.20%	5.03%
OPP Private Credit	1.50%	9.08%
Income:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Crisis Protection Class:		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Inflation Protection:		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Volatility Protection:		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Total Portfolio	100.00%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 (asset) calculated using the discount rate of 7.0% as well as what the 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.

	<u>1% Decrease in Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase in Discount Rate (8.00%)</u>
Net Pension Liability as of June 30, 2019	\$ 360,072	\$ 286,187	\$ 231,155

Pension Plan Fiduciary Net Position

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

C. Aggregate Pension Information

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2019

	<u>Measurement Date</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Employe Retirement System - ERS	6/30/2018	\$ 286,187	\$ 51,606	\$ 18,619	\$ 43,115
Employe Retirement System - Providence	6/30/2019	<u>1,036,273</u>	<u>35,975</u>	<u>2,199</u>	<u>110,365</u>
		<u>\$ 1,322,460</u>	<u>\$ 87,581</u>	<u>\$ 20,818</u>	<u>\$ 153,480</u>

The net pension liability, deferred outflows, deferred inflows, and pension expense were allocated the to the following activities:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Governmental Activities	\$ 1,270,496	\$ 85,088	\$ 20,205	\$ 147,479
Business Activities	<u>51,964</u>	<u>2,493</u>	<u>613</u>	<u>6,001</u>
	<u>\$ 1,322,460</u>	<u>\$ 87,581</u>	<u>\$ 20,818</u>	<u>\$ 153,480</u>

**CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

D. Teachers Defined Contribution Pension Plan

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, 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 between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. 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.

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

The City's School District recognized pension expense of \$1,619 for the fiscal year ended June 30, 2019.

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

E. Other City Pension Costs

The City is required to make contributions to the National Pension Plan of the Laborers' International Union of North America, a multi-employer plan. The pension cost incurred by the City for these purposes amounted to \$3,492 for the year ended June 30, 2019.

CITY OF PROVIDENCE, RHODE ISLAND
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12. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City's Post-Employment Medical Benefit Plan is a single-employer defined benefit postretirement health insurance program administered by the City. The City provides for a portion of the lifetime health care benefits to substantially all retired employees and their spouses. Health care benefits are provided through the City's self-insured health insurance program covering both active and retired employees. The financial activity of these programs is reported as an internal service fund. The Plan does not issue a separate financial report. These benefits are provided for and amended under various provisions of Rhode Island General Law, City Ordinances and the terms of collective bargaining agreements.

OPEB Funding Policy

The contribution requirements of plan members and the City are established and may be amended through provisions of Rhode Island General Law, City Ordinances and through collective bargaining. The required contribution is based on pay as you go financing requirements. The plan can cover 100% of the costs of the benefit, however, retirees and their spouses are potentially required to fund a portion of the Plan costs depending upon the class an employee has been assigned and their date of hire. Current employee co-share for the retiree health insurance benefit requires a co-share of .01 of final average salary with a maximum limit of \$400.

The following is a current census of the City benefit participants as of July 1, 2018:

	(not in thousands)
Active members	4,299
Retirees	<u>3,878</u>
Total	<u><u>8,177</u></u>

Total OPEB Liability

The City's total OPEB liability of \$1,062,701 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.50%
Salary increases	3.0% to 13.5%
Health care trend rates	<p>Non-Medicare medical: 7.0% decreasing by 0.25% for 10 years to an ultimate level of 4.5%</p> <p>Medicare medical: 6.0% decreasing by 0.25% for 6 years to an ultimate level of 4.5%</p> <p>Prescription drug: 9.0% decreasing by 0.25% for 18 years to an ultimate level of 4.5% Part B: 4.5%</p> <p>Administrative: 3.0%</p>
Mortality rates	<p><u>Pre-Retirement</u></p> <p>Class A Heathy: RP-2006 Employee Mortality Table projected generationally with Scale BB2D</p> <p>Class B Heathy: RP-2006 Blue Collar Employee Mortality Table projected generationally with Scale BB2D</p> <p>Teachers: 75% of the RP-2014 Employee Mortality Table</p> <p><u>Post-Retirement</u></p> <p>Class A Heathy: RP-2006 Healthy Annuitant Mortality Table projected generationally with Scale BB2D, set forward one year</p> <p>Class B Heathy: RP-2006 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale BB2D, set forward one year</p> <p>Class A and B Disabled Retirees: RP-2006 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale BB2D, set forward three years</p> <p><u>Teachers</u></p> <p>Healthy: RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with 120% of Scale MP-2014</p> <p>Disabled Retiree: RP-2014 Disabled Retiree Mortality Table projected generationally with 120% of Scale MP-2014</p>

The actuarial assumptions used in the June 30, 2018 valuation were intended to approximate the tables used in the Employees' Retirement System of Rhode Island Actuarial Valuation Report as of June 30, 2018.

**CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Governmental Activities Liability (a)	Business-Type Activities Liability (b)	Total OPEB Liability (a)+(b)
Balances as of July 1, 2018	\$ 1,007,294	\$ 20,465	\$ 1,027,759
Changes for the year:			
Service cost	23,064	469	23,533
Interest on total OPEB liability	36,376	739	37,115
Experience (gain) and loss	48,127	978	49,105
Employer contributions	(28,748)	(607)	(29,355)
Change of assumptions	(44,551)	(905)	(45,456)
Change in proportionate share	(2,319)	2,319	
Net changes	<u>31,949</u>	<u>2,993</u>	<u>34,942</u>
Balances as of June 30, 2019	\$ <u>1,039,243</u>	\$ <u>23,458</u>	\$ <u>1,062,701</u>

Changes of assumptions reflect the following:

- The per capita health costs were updated.
- Contributions were updated to reflect new CBA agreements.
- The medical and prescription drug trend assumptions were updated.
- The discount rate at June 30, 2018 was 3.87% compared to the June 30, 2017 rate of 3.58%
- The excise tax on high cost health plans beginning in 2022 was revised.
- The salary increase assumption and demographic assumptions for teachers were updated to be consistent with the Employees' Retirement System of Rhode Island Actuarial Valuation Report as of June 30, 2018, dated December 18, 2018, completed by Gabriel, Roeder Smith & Company.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage point higher (4.78%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,257,665	\$ 1,062,701	\$ 910,783

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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

		<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$	899,841	\$ 1,062,701	\$ 1,273,757

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$37,331. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Change of Assumptions	\$	40,920	\$ (133,584)

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

Year Ending June 30

2020	\$	(23,318)
2021		(23,318)
2022		(23,318)
2023		(23,318)
2024		608
	\$	<u>(92,664)</u>

CITY OF PROVIDENCE, RHODE ISLAND
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(Amounts expressed in thousands)

13. CONTINGENCIES

The City is involved in numerous lawsuits, claims and grievances arising in the normal course of business, including claims for property damage, personal injury and personnel practices, disputes over property condemnation proceedings and suits contesting the legality of certain taxes. In the opinion of City officials, the ultimate disposition of these matters will not have a material adverse effect on the City's basic financial statements. Included in the government-wide financial statements is a provision for claims that are deemed probable.

The City participates in a number of federally-assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of City officials, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying basic financial statements.

The City is committed under contracts for outstanding projects approximating \$29.1 million as of June 30, 2019.

14. RELATED PARTY TRANSACTIONS

The City leases certain properties from the PPBA. The estimated future minimum lease payments required under these agreements coincide with the principal and interest payments on bonds issued by the PPBA. The leases terminate between 2020 and 2039. The City, in turn, subleases a portion of this property to the School Department. At the expiration of the leases, the City, at its option, can purchase the properties for a nominal amount (see Notes 6 and 7).

15. RISK MANAGEMENT

The City is self-insured in most areas of risk; due to "stop loss" insurance, the city is responsible for a maximum of \$1 million per claimant per year for health care claims. Self-insured risks include general liability, property and casualty, workers' compensation, unemployment and employee health insurance claims. The City does, however, purchase commercial insurance for all buildings leased from the PPBA. The City's Counsel defends the City in any lawsuits that arise from the normal course of operations. At no time during the past three years have insurance settlements exceeded coverage.

The City's health insurance program provides coverage to the City's employees and retirees through United Healthcare and Blue Cross - Blue Shield of Rhode Island (BCBS). In 1997, the City first went to a self-insured program with BCBS and United Health Care. BCBS and United Health Care act as third-party agents for the City in the payment of the various claim plans used by the City. Costs incurred for the operation of BCBS and United Health Care plans are accounted for in an internal service fund. Costs to the City are paid by all funds based on "working rates" established by a third party medical consultant.

CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

(Amounts expressed in thousands)

The City is required to record liabilities for self-insured claims if it is probable that a loss has been incurred and the amount can be reasonably estimated. The City has established a liability based on historical trends of previous years, where available, and attorney's estimates of pending matters and lawsuits in which the City is involved.

Changes in the risk management liability for the fiscal years ended June 30, 2019 and June 30, 2018 are below. Legal claims and incurred but not reported claims for health benefits are recorded in the City's internal service fund. Accrued workers' compensation claims are recorded on the entity-wide statements. This schedule presents the activity for all self-insured risks.

	<u>2019</u>	<u>2018</u>
Beginning of the year	\$ 49,704	\$ 44,679
Incurred claims	107,870	107,255
Less: payment of claims attributable to events of both the current and prior fiscal years:		
Health, legal and workers' compenation	<u>128,702</u>	<u>102,230</u>
Total	<u>\$ 28,872</u>	<u>\$ 49,704</u>
Legal Claims	\$ 17,725	\$ 38,396
Health - IBNR	6,448	6,623
Workers' Compensation	<u>4,699</u>	<u>4,685</u>
Total	<u>\$ 28,872</u>	<u>\$ 49,704</u>

**CITY OF PROVIDENCE, RHODE ISLAND
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019**

(Amounts expressed in thousands)

16. ABATEMENTS

As of June 30, 2019, the City provides tax abatements through multiple programs:

- Title 44 Program
- Historic Property Stabilization Ordinance
- Tax Stabilization for Commercial and Residential Property
- Neighborhood Revitalization Act

Program:	Title 44 Program	Historic Property Stabilization Ordinance	Tax Stabilization for Commercial and Residential Property	Neighborhood Revitalization Act
Purpose of program:	To encourage the restoration of historical landmark properties and mills in the arts and entertainment district.	To encourage the rehabilitation of historic commercial and industrial buildings to productive use.	To encourage the investment in building improvements and/or new construction by owners of property requiring environmental remediation, is historically preserved, or is used for affordable housing, manufacturing, commercial, or residential purposes.	To encourage and promote the use of vacant and/or underutilized property through new construction or rehabilitation of qualifying properties for residential and commercial purposes.
Tax being abated:	Real and Personal Property Tax	Real and Personal Property Tax	Real and Personal Property Tax	Real and Personal Property Tax
Authority under which abatement agreement is entered into:	The State of Rhode Island General Laws Section 44-3-31.2	The State of Rhode Island General Laws Section 44-3-9	The State of Rhode Island General Laws Section 44-3-9	The State of Rhode Island General Laws Section 44-3-9

**CITY OF PROVIDENCE, RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

(Amounts expressed in thousands)

Program:	Title 44 Program	Historic Property Stabilization Ordinance	Tax Stabilization for Commercial and Residential Property	Neighborhood Revitalization Act
Criteria to be eligible to receive abatement:	Eligibility is based on taxable properties designated on the landmark list as approved by ordinance in the City of Providence, and shall be eligible if certified by the city building inspector as in need of substantial rehabilitation.	Eligible property must be in need of substantial rehabilitation, at least 50% of the current replacement value of the structure, as determined by the Director of Department of Inspections and Standards, and located in the historic district as determined by the City Council.	Eligible property must be located in the I-195 redevelopment district, located in the Capital Center Special Development District, or include new construction with a construction valuation of at least \$10,000,000, or the rehabilitation of commercial or multi-family residential property with a cost of construction of at least \$10,000,000.	Eligible properties include new construction (excluding land acquisition costs) or the rehabilitation of commercial, mixed-use, or multi-family residential property between \$250,000 and \$3,000,000 located in opportunity neighborhoods, or commercial corridors that abut or are contiguous with opportunity neighborhoods.
How recipients' taxes are reduced:	Through a reduction of the property's assessed value.	Through a reduction of the property's assessed value.	Through the fixing of the assessed value prior to the improvement.	Through the fixing of the assessed value prior to the improvement.
How amount of abatement is determined:	The benefit is based on a fixed rate reduction of \$33.44 applied to the tangible property value over a ten-year period.	The benefit is an amount equal to the lesser of \$0.35 per square foot or the tax assessed for the year.	The benefit will be based upon a percentage of the total tax at the annual tax rate.	The benefit will be based upon a percentage of the total tax at the annual tax rate over a six year phase-in period.
Provisions for recapturing abated taxes:	None	None	None	None
Types of commitments made by the City other than to reduce taxes:	None	None	None	None

**CITY OF PROVIDENCE, RHODE ISLAND
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019**

(Amounts expressed in thousands)

Program:	Title 44 Program	Historic Property Stabilization Ordinance	Tax Stabilization for Commercial and Residential Property	Neighborhood Revitalization Act
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement/program:	\$8,638	\$2,576	\$157	\$9

17. RESTATEMENT

The government-wide statement of net position was restated to include bond premiums related to the long-term debt of the Providence Public Building Authority.

	<u>Governmental Activities</u>
Net position as previously reported at June 30, 2018	\$ (1,984,756)
Record PPBA bond premiums	<u>(20,312)</u>
Net Position as Restated at July 1, 2018	<u><u>\$ (2,005,068)</u></u>



Required Supplementary Information

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Revenues and Transfers	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
Tax revenues:				
Property taxes	\$ 344,465	\$ 344,465	\$ 348,932	\$ 4,467
Interest on overdue taxes	4,000	4,000	4,454	454
	<u>348,465</u>	<u>348,465</u>	<u>353,386</u>	<u>4,921</u>
Payments in lieu of taxes	33,498	33,498	33,202	(296)
Tax stabilization plans	7,860	7,860	7,835	(25)
State revenue	43,030	43,030	43,167	137
Fines	5,200	5,200	4,406	(794)
Investment interest	200	200	397	197
Miscellaneous	700	700	1,117	417
	<u>90,488</u>	<u>90,488</u>	<u>90,124</u>	<u>(364)</u>
Executive, legislative, and judicial:				
Mayor's Office				
Law Department	150	150	45	(105)
City clerk	9	9	9	-
Probate court	157	157	141	(16)
Housing court	20	20	26	6
	<u>336</u>	<u>336</u>	<u>221</u>	<u>(115)</u>
Finance:				
City collector	500	500	463	(37)
City controller			16	16
Personnel Department				
Workers compensation			33	33
	<u>500</u>	<u>500</u>	<u>512</u>	<u>12</u>
Public safety:				
Commissioner of public safety	135	135	156	21
Police department	6,611	6,611	8,346	1,735
Fire department	1,198	1,198	1,097	(101)
Communications	726	726	812	86
Parking administration	4,125	4,125	3,950	(175)
Traffic engineering	200	200	383	183
	<u>12,995</u>	<u>12,995</u>	<u>14,744</u>	<u>1,749</u>
Building inspection department:				
Building inspection administration	8,560	8,560	6,750	(1,810)
Zoning board of review	37	37	31	(6)
Building board of review	6	6	7	1
	<u>8,603</u>	<u>8,603</u>	<u>6,788</u>	<u>(1,815)</u>

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Revenues and Transfers	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
Public works:				
Environmental control	\$ 26	\$ 26	\$ 48	\$ 22
Highway	218	218	197	(21)
Sewer construction and maintenance	9	9	335	326
	<u>253</u>	<u>253</u>	<u>580</u>	<u>327</u>
Public lands and parks:				
North Burial Ground	300	300	414	114
Other departments:				
Recorder of deeds	3,978	3,978	4,937	959
Vital statistics	337	337	320	(17)
Bureau of licenses	1,556	1,556	1,564	8
Emergency Management	200	200	183	(17)
WSB reimbursement	839	839	839	
Room tax	2,460	2,460	1,980	(480)
Meals and beverage tax	6,167	6,167	5,586	(581)
Tax Stabilization	140	140	115	(25)
Planning and urban development			21	21
Arts, Culture, Film & Tourism	150	150	128	(22)
Providence Place Mall	300	300	780	480
Voluntary payments in lieu of taxes	7,587	7,587	7,678	91
Port Providence	350	350	454	104
	<u>24,064</u>	<u>24,064</u>	<u>24,585</u>	<u>521</u>
Public Properties	126	126	268	142
Transfers:				
Transfer from rescue runs	5,000	5,000	4,317	(683)
Transfer from police/fire detail fund	1,845	1,845	1,794	(51)
Transfer from School Department				
Transfer from Providence Public Building Authority			250	250
Transfers from North Burial Ground	300	300	186	(114)
Transfer from Other funds				
	<u>7,145</u>	<u>7,145</u>	<u>6,547</u>	<u>(598)</u>
Total	\$ <u>493,275</u>	\$ <u>493,275</u>	498,169	\$ <u>4,894</u>

Budgetary revenues are different than GAAP revenues because:

Funds consolidated with the General Fund under GASB 54	7,783
Bond proceeds not budgeted related to PPBA	<u>34,391</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 540,343

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Expenditures and Transfers	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
Executive, legislative and judicial:				
Mayor's office	\$ 3,216	\$ 3,216	\$ 2,878	\$ 338
City Council	802	802	615	187
City sergeant	91	91	91	
City clerk	1,222	1,222	1,205	17
Law department	6,283	6,283	6,930	(647)
Municipal court	1,281	1,281	1,299	(18)
Probate court	525	525	541	(16)
Housing court	470	470	439	31
Contingencies-Mayor	89	89	90	(1)
	<u>13,979</u>	<u>13,979</u>	<u>14,088</u>	<u>(109)</u>
Finance:				
Finance Director	984	984	851	133
City controller	1,392	1,392	1,302	90
Employees retirement office	433	433	454	(21)
Data processing	3,756	3,756	3,485	271
City collector	2,519	2,519	2,154	365
City assessor	2,952	2,952	2,774	178
Board of tax assessment review	17	17	15	2
Treasury department	718	718	720	(2)
Personnel	2,148	2,148	2,078	70
Heat, light and power	5,055	5,055	5,075	(20)
Debt service	61,807	61,807	62,914	(1,107)
Employee Death Benefit	150	150	284	(134)
Workers compensation	2,030	2,030	2,139	(109)
Unemployment compensation	240	240	184	56
	<u>84,201</u>	<u>84,201</u>	<u>84,429</u>	<u>(228)</u>
Public safety:				
Commissioner of public safety	1,881	1,881	1,839	42
Police department	79,655	79,655	84,998	(5,343)
Fire department	73,109	73,109	67,100	6,009
Communications department	9,647	9,647	9,432	215
Traffic Engineering	1,495	1,495	1,431	64
	<u>165,787</u>	<u>165,787</u>	<u>164,800</u>	<u>987</u>

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CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Expenditures and Transfers	Budgeted Amounts			Variance Positive/ (Negative)
	Original	Final	Actual	
Building inspection department:				
Building inspection administration	\$ 2,035	\$ 2,035	\$ 1,745	\$ 290
Structures and zoning division	1,881	1,881	1,332	549
Plumbing, drainage, and gas piping division	439	439	453	(14)
Electrical installations division	401	401	294	107
Zoning board of review	19	19	18	1
Building and housing board of review	14	14	14	
	<u>4,789</u>	<u>4,789</u>	<u>3,856</u>	<u>933</u>
Public works:				
Public works administration	1,012	1,012	1,061	(49)
Engineering and sanitation	973	973	912	61
Environmental control	10,750	10,750	10,893	(143)
Highway	4,628	4,628	4,200	428
Snow removal	2,041	2,041	1,922	119
Parking administration	853	853	824	29
Sewer construction and maintenance	943	943	979	(36)
Garage maintenance and equipment repair	933	933	914	19
	<u>22,133</u>	<u>22,133</u>	<u>21,705</u>	<u>428</u>
Recreation:				
Recreation	1,921	1,921	1,919	2
Recreation seasonal	1,024	1,024	1,288	(264)
	<u>2,945</u>	<u>2,945</u>	<u>3,207</u>	<u>(262)</u>
Public lands and parks:				
Grounds maintenance services	1,519	1,519	1,335	184
Forestry services	5,169	5,169	5,349	(180)
Zoological services	2,980	2,980	2,980	
Park environmental services (Greenhouse)	620	620	424	196
Park programming (Roger Williams Park)	1,460	1,460	1,306	154
Superintendent of parks	1,042	1,042	1,163	(121)
North Burial Grounds	802	802	672	130
	<u>13,592</u>	<u>13,592</u>	<u>13,229</u>	<u>363</u>
Other departments:				
Recorder of deeds	567	567	532	35
Vital statistics	332	332	351	(19)
Board of canvassers	1,155	1,155	1,018	137
Bureau of licenses	930	930	766	164

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

Expenditures and Transfers	Budgeted Amounts		Actual	Variance Positive/ (Negative)
	Original	Final		
Other departments, (Continued):				
Emergency Management	\$ 687	\$ 687	\$ 563	\$ 124
Planning and urban development	3,888	3,888	3,554	334
Office of Economic Opportunity	1,881	1,881	1,779	102
Administration to City Council	1,296	1,296	944	352
Internal auditor	697	697	495	202
Archives	497	497	486	11
Human relations commission	76	76	63	13
Department of human services	688	688	507	181
Office of Arts, Culture, Film & Tourism	1,463	1,463	1,502	(39)
Providence Housing Authority	9	9	7	2
League of Cities	12	12	24	(12)
Ceremonies	9	9	8	1
P.E.R.A.	339	339	42	297
Non-Departmental	2,785	2,785	1,998	787
	<u>17,311</u>	<u>17,311</u>	<u>14,639</u>	<u>2,672</u>
Grants:				
Providence Public Library	4,275	4,275	4,274	1
Community centers	261	261	237	24
Crossroads	129	129	129	-
P.A.S.A.	275	275	275	-
Institute of Non-Violence	188	188	188	-
Grants (Transfer to Mary Sharpe)	25	25	25	-
Grant Expenditure	500	500	519	(19)
	<u>5,653</u>	<u>5,653</u>	<u>5,647</u>	<u>6</u>
Public properties	<u>6,692</u>	<u>6,692</u>	<u>8,679</u>	<u>(1,987)</u>
Transfers:				
Transfers to School Department	128,547	128,547	128,547	-
Transfer to Retiree Benefits	24,033	24,033	26,039	(2,006)
Deficit Reduction	3,612	3,612		3,612
Transfer to Other Department			566	(566)
	<u>156,192</u>	<u>156,192</u>	<u>155,152</u>	<u>1,040</u>
Total	\$ <u>493,274</u>	\$ <u>493,274</u>	489,431	\$ <u>3,843</u>
Budgetary expenditures are different than GAAP expenditures because:				
Funds consolidated with the General Fund under GASB 54			7,578	
Capital outlay not budgeted related to PPBA			<u>34,391</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>531,400</u>	

CITY OF PROVIDENCE, RHODE ISLAND
 SCHOOL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED JUNE 30, 2019
 (In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal and state revenue	\$ 249,044	\$ 251,791	\$ 251,791	\$
Other revenue	6,435	6,435	5,629	(806)
Transfers from other funds	128,546	128,547	128,547	
Total revenues	<u>384,025</u>	<u>386,773</u>	<u>385,967</u>	<u>(806)</u>
Expenditures:				
Education	<u>384,025</u>	<u>386,773</u>	<u>385,967</u>	<u>806</u>
Excess of Revenue over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Budget - GAAP Reconciliation: A reconciliation of revenues and expenditures between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<u>School Unrestricted</u>	
	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - June 30, 2019	\$ 385,967	\$ 385,967
State teachers' retirement on-behalf payments	<u>15,872</u>	<u>15,872</u>
Balance, GAAP Basis - June 30, 2019	\$ <u>401,839</u>	\$ <u>401,839</u>

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS*
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 19,541	\$ 19,667	\$ 20,248	\$ 18,405	\$ 17,783	\$ 18,844
Interest	107,615	105,421	102,963	100,333	98,938	96,007
Differences between expected and actual experience	2,142	5,781	11,541	(4,367)	1,650	
Changes of assumptions				60,313	841	
Benefit payments, including refunds of member contributions	(102,828)	(103,818)	(103,088)	(108,193)	(97,651)	(96,570)
Net change in total pension liability	26,470	27,051	31,664	66,491	21,561	18,281
Total pension liability - beginning	<u>1,377,056</u>	<u>1,350,005</u>	<u>1,318,341</u>	<u>1,251,850</u>	<u>1,230,289</u>	<u>1,212,008</u>
Total pension liability - ending	<u>1,403,526</u>	<u>1,377,056</u>	<u>1,350,005</u>	<u>1,318,341</u>	<u>1,251,850</u>	<u>1,230,289</u>
Plan fiduciary net position:						
Contributions - employer	83,357	78,123	72,396	70,704	66,876	62,140
Contributions - member	12,654	12,246	11,419	12,043	11,624	10,873
Net investment income	15,249	24,026	34,880	7,849	12,702	47,003
Benefit payments, including refunds of member contributions	(102,828)	(103,818)	(103,088)	(108,193)	(97,651)	(96,570)
Administrative expense	(176)	(223)	(250)	(184)	(195)	(1,519)
Net change in plan fiduciary net position	8,256	10,354	15,357	(17,781)	(6,644)	21,927
Plan fiduciary net position - beginning	<u>358,998</u>	<u>348,644</u>	<u>333,287</u>	<u>351,068</u>	<u>357,712</u>	<u>335,785</u>
Plan fiduciary net position - ending	<u>367,254</u>	<u>358,998</u>	<u>348,644</u>	<u>333,287</u>	<u>351,068</u>	<u>357,712</u>
Net Pension Liability - Ending	<u>\$ 1,036,272</u>	<u>\$ 1,018,058</u>	<u>\$ 1,001,361</u>	<u>\$ 985,054</u>	<u>\$ 900,782</u>	<u>\$ 872,577</u>
Plan fiduciary net position as a percentage of the total pension liability	26.17%	26.07%	25.83%	25.28%	28.04%	29.08%
Covered payroll	\$ 155,596	\$ 145,815	\$ 143,311	\$ 145,874	\$ 142,504	\$ 139,893
Net pension liability as a percentage of covered payroll	666.00%	698.18%	698.73%	675.28%	632.11%	623.75%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SIX FISCAL YEARS***
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 80,763	\$ 76,444	\$ 72,396	\$ 70,704	\$ 66,876	\$ 61,615
Contributions in relation to the actuarially determined contribution	<u>83,357</u>	<u>78,123</u>	<u>72,396</u>	<u>70,704</u>	<u>66,876</u>	<u>62,140</u>
Contribution Deficiency (Excess)	<u>\$ (2,594)</u>	<u>\$ (1,679)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (525)</u>
Covered payroll	\$ 155,596	\$ 145,815	\$ 143,311	\$ 145,874	\$ 142,504	\$ 139,893
Contributions as a percentage of covered payroll	53.57%	53.58%	50.52%	48.47%	46.93%	44.42%

Notes to Schedule

Valuation date: July 1, 2018
Measurement date: June 30, 2019
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar for the 1995 deferral liability and increasing 3.5% per year for the remaining unfunded liability.
Remaining amortization period	24 years remaining as of July 1, 2016 (15 years remaining as of July 1, 2016 for the 1995 deferral.
Inflation	3.5%
Salary increases	3.5% per year before reflecting increases due to longevity compensation.
Investment rate of return	8.00%, net of pension plan investment and administrative expenses, including inflation.
Cost of living adjustments:	10-year freeze as of January 1, 2013 and 3% thereafter.
Benefit changes:	There have been no changes in benefit provisions since GASB 67/68 implementation
Assumption changes:	The actuarial assumptions used to reflect the assumptions proposed in the Experience Investigation for the Five Year Period Ending June 30, 2011 submitted to the Board on April 2, 2012, with the following exception: The retirement rate for Class B participants is 100% at age 60.

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF PROVIDENCE, RHODE ISLAND
 EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF PROVIDENCE (ERS)
 SCHEDULE OF INVESTMENT RETURNS
 LAST SIX FISCAL YEARS***

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	4.50%	7.30%	12.20%	2.60%	3.30%	17.50%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST THREE FISCAL YEARS
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2015</u>
City's proportion of the net pension liability	0.70%	0.69%	0.76%
City's proportionate share of the net pension liability	\$ 286,187	\$ 282,998	\$ 282,126
State's proportionate share of the net pension liability associated with the City	<u>213,475</u>	<u>213,878</u>	<u>193,215</u>
Total	<u>\$ 499,662</u>	<u>\$ 496,876</u>	<u>\$ 475,341</u>
City's covered payroll	\$ 164,929	\$ 154,962	\$ 154,962
City's proportionate share of the net pension liability as a percentage of its covered payroll	58%	55%	55%
Plan fiduciary net position as a percentage of the total pension liability	54.34%	54.01%	54.06%

Notes:

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

2.) This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF PROVIDENCE, RHODE ISLAND
EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
SCHEDULE OF THE CITY'S CONTRIBUTIONS
LAST THREE FISCAL YEARS
(In Thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 22,183	\$ 20,747	\$ 20,424
Contributions in relation to the actuarially determined contribution	<u>22,183</u>	<u>20,747</u>	<u>20,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 164,929	\$ 154,962	\$ 154,962
Contributions as a percentage of its covered payroll	13.5%	13.4%	13.2%

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.) This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS*

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 23,533	\$ 35,274
Interest on the total OPEB liability	37,115	32,832
Differences between expected and actual experience	49,105	-
Changes of assumptions	(45,456)	(143,555)
Benefit payments	<u>(29,355)</u>	<u>(26,854)</u>
Net change in total OPEB liability	34,942	(102,303)
Total OPEB liability - beginning	<u>1,027,759</u>	<u>1,130,062</u>
Total OPEB Liability - Ending	<u>\$ 1,062,701</u>	<u>\$ 1,027,759</u>

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



**Supplemental,
Combining and
Individual
Fund Statements and
Schedules**



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Neighborhood Housing Fund – is used for Administrative and Program Expenses primarily related to Housing Repair Loan Programs and Downpayment/Closing Assistance Programs. Also income related to Tax Stabilization Agreements.

Federal Funds Fund – is used to account for Administrative and Program Expenses and Program Income primarily related to the following federally funded programs: Community Development Block Grant, Emergency Shelter Grant and Housing Opportunities for Persons with Aids.

PEDC Fund - is used to account for Administrative and Program Expenses and Program Income primarily related to loans and grants for business start-ups, expansion, and operating costs (Industrial, Commercial and Operating Accounts).

Other P&D – is used to account for Good Faith Deposits – Deposits to secure vacant lots of the PRA until closing. There is also the Lead Fund which is primarily for expenses and income related to federally funded programs that supply loans to homeowners for remediation work, income from federal grants and City Bond dollars.

Other Special Revenue Funds – is used to account for various smaller special revenue funds used by the City.

Skating Rink – is used to account for the operations of the Skating Rink.

WDO – is used to account for proceeds received from the federal government for workforce development services.

Capital Proceeds Fund – is used to account for various smaller operations. It primarily consists of a Trust Fund that has spending stipulations for various City operations, and proceeds received for public safety and seizure.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Other Nonmajor Governmental Funds - Other Nonmajor governmental funds are used to account for permanent trust funds.

CITY OF PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019
(In Thousands)

	Neighborhood Housing	Community Development	PEDC	Other P & D	Other Special Revenue Fund	Skating Rink	WDO	Capital Proceeds Fund	Other Nonmajor Governmental Funds	Totals
ASSETS										
Cash and cash equivalents	\$ 2,282	\$ 1,924	\$ 2,538	\$ 235	\$ 3,762	\$ 312	\$ 252	\$ 3,570	\$ 1,062	\$ 15,937
Investments					238			188	18,566	18,992
Receivables, net:										
Loans	5,153	1,223	6,895							13,271
Intergovernmental		9,281		286	813		267			10,647
Other		209	15	60	113		2,468	47		2,912
Due from other funds	371	3,706	2,281	434	753		16	4,701	110	12,372
Other assets	408	22	327							757
Total Assets	<u>\$ 8,214</u>	<u>\$ 16,365</u>	<u>\$ 12,056</u>	<u>\$ 1,015</u>	<u>\$ 5,679</u>	<u>\$ 312</u>	<u>\$ 3,003</u>	<u>\$ 8,506</u>	<u>\$ 19,738</u>	<u>\$ 74,888</u>
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Warrants and accounts payable	\$	\$ 1,881	\$	\$ 281	\$ 314	\$ 16	\$ 895	\$	\$ 29	\$ 3,416
Accrued liabilities	182					1	1,248			1,431
Unearned revenue	323	9,281	368	26						9,998
Due to other funds	390	4,392	2,289	562	312	2	542	84	474	9,047
Total liabilities	<u>895</u>	<u>15,554</u>	<u>2,657</u>	<u>869</u>	<u>626</u>	<u>19</u>	<u>2,685</u>	<u>84</u>	<u>503</u>	<u>23,892</u>
FUND BALANCES										
Nonspendable									136	136
Restricted	7,319	811	9,399	146	4,550	293	318		19,099	41,935
Committed					510			8,422		8,932
Unassigned					(7)					(7)
Total fund balances	<u>7,319</u>	<u>811</u>	<u>9,399</u>	<u>146</u>	<u>5,053</u>	<u>293</u>	<u>318</u>	<u>8,422</u>	<u>19,235</u>	<u>50,996</u>
Total Liabilities and Fund Balances	<u>\$ 8,214</u>	<u>\$ 16,365</u>	<u>\$ 12,056</u>	<u>\$ 1,015</u>	<u>\$ 5,679</u>	<u>\$ 312</u>	<u>\$ 3,003</u>	<u>\$ 8,506</u>	<u>\$ 19,738</u>	<u>\$ 74,888</u>

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Neighborhood Housing</u>	<u>Community Development</u>	<u>PEDC</u>	<u>Other P&D</u>	<u>Other Special Revenue Fund</u>	<u>Skating Rink</u>	<u>WDO</u>	<u>Capital Proceeds Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Totals</u>
Revenues:										
Departmental	\$	\$	\$	\$	\$ 1,406	\$ 649	\$ 1,198	\$	\$ 45	\$ 3,298
Intergovernmental		8,959		825	12,804		5,159		4	27,751
Investment and rental income	15		207		225	23		44	1,165	1,679
State Fiscal Stabilization Funds										
Other	153	5	31		997			208		1,394
Total Revenues	<u>168</u>	<u>8,964</u>	<u>238</u>	<u>825</u>	<u>15,432</u>	<u>672</u>	<u>6,357</u>	<u>252</u>	<u>1,214</u>	<u>34,122</u>
Expenditures:										
Current:										
Executive, legislative, and judicial					5				318	323
Finance										
Public safety					11,156		6,220			17,376
Building inspection					38					38
Recreation					679	524		37		1,240
Public lands and parks					935				284	1,219
Grants					1,069					1,069
Community development	4	8,717	2,018	825	155					11,719
Noncurrent:										
Capital outlays					15					15
Debt Service:										
Principal		2,078								2,078
Interest and other costs		56								56
Total expenditures	<u>4</u>	<u>10,851</u>	<u>2,018</u>	<u>825</u>	<u>14,052</u>	<u>524</u>	<u>6,220</u>	<u>37</u>	<u>602</u>	<u>35,133</u>
Excess (Deficiency) of Revenue over Expenditures	<u>164</u>	<u>(1,887)</u>	<u>(1,780)</u>		<u>1,380</u>	<u>148</u>	<u>137</u>	<u>215</u>	<u>612</u>	<u>(1,011)</u>
Other Financing Sources (Uses):										
Transfers in		572			671					1,243
Transfers out			(572)		(135)				(186)	(893)
Total other financing sources (uses)	<u>-</u>	<u>572</u>	<u>(572)</u>	<u>-</u>	<u>536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186)</u>	<u>350</u>
Net Change in Fund Balance	164	(1,315)	(2,352)		1,916	148	137	215	426	(661)
Fund Balance, Beginning of Year	<u>7,155</u>	<u>2,126</u>	<u>11,751</u>	<u>146</u>	<u>3,137</u>	<u>145</u>	<u>181</u>	<u>8,207</u>	<u>18,809</u>	<u>51,657</u>
Fund Balance, End of Year	<u>\$ 7,319</u>	<u>\$ 811</u>	<u>\$ 9,399</u>	<u>\$ 146</u>	<u>\$ 5,053</u>	<u>\$ 293</u>	<u>\$ 318</u>	<u>\$ 8,422</u>	<u>\$ 19,235</u>	<u>\$ 50,996</u>

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
COMMUNITY DEVELOPMENT
JUNE 30, 2019
(In Thousands)

	Community Development Block Grant	Lead Grant	Totals
ASSETS			
Cash and cash equivalents	\$ 909	\$ 1,015	\$ 1,924
Loans	1,041	182	1,223
Intergovernmental	2,873	6,408	9,281
Other Receivables	209		209
Due from other funds	2,950	756	3,706
Other assets	22		22
Total Assets	<u>\$ 8,004</u>	<u>\$ 8,361</u>	<u>\$ 16,365</u>
LIABILITIES			
Warrants and accounts payable	\$ 1,351	\$ 530	\$ 1,881
Unearned revenue	2,873	6,408	9,281
Due to other funds	3,311	1,081	4,392
Total liabilities	<u>7,535</u>	<u>8,019</u>	<u>15,554</u>
FUND BALANCES			
Restricted	<u>469</u>	<u>342</u>	<u>811</u>
Total Liabilities and Fund Balances	<u>\$ 8,004</u>	<u>\$ 8,361</u>	<u>\$ 16,365</u>

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
COMMUNITY DEVELOPMENT
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Community Development Block Grant	Lead Grant	Totals
Revenues:			
Intergovernmental	\$ 8,125	\$ 834	\$ 8,959
Other	5		5
Total revenues	<u>8,130</u>	<u>834</u>	<u>8,964</u>
Expenditures:			
Community development	7,884	833	8,717
Principal	2,078		2,078
Interest and other costs	56		56
Total expenditures	<u>10,018</u>	<u>833</u>	<u>10,851</u>
Other Financing Sources (Uses):			
Transfers in	572		572
Net Change in Fund Balance	(1,316)	1	(1,315)
Fund Balance, Beginning of Year	<u>1,785</u>	<u>341</u>	<u>2,126</u>
Fund Balance, End of Year	<u>\$ 469</u>	<u>\$ 342</u>	<u>\$ 811</u>

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2019
(In Thousands)

	Recreation Department	Grants Fund	Public Safety Grants	FCACFP Parks Department	Police Animal Dog Pound	Harbor Mooring Fund	ARRA	Economic Opportunity Grants	Partnerships- Development Grant	PVD Gives Commission	Healthy Communities Grants
ASSETS											
Cash and cash equivalents	\$ 195	\$ 108	\$ 111	\$ 99	\$ 183	\$ -	\$ -	\$ 20	\$ 159	\$ 6	\$ 173
Investments											
Receivables, net:											
Intergovernmental	16		597	43							157
Other			5								
Due from other funds			60								8
Other assets											
Total assets	\$ 211	\$ 108	\$ 773	\$ 142	\$ 183	\$ -	\$ -	\$ 20	\$ 159	\$ 6	\$ 338
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Warrants and accounts payable	\$ 2	\$ 17	\$ 53	\$ 44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52
Accrued liabilities											
Unearned revenue											
Deferred revenue											
Due to other funds	4	9	246	30						4	2
Due to other governments											
Total liabilities	6	26	299	74	-	-	-	-	-	4	54
FUND BALANCES (DEFICIT)											
Nonspendable											
Restricted	205	82	474	68	183			20	159	2	284
Committed											
Unassigned											
Total fund balances (deficit)	205	82	474	68	183	-	-	20	159	2	284
Total Liabilities and Fund Balances	\$ 211	\$ 108	\$ 773	\$ 142	\$ 183	\$ -	\$ -	\$ 20	\$ 159	\$ 6	\$ 338

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019
(In Thousands)

	<u>Building Inspection</u>	<u>Waterplace Park Revolving Fund</u>	<u>Fire National Hwy Grant Fund</u>	<u>Public Safe/Fire Detect Inspec</u>	<u>Park Museum Fund</u>	<u>Roger Williams Park Casino</u>	<u>Botanical Gardens Center Proj</u>	<u>Parks Mary E. Sharpe Fund</u>	<u>NG Johnson Playground Fund</u>	<u>North Burial Ground Fund</u>	<u>Botanical Gardens Operations</u>
ASSETS											
Cash and cash equivalents	\$ 1,012	\$ 84	\$ 11	\$ 267	\$ 304	\$ 7	\$ 10	\$ 130	\$ 3	\$ 34	\$ 255
Investments											
Receivables, net:											
Intergovernmental											
Other				2	7	1					6
Due from other funds				93	20						
Other assets											
Total assets	<u>\$ 1,012</u>	<u>\$ 84</u>	<u>\$ 11</u>	<u>\$ 362</u>	<u>\$ 331</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ 130</u>	<u>\$ 3</u>	<u>\$ 34</u>	<u>\$ 261</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Warrants and accounts payable	\$ 7	\$	\$	\$ 6	\$ 30	\$	\$	\$ 32	\$	\$	\$ 37
Accrued liabilities											
Unearned revenue											
Deferred revenue											
Due to other funds						15					1
Due to other governments											
Total liabilities	<u>7</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>30</u>	<u>15</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>38</u>
FUND BALANCES (DEFICIT)											
Nonspendable											
Restricted	1,005		11	356			10	98	3	34	223
Committed		84			301						
Unassigned						(7)					
Total fund balances (deficit)	<u>1,005</u>	<u>84</u>	<u>11</u>	<u>356</u>	<u>301</u>	<u>(7)</u>	<u>10</u>	<u>98</u>	<u>3</u>	<u>34</u>	<u>223</u>
Total Liabilities and Fund Balances	<u>\$ 1,012</u>	<u>\$ 84</u>	<u>\$ 11</u>	<u>\$ 362</u>	<u>\$ 331</u>	<u>\$ 8</u>	<u>\$ 10</u>	<u>\$ 130</u>	<u>\$ 3</u>	<u>\$ 34</u>	<u>\$ 261</u>

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019
(In Thousands)

	Recreation Support Fund	RI State Council On Acts Fund	Park Department Capital Fund	City Council Parks & Recreation	Substance Abuse/Other Sources	Speed Camera Traffic & School Safety	State Adoptive Seizure	Federal Adoptive Seizure Fund	RI Historical Records Tr Fund	Insp. & Stds. Rent Escrow Fund	Totals
ASSETS											
Cash and cash equivalents	\$ 137	\$ 1	\$ 47	\$ 53	\$	\$	\$ 239	\$ 47	\$ 51	\$ 16	\$ 3,762
Investments				37	201						238
Receivables, net:											
Intergovernmental											813
Other				89					3		113
Due from other funds						536			36		753
Other assets											
Total assets	\$ 137	\$ 1	\$ 47	\$ 179	\$ 201	\$ 536	\$ 239	\$ 47	\$ 90	\$ 16	\$ 5,679
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Warrants and accounts payable	\$ 12	\$	\$	\$	\$	\$	\$ 6	\$	\$	\$ 16	\$ 314
Accrued liabilities											
Unearned revenue											
Deferred revenue											
Due to other funds									1		312
Due to other governments											
Total liabilities	12	-	-	-	-	-	6	-	1	16	626
FUND BALANCES (DEFICIT)											
Nonspendable											
Restricted		1	47	179	201	536	233	47	89		4,550
Committed	125										510
Unassigned											(7)
Total fund balances (deficit)	125	1	47	179	201	536	233	47	89	-	5,053
Total Liabilities and Fund Balances	\$ 137	\$ 1	\$ 47	\$ 179	\$ 201	\$ 536	\$ 239	\$ 47	\$ 90	\$ 16	\$ 5,679

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Recreation Department	Grants Fund	Public Safety Grants	FCACFP Parks Department	Police Animal Dog Pound	Harbor Moorings Fund	ARRA	Economic Opportunity Grants	Partnerships- Development Grant	PVD Gives Commission	Healthy Communities Grants
Revenues											
Departmental	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Intergovernmental	589	87	10,840	182	36			101	248	1	753
Investment and rental income											
Other	4	80	85								110
Total revenues	<u>593</u>	<u>167</u>	<u>10,925</u>	<u>182</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>101</u>	<u>248</u>	<u>1</u>	<u>863</u>
Expenditures											
Current:											
Executive, legislative, and judicial											
Public safety		129	10,826		31						
Building Inspection											
Recreation	570										
Public lands and parks				115							
Grants											1,069
Community development								116	39		
Noncurrent:											
Capital Outlays											
Total expenditures	<u>570</u>	<u>129</u>	<u>10,826</u>	<u>115</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>116</u>	<u>39</u>	<u>-</u>	<u>1,069</u>
Excess (Deficiency)	<u>23</u>	<u>38</u>	<u>99</u>	<u>67</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>209</u>	<u>1</u>	<u>(206)</u>
Other Financing Sources (Uses)											
Transfers in											135
Transfers out									(135)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>-</u>	<u>135</u>
Net Change in Fund Balance (Deficit)	<u>23</u>	<u>38</u>	<u>99</u>	<u>67</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>(15)</u>	<u>74</u>	<u>1</u>	<u>(71)</u>
Fund Balance at Beginning of Year	<u>182</u>	<u>44</u>	<u>375</u>	<u>1</u>	<u>178</u>	<u>-</u>	<u>-</u>	<u>35</u>	<u>85</u>	<u>1</u>	<u>355</u>
Fund Balance at End of Year	<u>\$ 205</u>	<u>\$ 82</u>	<u>\$ 474</u>	<u>\$ 68</u>	<u>\$ 183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 159</u>	<u>\$ 2</u>	<u>\$ 284</u>

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Building Inspection	Waterplace Park Revolving Fund	Fire National Hwy Grant Fund	Public Safe/Fire Detect Inspec	Park Museum Fund	Roger Williams Park Casino	Botanical Gardens Center Proj	Parks Mary E. Sharpe Fund	NG Johnson Playground Fund	North Burial Ground Fund	Botanical Gardens Operations
Revenues											
Departmental	\$ 614	\$	\$	\$	\$ 227	\$ 66	\$	\$	\$	\$	\$ 272
Intergovernmental											3
Investment and rental income	5	31	1	1	1	77		1			98
Other				187	4			144			3
Total revenues	<u>619</u>	<u>31</u>	<u>1</u>	<u>188</u>	<u>232</u>	<u>143</u>	<u>-</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>376</u>
Expenditures											
Current:											
Executive, legislative, and judicial											
Public safety				75							
Building Inspection	38										
Recreation		6									
Public lands and parks					183	188		113			336
Grants											
Community development											
Noncurrent:											
Capital Outlays											
Total expenditures	<u>38</u>	<u>6</u>	<u>-</u>	<u>75</u>	<u>183</u>	<u>188</u>	<u>-</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>336</u>
Excess (Deficiency)	<u>581</u>	<u>25</u>	<u>1</u>	<u>113</u>	<u>49</u>	<u>(45)</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>40</u>
Other Financing Sources (Uses)											
Transfers in											
Transfers out											
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	<u>581</u>	<u>25</u>	<u>1</u>	<u>113</u>	<u>49</u>	<u>(45)</u>	<u></u>	<u>32</u>	<u></u>	<u></u>	<u>40</u>
Fund Balance at Beginning of Year	<u>424</u>	<u>59</u>	<u>10</u>	<u>243</u>	<u>252</u>	<u>38</u>	<u>10</u>	<u>66</u>	<u>3</u>	<u>34</u>	<u>183</u>
Fund Balance at End of Year	<u>\$ 1,005</u>	<u>\$ 84</u>	<u>\$ 11</u>	<u>\$ 356</u>	<u>\$ 301</u>	<u>\$ (7)</u>	<u>\$ 10</u>	<u>\$ 98</u>	<u>\$ 3</u>	<u>\$ 34</u>	<u>\$ 223</u>

(Continued on next page)

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Recreation Support Fund	RI State Council On Acts Fund	Park Department Capital Fund	City Council Parks & Recreation	Substance Abuse/Other Sources	Speed Camera Traffic & School Safety	State Adoptive Seizure	Federal Adoptive Seizure Fund	RI Historical Records Tr Fund	Insp. & Stds. Rent Escrow Fund	Totals
Revenues											
Departmental	\$ 173	\$	\$	\$	\$	\$	\$	\$	\$ 18	\$	\$ 1,406
Intergovernmental											12,804
Investment and rental income	1			2	7						225
Other				142			230	8			997
Total revenues	<u>174</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>7</u>	<u>-</u>	<u>230</u>	<u>8</u>	<u>18</u>	<u>-</u>	<u>15,432</u>
Expenditures											
Current:											
Executive, legislative, and judicial					1				4		5
Public safety							66	29			11,156
Building Inspection											38
Recreation	103										679
Public lands and parks											935
Grants											1,069
Community development											155
Noncurrent:											
Capital Outlays								15			15
Total expenditures	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>66</u>	<u>44</u>	<u>4</u>	<u>-</u>	<u>14,052</u>
Excess (Deficiency)	<u>71</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>6</u>	<u>-</u>	<u>164</u>	<u>(36)</u>	<u>14</u>	<u>-</u>	<u>1,380</u>
Other Financing Sources (Uses)											
Transfers in						536					671
Transfers out											(135)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536</u>
Net Change in Fund Balance (Deficit)	<u>71</u>	<u>-</u>	<u>-</u>	<u>144</u>	<u>6</u>	<u>536</u>	<u>164</u>	<u>(36)</u>	<u>14</u>	<u>-</u>	<u>1,916</u>
Fund Balance at Beginning of Year	<u>54</u>	<u>1</u>	<u>47</u>	<u>35</u>	<u>195</u>	<u>-</u>	<u>69</u>	<u>83</u>	<u>75</u>	<u>-</u>	<u>3,137</u>
Fund Balance at End of Year	<u>\$ 125</u>	<u>\$ 1</u>	<u>\$ 47</u>	<u>\$ 179</u>	<u>\$ 201</u>	<u>\$ 536</u>	<u>\$ 233</u>	<u>\$ 47</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 5,053</u>

**CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
OTHER NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)**

	North Burial Ground Perp Care	Fire Insurance	Dexter Donation Trust	Mary Swift Bragunn Trust	Locust Grove Cemetery Trust	Anna H Mann Trust	Gladys Potter Trust	Samuel Tingley Trust	MH Gould Trust	Elizabeth Angell Gould Trust	City of Providence Port Trust	C.H. Smith (Superior Court)
ASSETS												
Cash and cash equivalents	\$ 364	\$ 36	\$ 29	\$	\$ 8	\$	\$	\$ 174	\$	\$ 142	\$	\$ 39
Investments	5,674		2,763	83		540	96	581	63	499	289	3,011
Due from other funds	110											
Total Assets	\$ 6,148	\$ 36	\$ 2,792	\$ 83	\$ 8	\$ 540	\$ 96	\$ 755	\$ 63	\$ 641	\$ 289	\$ 3,050
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Warrants and accounts payable	\$ 22	\$	\$	\$	\$	\$	\$	\$ 7	\$	\$	\$	\$
Accrued liabilities												
Deferred revenue												
Due to other funds	421		2		3	48						
Total liabilities	443	-	2	-	3	48	-	7	-	-	-	-
FUND BALANCES												
Nonspendable							10	100				12
Restricted	5,705	36	2,790	83	5	492	86	648	63	641	289	3,038
Unassigned												
Total fund balances	5,705	36	2,790	83	5	492	96	748	63	641	289	3,050
Total Liabilities and Fund Balances	\$ 6,148	\$ 36	\$ 2,792	\$ 83	\$ 8	\$ 540	\$ 96	\$ 755	\$ 63	\$ 641	\$ 289	\$ 3,050

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**CITY OF PROVIDENCE, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 OTHER NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019
 (In Thousands)**

	Emeline Owen Vinton Trust	Fredrick A Vinton Trust Fund	Dr. Vincent A. Cianci Tr Fund	Ebenizer Knight Dexter Trust Fund	Edward F. Ely Exp Trust	H. B. Anthony Exp Trust	Abbey A. King Trust	North Burial Ground Res Fund	School Comm Dwight Mem	Ellen Barnes	Charles H Smith	Total
ASSETS												
Cash and cash equivalents	\$ 1	\$ 2	\$ -	\$ 10	\$ 10	\$ 36	\$ 23	\$ 181	\$ 41	\$ 1	\$ 1	\$ 1,062
Investments				3,569	1,050		312					18,566
Due from other funds												110
Total Assets	\$ 1	\$ 2	\$ -	\$ 3,579	\$ 1,060	\$ 36	\$ 335	\$ 181	\$ 41	\$ 1	\$ 1	\$ 19,738
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29
Accrued liabilities												
Deferred revenue												
Due to other funds												474
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	503
FUND BALANCES												
Nonspendable					6	3	5					136
Restricted	1	2		3,579	1,054	33	330	181	41	1	1	19,099
Unassigned												
Total fund balances	1	2	-	3,579	1,060	36	335	181	41	1	1	19,235
Total Liabilities and Fund Balances	\$ 1	\$ 2	\$ -	\$ 3,579	\$ 1,060	\$ 36	\$ 335	\$ 181	\$ 41	\$ 1	\$ 1	\$ 19,738

**CITY OF PROVIDENCE, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 OTHER NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019
 (In Thousands)**

	North Burial Ground Perp Care	Fire Insurance	Dexter Donation Trust	Mary Swift Bragunn Trust	Locust Grove Cemetery Trust	Anna H Mann Trust	Gladys Potter Trust	Samuel Tingley Trust	MH Gould Trust	Elizabeth Angell Gould Trust	City of Providence Port Trust	C.H. Smith (Superior Court)
Revenues												
Departmental	\$ 45	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Intergovernmental	4											
Investment and rental income	475		142	2		29	3	29	1	28	10	157
Other												
Total revenues	<u>524</u>	<u>-</u>	<u>142</u>	<u>2</u>	<u>-</u>	<u>29</u>	<u>3</u>	<u>29</u>	<u>1</u>	<u>28</u>	<u>10</u>	<u>157</u>
Expenditures												
Executive, legislative, and judicial Finance			26			4		10		1	1	174
Public safety												
Recreation												
Public lands and parks	284											
Debt service												
Capital												
Community development												
Total expenditures	<u>284</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>174</u>
Excess (Deficiency)	240		116	2		25	3	19	1	27	9	(17)
Other Financing Uses												
Transfers out	(186)											
Net Change in Fund Balances	54		116	2		25	3	19	1	27	9	(17)
Fund Balance at Beginning of Year	5,651	36	2,674	81	5	467	93	729	62	614	280	3,067
Fund Balance at End of Year	<u>\$ 5,705</u>	<u>\$ 36</u>	<u>\$ 2,790</u>	<u>\$ 83</u>	<u>\$ 5</u>	<u>\$ 492</u>	<u>\$ 96</u>	<u>\$ 748</u>	<u>\$ 63</u>	<u>\$ 641</u>	<u>\$ 289</u>	<u>\$ 3,050</u>

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CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
OTHER NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	Emeline Owen Vinton Trust	Fredrick A Vinton Trust Fund	Dr. Vincent A. Cianci Tr Fund	Ebenizer Knight Dexter Trust Fund	Edward F. Ely Exp Trust	H. B. Anthony Exp Trust	Abbey A. King Trust	North Burial Ground Res Fund	School Comm Dwight Mem	Ellen Barnes	Charles H Smith	Total
Revenues												
Departmental	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 45
Intergovernmental												4
Investment and rental income				185	91	1	12					1,165
Other												
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>185</u>	<u>91</u>	<u>1</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,214</u>
Expenditures												
Executive, legislative, and judicial				16	84		2					318
Finance												
Public safety												
Recreation												
Public lands and parks												284
Debt service												
Capital												
Community development												
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>84</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602</u>
Excess (Deficiency)				169	7	1	10					612
Other Financing Uses												
Transfers out												(186)
Net Change in Fund Balances				169	7	1	10					426
Fund Balance at Beginning of Year	<u>1</u>	<u>2</u>		<u>3,410</u>	<u>1,053</u>	<u>35</u>	<u>325</u>	<u>181</u>	<u>41</u>	<u>1</u>	<u>1</u>	<u>18,809</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3,579</u>	<u>\$ 1,060</u>	<u>\$ 36</u>	<u>\$ 335</u>	<u>\$ 181</u>	<u>\$ 41</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 19,235</u>



Internal Service Funds

Internal Service Funds

Internal service funds are used to account for resources used to pay legal claims and the self-insured medical claims incurred.

Legal Accrual - is used for the accrual of legal claims payable.

Active Benefits - is used to account for self-insured health claims incurred by active employees.

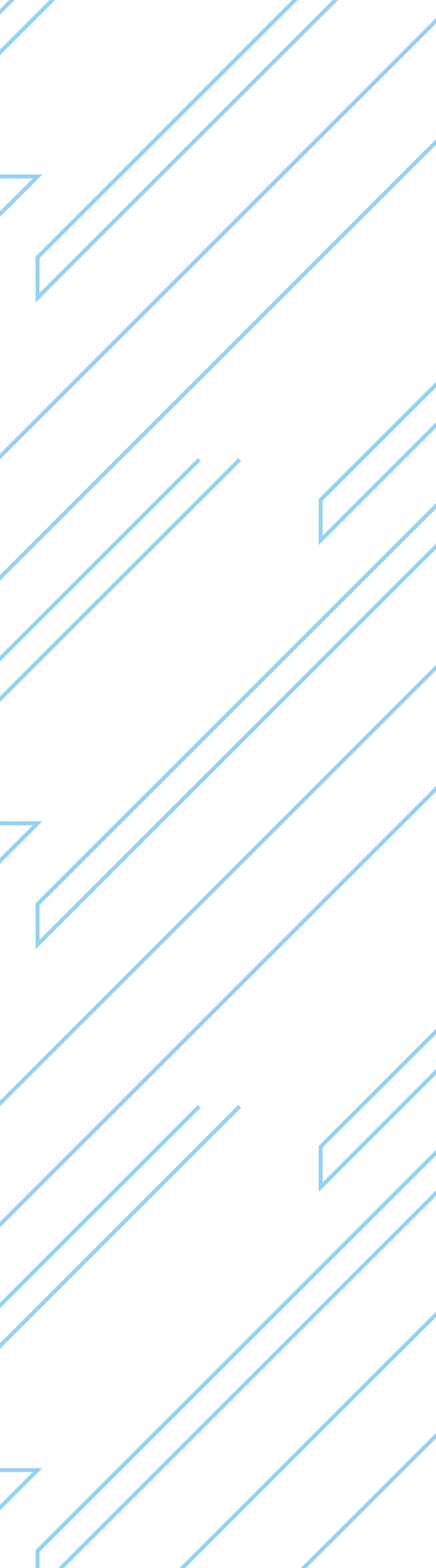
Retiree Benefits - is used to account for self-insured health claims incurred by retiree's.

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2019
(In Thousands)

	<u>Legal Accrual</u>	<u>Active Benefits</u>	<u>Retiree Benefits</u>	<u>Total</u>
Assets				
Current assets:				
Cash and cash equivalents	\$	\$ 2,466	\$ 2,157	\$ 4,623
Receivables, net		1,987	285	2,272
Due from other funds	6,625	25,231	15,705	47,561
Other assets		2,367		2,367
Total Assets	\$ 6,625	\$ 32,051	\$ 18,147	\$ 56,823
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$	\$ 411	\$ 1,140	\$ 1,551
Risk management claims payable	6,325	4,600	1,848	12,773
Due to other funds/other payables	300	19,675	14,460	34,435
Total liabilities	6,625	24,686	17,448	48,759
Net Position:				
Unrestricted		7,365	699	8,064
Total Liabilities and Net Position	\$ 6,625	\$ 32,051	\$ 18,147	\$ 56,823

CITY OF PROVIDENCE, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019
(In Thousands)

	<u>Legal Accrual</u>	<u>Active Benefits</u>	<u>Retiree Benefits</u>	<u>Total</u>
Operating Revenues:				
Charges for sales and services	\$	\$ 11,943	\$ 2,597	\$ 14,540
Other		62,869	33,962	96,831
Total operating revenues		<u>74,812</u>	<u>36,559</u>	<u>111,371</u>
Operating Expenses:				
Health claims		<u>71,301</u>	<u>36,569</u>	<u>107,870</u>
Operating Income (loss)		3,511	(10)	3,501
Nonoperating Revenues:				
Investment income		<u>10</u>	<u>10</u>	<u>20</u>
Change in Net Position		3,521		3,521
Net Position, Beginning		<u>3,844</u>	<u>699</u>	<u>4,543</u>
Net Position, Ending	\$	\$ <u>7,365</u>	\$ <u>699</u>	\$ <u>8,064</u>



Agency Funds

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for others.

CITY OF PROVIDENCE, RHODE ISLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Assets:				
Cash and cash equivalents	\$ 1,974	\$ 114	\$	\$ 2,088
Other receivables	<u>14</u>	<u></u>	<u></u>	<u>14</u>
Total Assets	<u>\$ 1,988</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 2,102</u>
Liabilities:				
Other payables	\$ 991	\$ 87	\$	\$ 1,078
Due to student group	<u>997</u>	<u>27</u>	<u></u>	<u>1,024</u>
Total Liabilities	<u>\$ 1,988</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 2,102</u>



Other Schedule

**CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019**

(In Thousands)

<u>Year</u>	<u>Property Taxes Receivable July 1, 2018</u>	<u>Current Year Assessment</u>	<u>Transfers Addendums (Net)</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Property Taxes Receivable June 30, 2019</u>
2019	\$	\$ 358,882	\$	\$ 5,502	\$ 353,380	\$ 346,503	\$ 6,877
2018	8,521			130	8,391	4,424	3,967
2017	5,398			42	5,356	1,049	4,307
2016	4,432			42	4,390	481	3,909
2015	4,546			45	4,501	283	4,218
2014	4,138			63	4,075	220	3,855
2013	4,503			44	4,459	212	4,247
2012	3,378			27	3,351	150	3,201
2011	2,014			11	2,003	88	1,915
2010	2,051			38	2,013	38	1,975
2009 and prior	18,759			2,302	16,457	130	16,327
Subtotal	57,740	\$ <u>358,882</u>	\$ <u>-</u>	\$ <u>8,246</u>	\$ <u>408,376</u>	\$ <u>353,578</u>	54,798
Less: estimated allowance for uncollectable accounts	<u>37,667</u>						<u>37,118</u>
Net Property Taxes Receivable	\$ <u>20,073</u>						\$ <u>17,680</u>

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**CITY OF PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019**

(In Thousands)

Collections

Year	July - August 2018 Collections Subject to 60-Day FY18 Accrual	September - June 2019 Collections	Total FY 2019 Collections	July - August 2019 Collections Subject to 60-Day FY19 Accrual
2019	\$	\$ 346,503	\$ 346,503	\$ 1,835
2018	2,018	2,406	4,424	200
2017	223	826	1,049	102
2016	82	399	481	57
2015	55	228	283	41
2014	41	179	220	32
2013	32	180	212	23
2012	32	118	150	17
2011	21	67	88	6
2010	9	29	38	9
2009 and prior	17	113	130	16
Total	\$ 2,530	\$ 351,048	\$ 353,578	\$ 2,338

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**CITY OF PROVIDENCE, RHODE ISLAND
 SCHEDULE OF PROPERTY TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2019**
 (In Thousands)

Schedule of Net Assessed Property Value by Category			Reconciliation of Current Year Property Tax Revenue	
Assessed December 31, 2017				
Description of Property	Valuations	Levy		
Real property	\$ 10,846,517	\$ 304,667	Current year collections	\$ 353,578
Motor vehicle	572,751	28,638	Revenue received 60 days subsequent to fiscal year ending June 30, 2019	<u>2,338</u>
Tangible property	<u>979,269</u>	<u>54,643</u>	Subtotal	<u>355,916</u>
Total	12,398,537	387,948	Prior year revenue received in current year (2018 60 day rule)	<u>(2,530)</u>
Exemptions and adjustments	<u>800,160</u>	<u>29,066</u>	Current Year Property Tax Revenue	<u>\$ 353,386</u>
Net Assessed Value	<u>\$ 11,598,377</u>	<u>\$ 358,882</u>		



Annual Supplemental Transparency Report

City of Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

Exhibit E-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 341,792,187	\$ -
Last Year's Levy Tax Collection	4,636,352	-
Prior Years Property Tax Collection	2,499,731	-
Interest & Penalty	4,555,475	-
PILOT & Tax Treaty (excluded from levy) Collection	17,298,916	-
Other Local Property Taxes	-	-
Licenses and Permits	8,704,819	-
Fines and Forfeitures	4,692,150	-
Investment Income	298,197	-
Departmental	22,672,084	-
Rescue Run Revenue	4,508,581	-
Police & Fire Detail	8,067,904	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	4,441,959
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	14,398,533
CDBG	2,139,244	-
COPS Grants	-	-
SAFER Grants	8,594,180	-
Other Federal Aid Funds	4,196,710	33,070,167
MV Excise Tax Reimbursement	1,620,464	-
State PILOT Program	33,187,319	-
Distressed Community Relief Fund	5,606,831	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	2,262,538	-
Meals & Beverage Tax / Hotel Tax	7,566,228	-
LEA Aid	-	251,791,093
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	23,511,102	-
State Food Service Revenue	-	278,657
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	2,028,434	2,340,935
Motor Vehicle Phase Out	10,041,466	-
Other Revenue	2,987,511	4,185,045
Local Appropriation for Education	-	128,546,611
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 523,468,424	\$ 439,053,000
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	1,144,000	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 1,144,000	\$ -

City of Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

Exhibit E-1

EXPENDITURES	General		Social	Centralized			Public	Parks and	Police
	Government	Finance	Services	IT	Planning	Libraries	Works	Rec	Department
Compensation- Group A	\$ 11,903,638	\$ 5,088,654	\$ 2,013,316	\$ 1,238,163	\$ 4,505,888	\$ -	\$ 5,211,917	\$ 8,916,085	\$ 31,324,841
Compensation - Group B	-	-	-	-	-	-	-	-	5,966,636
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	223,925	2,266	-	14,294	59,784	-	1,011,239	382,788	2,851,680
Overtime - Group B	-	-	-	-	-	-	-	-	543,177
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	5,616,084
Active Medical Insurance - Group A	2,129,113	887,295	219,695	231,927	861,500	-	1,209,566	1,724,744	5,169,373
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	984,642
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	153,001	81,808	17,268	17,063	70,810	-	106,236	163,116	469,512
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	89,431
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	793,893	379,740	109,482	92,670	342,089	-	446,834	724,206	967,384
Life Insurance	15,076	1,131	3,267	1,131	2,387	-	1,382	4,649	53,019
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	925,906	232,697	55,565	29,155	264,395	-	369,769	485,268	374,809
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	2,872,381	1,485,035	448,563	352,101	1,256,501	-	1,477,756	2,074,227	23,437,437
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	4,464,274
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	291,212	245,659	39,056	37,977	245,535	-	446,798	594,820	384,402
Purchased Services	7,282,080	1,792,979	2,600,255	235,393	2,039,672	-	709,633	748,888	5,725,649
Materials/Supplies	1,793,561	18,173	112,014	306,995	7,833	-	446,893	414,550	1,780,598
Software Licenses	-	-	-	870,077	-	-	-	-	-
Capital Outlays	74	-	-	-	-	-	87,823	-	-
Insurance	-	-	-	-	-	-	-	-	-
Maintenance	1,301,088	1,364	-	12,406	11,385	-	443,372	198,591	347,640
Vehicle Operations	14,813	-	-	-	-	-	152,567	25,542	104,347
Utilities	165,614	30,508	124,224	198,924	91,524	-	675,533	1,956,866	634,998
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	718,695	-	-
Revaluation	-	647,369	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	788,826	-	-
Trash Removal & Recycling	-	-	-	-	-	-	6,506,449	-	-
Claims & Settlements	1,807,273	-	-	-	-	-	-	-	-
Community Support	611,078	-	-	-	-	-	-	-	-
Other Operation Expenditures	1,943,812	67	2,078,780	-	500,519	3,995,000	507,168	939,470	6,899
Tipping Fees	-	-	-	-	-	-	3,322,312	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental 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	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 34,227,536	\$ 10,894,746	\$ 7,821,483	\$ 3,638,276	\$ 10,259,822	\$ 3,995,000	\$ 24,640,766	\$ 19,353,809	\$ 91,296,831

City of Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

Exhibit E-1

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 31,328,708	\$ 4,624,221	\$ 1,077,643	\$ -	\$ -	\$ -	\$ 107,233,073	\$ 152,552,606
Compensation - Group B	1,422,824	-	-	-	-	-	7,389,460	28,561,443
Compensation - Group C	-	-	-	-	-	-	-	32,588,110
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	5,429,457	390,604	16,870	-	-	-	10,382,906	26,658
Overtime - Group B	285,761	-	-	-	-	-	828,938	16,288
Overtime - Group C	-	-	-	-	-	-	-	718,098
Police & Fire Detail	650,625	-	-	-	-	-	6,266,709	-
Active Medical Insurance - Group A	5,436,132	816,071	125,079	-	-	-	18,810,496	20,502,196
Active Medical Insurance- Group B	257,198	-	-	-	-	-	1,241,841	3,884,876
Active Medical Insurance- Group C	-	-	-	-	-	-	-	10,193,683
Active Dental insurance- Group A	383,166	68,005	12,484	-	-	-	1,542,469	1,525,175
Active Dental Insurance- Group B	17,970	-	-	-	-	-	107,401	294,889
Active Dental Insurance- Group C	-	-	-	-	-	-	-	970,664
Payroll Taxes	668,157	374,573	79,782	-	-	-	4,978,810	16,091,858
Life Insurance	57,290	-	2,261	-	-	-	141,592	121,771
State Defined Contribution- Group A	-	-	-	-	-	-	-	1,481,635
State Defined Contribution - Group B	-	-	-	-	-	-	-	235,218
State Defined Contribution - Group C	-	-	-	-	-	-	-	5,186
Other Benefits- Group A	78,592	251,097	24,717	-	-	-	3,091,970	3,969,629
Other Benefits- Group B	-	-	-	-	-	-	-	134,107
Other Benefits- Group C	-	-	-	-	-	-	-	5,245,710
Local Defined Benefit Pension- Group A	27,246,160	1,295,984	308,564	-	-	-	62,254,710	648,123
Local Defined Benefit Pension - Group B	1,241,961	-	-	-	-	-	5,706,235	1,187,622
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	9,224,297
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	18,855,968
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	3,272,000
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	55,719
Other Defined Benefit / Contribution	93,229	303,181	30,032	-	-	-	2,711,901	-
Purchased Services	323,656	6,766	37,901	-	-	-	21,502,873	79,813,814
Materials/Supplies	1,446,313	139,766	137,593	-	-	-	6,604,288	4,459,684
Software Licenses	-	-	-	-	-	-	870,077	478,344
Capital Outlays	-	-	-	-	-	-	87,897	4,262,529
Insurance	-	-	-	-	-	-	-	498,915
Maintenance	31,143	444,863	550,288	-	-	-	3,342,139	19,804,220
Vehicle Operations	4,087	9,537	1,419	-	-	-	312,311	89,857
Utilities	427,111	785,969	135,227	-	-	-	5,226,496	7,245,546
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	718,695	-
Revaluation	-	-	-	-	-	-	647,369	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	788,826	-
Trash Removal & Recycling	-	-	-	-	-	-	6,506,449	-
Claims & Settlements	-	-	-	-	-	-	1,807,273	473,198
Community Support	-	-	-	-	-	-	611,078	-
Other Operation Expenditures	186,845	-	-	-	-	-	10,158,560	1,705,148
Tipping Fees	-	-	-	-	-	-	3,322,312	-
Local Appropriation for Education	-	-	-	128,546,611	-	-	128,546,611	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	20,164,301	-	20,164,301	-
Municipal Debt- Interest	-	-	-	-	11,739,799	-	11,739,799	-
School Debt- Principal	-	-	-	-	26,716,167	-	26,716,167	-
School Debt- Interest	-	-	-	-	7,068,048	-	7,068,048	-
Retiree Medical Insurance- Total	-	-	-	-	-	26,039,082	26,039,082	6,826,216
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 77,016,385	\$ 9,510,638	\$ 2,539,861	\$ 128,546,611	\$ 65,688,314	\$ 26,039,082	\$ 515,469,160	\$ 438,021,000

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	566,389	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 566,389	\$ -
Net Change in Fund Balance¹	8,576,875	1,032,000
Fund Balance1- beginning of year	\$11,998,485	\$7,776,477
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	432,134	-
Misc. Adjustment	(485)	(3,477)
Fund Balance¹ - beginning of year adjusted	12,430,134	7,773,000
Rounding	-	-
Fund Balance¹ - end of year	\$ 21,007,009	\$ 8,805,000

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

City of Providence
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2019

Exhibit E-2

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 11,998,485	432,134	\$ 12,430,619	
<i>No funds removed from RGS for fiscal 2018</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2018</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2018</i>						(485)	-	(485)	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 11,998,000</u>	<u>-</u>	<u>\$ 12,430,134</u>	
General Fund	\$ 505,515,000	\$ 34,828,000	\$ 402,287,000	\$ 129,113,000	\$ 8,943,000	\$ 11,462,000	\$ -	\$ 11,462,000	\$ 20,405,000
WDO	6,357,000	-	6,220,000	-	137,000	181,000	-	181,000	318,000
Healthy Communities Grants	863,000	135,000	1,069,000	-	(71,000)	355,000	-	355,000	284,000
Public Safety Grants	10,925,000	-	10,826,000	-	99,000	375,000	275	375,275	474,275
CDBG	8,130,000	572,000	10,018,000	-	(1,316,000)	1,785,000	431,859	2,216,859	900,859
Totals per audited financial statements	<u>\$ 531,790,000</u>	<u>\$ 35,535,000</u>	<u>\$ 430,420,000</u>	<u>\$ 129,113,000</u>	<u>\$ 7,792,000</u>	<u>\$ 14,158,000</u>	<u>\$ 432,134</u>	<u>\$ 14,590,134</u>	<u>\$ 22,382,134</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 128,546,611.00	\$ (128,546,611.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Reclassify transfer from Police & Fire Detail / Rescue Run	-	-	-	-	-	-	-	-	-
Remove Public Safety Grants activity omitted on MTP2	(2,330,820)	-	(2,231,545)	-	(99,276)	(375,000)	-	(375,000)	(474,276)
Remove CDBG Activity omitted on MTP2	(5,990,756)	-	(6,874,906)	-	884,150	(1,785,000)	-	(1,785,000)	(900,850)
Adjustment for Public Safety Grants & CDBG Activity which are required for MTP Revenues and expenditures. The associated changes in fund balances are removed to allow for reconciliation to the financial statements	-	-	-	-	-	-	-	-	-
Capital outlay, issuanc of bonds and bond premium excluded from MTP2	-	(34,391,000)	(34,391,000)	-	-	-	-	-	-
Rounding	-	-	-	-	1	-	-	-	-
Totals Per MTP2	<u>\$ 523,468,424</u>	<u>\$ 1,144,000</u>	<u>\$ 515,469,160</u>	<u>\$ 566,389</u>	<u>\$ 8,576,875</u>	<u>\$ 11,998,000</u>	<u>\$ 432,134</u>	<u>\$ 12,430,134</u>	<u>\$ 21,007,009</u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

City of Providence
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2019

Exhibit E-3

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 7,776,477	-	\$ 7,776,477	
<i>Misc. adjustments made for fiscal 2018</i>						(3,477)	-	(3,477)	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 7,773,000</u>	-	<u>\$ 7,773,000</u>	
School Unrestricted Fund	\$ 273,052,000	\$ 128,787,000	\$ 401,839,000	\$ -	\$ -	\$ -	-	\$ -	\$ -
Enterprise Fund1	16,989,000	10,000	16,988,000	-	11,000	3,131,000	-	3,131,000	3,142,000
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	36,328,000	1,240,000	35,066,000	1,481,000	1,021,000	4,642,000	-	4,642,000	5,663,000
Totals per audited financial statements	<u>\$ 326,369,000</u>	<u>\$ 130,037,000</u>	<u>\$ 453,893,000</u>	<u>\$ 1,481,000</u>	<u>\$ 1,032,000</u>	<u>\$ 7,773,000</u>	<u>\$ -</u>	<u>\$ 7,773,000</u>	<u>\$ 8,805,000</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 128,546,611	\$ (128,546,611)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(15,872,000)	-	(15,872,000)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.	-	(1,240,000)	-	(1,240,000)	-	-	-	-	-
Investment Income	10,000	(10,000)	-	-	-	-	-	-	-
Eliminate transfers school grants per UCOA	-	(241,000)	-	(241,000)	-	-	-	-	-
Miscellaneous rounding adjustment for municipal appropriation to education	(611)	611	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 439,053,000</u>	<u>\$ -</u>	<u>\$ 438,021,000</u>	<u>\$ -</u>	<u>\$ 1,032,000</u>	<u>\$ 7,773,000</u>	<u>\$ -</u>	<u>\$ 7,773,000</u>	<u>\$ 8,805,000</u>
<u>Reconciliation from MTP2 to UCOA</u>									
No reconciling items between MTP2 and UCOA	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 439,053,000</u>	<u>\$ -</u>	<u>\$ 438,021,000</u>	<u>\$ -</u>	<u>\$ 1,032,000</u>	<u>\$ 7,773,000</u>	<u>\$ -</u>	<u>\$ 7,773,000</u>	<u>\$ 8,805,000</u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

Notes to Supplementary Information – *Annual Supplemental Transparency Report (MTP2)*

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) 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 (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

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

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 1
 Net Position By Component
 Last Ten Fiscal Years*
 (accrual basis of accounting)
 (in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 122,820	\$ 127,340	\$ 122,997	\$ 117,449	\$ 199,002	\$ 219,179	\$ 204,262	\$ 243,237	\$ 238,126	\$ 224,920
Restricted								17,543	18,809	19,235
Unrestricted	(143,890)	(233,086)	(261,508)	(263,762)	(341,989)	(1,303,632)	(1,361,585)	(1,421,539)	(2,241,691)	(2,222,401)
Total governmental activities net assets	\$ (21,070)	\$ (105,746)	\$ (138,511)	\$ (146,313)	\$ (142,987)	\$ (1,084,453)	\$ (1,157,323)	\$ (1,160,759)	\$ (1,984,756)	\$ (1,978,246)
Business-type activities:										
Net investment in capital assets	\$ 179,800	\$ 201,281	\$ 213,758	\$ 217,210	\$ 225,544	\$ 239,088	\$ 256,129	\$ 256,129	\$ 294,003	\$ 319,820
Restricted	31,037	18,809	20,943	35,112	36,627	42,322	51,642	49,188	55,216	49,373
Unrestricted	3,503	11,661	10,986	6,403	6,676	(35,289)	(39,005)	(26,639)	(61,370)	(69,383)
Total business-type activities net assets	\$ 214,340	\$ 231,751	\$ 245,687	\$ 258,725	\$ 268,847	\$ 246,121	\$ 268,766	\$ 278,678	\$ 287,849	\$ 299,810
Primary government:										
Net investment in capital assets	\$ 302,620	\$ 328,621	\$ 336,755	\$ 334,659	\$ 424,546	\$ 458,267	\$ 460,391	\$ 499,366	\$ 532,129	\$ 544,740
Restricted	31,037	18,809	20,943	35,112	36,627	42,322	51,642	66,731	74,025	68,608
Unrestricted	(140,387)	(221,425)	(250,522)	(257,359)	(335,313)	(1,338,921)	(1,400,590)	(1,448,178)	(2,303,061)	(2,291,784)
Total primary government net assets	\$ 193,270	\$ 126,005	\$ 107,176	\$ 112,412	\$ 125,860	\$ (838,332)	\$ (888,557)	\$ (882,081)	\$ (1,696,907)	\$ (1,678,436)

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 2
Changes In Net Position
Last Ten Fiscal Years*
(accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Executive, legislative, and judicial	\$ 42,202	\$ 40,382	\$ 51,677	\$ 36,944	\$ 36,036	\$ 36,830	\$ 54,515	\$ 66,564	\$ 61,615	\$ 30,296
Finance	59,345	58,740	57,819	58,462	49,261	63,820	27,561	20,693	31,118	28,105
Public safety	182,787	178,374	157,676	170,854	169,742	180,430	219,557	218,980	221,138	217,100
Building inspection	4,806	4,636	4,126	4,264	4,381	4,496	4,960	4,800	4,149	4,106
Public works	23,030	28,451	25,754	15,752	23,965	26,959	12,360	15,875	13,376	28,452
Recreation	3,285	1,593	1,644	1,876	2,131	2,238	3,362	3,631	4,326	4,481
Public land and parks	21,069	24,572	19,437	21,941	20,825	21,290	37,119	28,908	29,847	36,842
Education	381,096	388,612	379,768	395,215	402,539	422,730	430,501	430,468	445,724	441,456
Community development	31,150	21,467	18,687	24,297	18,901	17,981	27,758	25,924	16,673	18,865
Interest on long-term debt	27,389	26,699	32,365	26,817	19,984	19,859	21,908	20,182	14,860	15,978
Total governmental activities expenses	776,159	773,526	748,953	756,422	747,765	796,633	839,601	836,025	842,826	825,681
Business-type activities:										
PPBA	17,696	18,949	19,992	19,396	19,322	17,076	14,574	11,919	11,950	12,945
Water Supply Board	52,303	47,483	50,461	52,553	56,271	56,628	59,635	60,274	60,483	62,489
Civic Center										
Non-major School lunch program	12,194	12,836	13,908	14,422	15,448	15,152	16,010	17,442	16,552	16,988
Total business-type activities expenses	82,193	79,268	84,361	86,371	91,041	88,856	90,219	89,635	88,985	92,422
Component Unit:										
Providence Redevelopment Agency									10,928	9,070
Total component unit									10,928	9,070
Total primary government expenses	858,352	852,794	833,314	842,793	838,806	885,489	929,820	925,660	942,739	927,173
Program revenue:										
Governmental activities:										
Charges for services:										
Executive, legislative, and judicial	222	203	232	222	198	191	355	344	347	377
Finance	42,926	51,412	63,264	68,955	67,590	60,636	5,312	5,578	5,799	7,413
Public safety	19,515	16,252	11,384	11,776	12,050	11,908	21,621	26,075	27,696	32,144
Building inspection	3,599	3,405	4,112	4,503	4,036	4,376	7,872	6,871	8,441	7,402
Public works	219	132	193	229	516	318	295	218	330	262
Recreation	231	226	206	211	196	547	1,350	1,417	1,324	1,421
Public land and parks	311	581	136	264	321	317	2,109	1,825	2,683	1,716
Education	11,691	11,704	12,558	12,174	12,599	15,151	367	34	41	
Community development	375	88	10				10,310	9,893	1,001	1,420
Operating grants and contributions:										
Executive, legislative, and judicial							2	6	12	4
Finance										
Public safety	3,084	2,200	3,183	183	51	56	2,378	2,453	8,786	11,108
Public works										
Recreation	349	296	261	442	395	484	589	575	730	589
Public land and parks										190
Education	238,267	243,134	225,661	247,624	252,226	275,252	297,205	312,170	323,305	332,577
Community development	14,645	15,856	12,518	13,005	8,292	6,791	20,017	16,569	14,393	16,044
Capital grants and contributions:										
Finance										
Public Works							2083	6,656	4,088	4,024
Public land and parks							486	1,849	924	636
Education										
Total governmental activities program revenue:	335,434	345,489	333,718	359,588	358,470	376,027	372,351	392,533	399,900	417,327

(CONTINUED)

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 2
Changes In Net Position, Continued
Last Ten Fiscal Years*
(accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program revenue:										
Business-type activities:										
Charges for services:										
PPBA	\$ 16,362	\$ 18,548	\$ 20,996	\$ 20,020	\$ 19,652	\$ 18,861	\$ 22,405	\$ 13,815	\$ 13,784	\$ 14,826
Water Supply Board	54,976	64,017	61,726	61,070	62,872	69,231	71,011	73,404	76,512	72,330
Civic Center										
Non-major School lunch program	12,446	12,986	14,548	15,124	15,414	15,803	16,759	16,918	16,796	16,989
Capital grants and contributions:										
Water Supply Board	773	510	200	2,100	3,304	1,098	471	391	4,229	916
Total business-type activities program revenues	84,557	96,061	97,470	98,314	101,242	104,993	110,646	104,528	110,911	105,061
Program revenue:										
Component unit:										
Charges for services:										
Providence Redevelopment Agency									10,555	11,644
Total component unit program revenues									10,815	11,644
Total primary government program revenues	430,046	429,779	457,058	456,784	477,269	477,344	503,179	504,428	521,626	534,032
Net (expense) revenue:										
Governmental activities	(428,037)	(415,235)	(396,834)	(389,295)	(420,606)	(467,250)	(467,250)	(443,492)	(442,926)	(408,354)
Business-type activities	5,289	11,700	11,099	7,273	12,386	14,774	20,427	14,893	22,336	12,639
Component Unit: Providence Redevelopment Agency									(373)	2,574
Total primary government net expense	(422,748)	(403,535)	(385,735)	(382,022)	(408,220)	(452,476)	(446,823)	(428,599)	(420,963)	(393,141)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	289,837	286,998	320,591	325,960	331,133	335,624	344,012	357,666	357,649	351,543
Payments in lieu of taxes	19,103	23,115	23,461	25,645	27,110	28,088	39,139	40,698	40,964	41,003
Grants and contributions not restricted to specific programs	40,070	25,619	21,473	19,296	18,158	16,658	17,586	16,978	22,479	25,118
	252	153	100	84	1	1	117	2,598	1,926	1,488
Gain (loss) on disposal										
Miscellaneous	31,358	17,473	16,846	18,290	18,871	19,176	13,944	13,364	12,395	15,774
Transfers				(243)				1,103	1,016	250
Sale of building and land										
Total governmental activities	380,620	353,358	382,471	389,032	395,273	399,547	414,798	432,407	436,429	435,176
Business-type activities:										
Investment earnings	1,404	618	827	852	662	485				673
Miscellaneous							2,218	543	1,465	(1,101)
Transfers				243				(1,103)	(1,016)	(250)
Special items:										
Sale of building and land										
Total business-type activities	1,404	618	827	1,095	662	485	2,218	(560)	449	(678)
Component Unit:										
Transfers										
Total component unit										
Total primary government	382,024	353,976	383,298	390,127	395,935	400,032	417,016	431,847	436,878	434,498
Changes in net position:										
Governmental activities	(47,417)	(61,877)	(14,363)	(263)	(25,333)	(67,703)	(52,452)	(11,085)	(6,497)	26,822
Business-type activities	6,693	12,318	11,926	8,368	13,048	15,259	22,645	14,333	22,785	11,961
Component unit									(373)	2,574
Total primary government	\$ (40,724)	\$ (49,559)	\$ (2,437)	\$ 8,105	\$ (12,285)	\$ (52,444)	\$ (29,807)	\$ 3,248	\$ 13,739	\$ 41,357

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Designated for future uses	\$ 1,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved/ Unassigned	2,080	3,725	(11,399)	(9,827)	(8,672)	(13,445)	(3,158)	2,279	11,462	20,405
Total General Fund	\$ 3,458	\$ 3,725	\$ (11,399)	\$ (9,827)	\$ (8,672)	\$ (13,445)	\$ (3,158)	\$ 2,279	\$ 11,462	\$ 20,405
All Other Governmental Funds:										
Nonspendable		\$ 16,428	\$ 19,818	\$ 19,932	\$ 18,770	\$ 19,041	\$ 17,032	\$ 136	\$ 136	\$ 136
Restricted		36,253	35,103	71,066	51,378	39,352	39,117	55,356	53,490	51,283
Committed		12,194	9,275	10,268	9,530	10,013	9,877	10,114	8,894	9,238
Unassigned		3,686	(262)	(18)						(7)
Reserved	15,882									
Unreserved:										
Designated for future uses										
Special Revenue	9,311									
Undesignated:										
Capital Projects	7,081									
Special Revenue	20,041									
Permanent Trust	12,794									
Total all other government funds	\$ 65,109	\$ 68,561	\$ 63,934	\$ 101,248	\$ 79,678	\$ 68,406	\$ 66,026	\$ 65,606	\$ 62,520	\$ 60,650

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 4
Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 290,358	\$ 290,704	\$ 314,355	\$ 324,058	\$ 330,449	\$ 334,103	\$ 343,993	\$ 356,050	\$ 359,547	\$ 353,386
Departmental revenue	65,786	73,025	95,336	92,683	88,042	89,769	325,438	340,919	348,779	106,028
Federal and state grants and reimbursements	302,272	305,814	285,120	306,195	306,232	316,291	104,375	111,057	114,651	383,618
Investment and rental income	19,742	4,829	1,454	3,297	4,358	1,843	1,173	3,626	4,206	2,193
Fines and forfeitures	7,663	8,143	7,341	6,030	6,066	4,559	6,294	5,228	4,772	4,427
State Fiscal Stabilization Funds	13,246	4,406	1,437							
Other	11,867	12,796	15,492	15,076	14,514	17,334	9,366	4,481	4,413	3,419
Total revenues	710,934	699,717	720,535	747,339	749,661	763,899	790,639	821,361	836,368	853,071
Expenditures:										
Current:										
Executive, legislative, and judicial	14,239	12,695	15,364	11,649	11,090	13,354	15,834	24,553	20,872	14,572
Finance	43,447	39,526	49,661	50,743	44,540	47,741	43,199	45,378	45,685	47,555
Public safety	166,254	165,909	151,655	153,492	161,866	163,213	173,208	172,922	181,208	188,637
Building inspection	4,391	4,308	3,901	3,931	4,096	4,239	4,454	4,262	3,947	3,894
Public works	19,064	21,806	26,179	18,963	18,852	20,264	19,180	21,798	22,100	21,705
Recreation	2,902	1,470	1,532	1,750	2,004	2,101	3,208	3,487	4,196	4,447
Public lands and parks	19,138	21,716	21,034	20,458	21,415	20,560	19,641	20,050	22,174	24,083
Other departments	9,262	9,767	10,185	7,877	9,203	10,178	9,942	10,868	11,530	14,639
Grants	4,529	4,185	4,297	4,231	4,233	4,551	4,563	4,963	5,880	6,716
Education	383,636	378,572	362,649	382,618	388,489	403,943	399,087	412,405	427,156	436,905
Community development	26,621	17,282	14,390	20,066	14,668	13,430	21,299	18,274	8,150	11,719
Noncurrent:										
Capital outlays	2,856	10,782	2,587	4,638	23,341	22,881	11,821	15,650	13,788	40,719
Debt service principal payments	46,653	41,158	43,066	42,844	45,161	40,481	42,815	47,050	45,347	46,550
Debt service interest and other payments	26,201	28,706	32,427	26,669	21,118	20,377	22,797	21,975	21,573	18,497
Total expenditures	769,193	757,882	738,927	749,929	770,076	787,313	791,048	823,635	833,606	880,638
Excess of revenues (under) expenditures	(58,259)	(58,165)	(18,392)	(2,590)	(20,415)	(23,414)	(409)	(2,274)	2,762	(27,567)
Other financing sources (uses):										
Capital leases issued	14,500					7,000	6,043	3,846	12,111	
Capital notes issued							464	2,342		
Bond proceeds		87,584	2,366	39,345						30,000
Refunding bonds issued						68,675				
Payment to refunding bonds escrow agent		(29,425)				(74,367)				
Premium on bond issued				2,125		6,061				4,391
Loan proceeds				250		-				
Proceeds from sale of real estate										
Transfers in	165,765	139,461	133,903	129,707	129,617	131,377	127,980	128,787	136,211	131,737
Transfers out	(165,765)	(139,461)	(133,903)	(129,950)	(129,617)	(131,377)	(127,980)	(127,684)	(135,195)	(131,487)
Total other financing sources (uses)	14,500	58,159	2,366	41,477	-	7,369	6,507	7,291	13,127	34,641
Special Items										
Proceeds from sale	-	-	-	-	-	-	-	-	-	-
Net changes in fund balance	\$ (43,759)	\$ (6)	\$ (16,026)	\$ 38,887	\$ (20,415)	\$ (16,045)	\$ 6,098	\$ 5,017	\$ 15,889	\$ 7,074
Debt service as a percentage of noncapital expenditures	9.5%	9.4%	10.3%	9.3%	8.9%	8.0%	8.4%	8.5%	8.2%	7.7%

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 5
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)
(in thousands)

Tax Year	Real Estate	Tangible Taxes	Excise Taxes	Total
2010	\$234,687	\$34,262	\$15,559	\$284,508
2011	\$234,519	\$34,032	\$16,221	\$284,772
2012	\$239,855	\$35,437	\$24,280	\$299,572
2013	\$248,593	\$35,185	\$25,939	\$309,717
2014	\$251,201	\$39,006	\$26,599	\$316,806
2015	\$251,770	\$45,652	\$32,025	\$329,447
2016	\$256,943	\$49,034	\$32,971	\$338,948
2017	\$271,500	\$49,552	\$29,945	\$350,997
2018	\$273,056	\$50,147	\$24,258	\$347,461
2019	\$272,616	\$50,108	\$19,068	\$341,792
Change 2010-2019	16.2%	46.2%	22.6%	20.1%

Source: City records.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 6
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)
(unaudited)

Fiscal Year	Real Property	Tangible Personal Property	Motor Vehicle	Exemptions	Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	\$13,657,654	\$830,243	\$610,997	(\$4,838,398)	\$10,260,496	0.30%	28.87	\$10,347,414	99.16%
2011	\$10,358,912	\$926,252	\$616,722	(\$2,858,134)	\$9,043,752	-11.86%	35.37	\$9,120,363	99.16%
2012	\$10,346,045	\$850,314	\$644,247	(\$2,960,325)	\$8,880,281	-1.81%	36.28	\$8,955,507	99.16%
2013	\$10,261,120	\$685,579	\$685,618	(\$2,709,274)	\$8,923,043	0.48%	34.14	\$8,998,632	99.16%
2014	\$9,333,995	\$749,808	\$701,909	(\$243,998)	\$10,541,714	18.14%	34.62	\$10,711,777	98.41%
2015	\$9,308,593	\$879,201	\$702,310	(\$281,241)	\$10,608,863	0.64%	34.83	\$10,820,954	98.04%
2016	\$9,481,855	\$911,150	\$720,527	(\$286,566)	\$10,826,966	2.06%	30.66	\$12,770,148	97.09%
2017	\$10,172,367	\$948,202	\$741,502	(\$345,404)	\$11,516,667	6.37%	35.62	\$12,770,148	97.09%
2018	\$10,503,161	\$944,578	\$670,664	(\$554,322)	\$11,564,081	0.41%	34.48	\$13,699,296	95.43%
2019	\$10,846,517	\$979,269	\$572,751	(\$800,160)	\$11,598,377	0.30%	30.66	\$12,398,537	100.00%

Source: City Records

Weighted Average Rate Calculation

Tot. R/E	10,846,517
Tangible	979,269
Excise	572,751
Tot. Assesment	<u>12,398,537</u>

		<u>% of Assesment</u>	<u>Tax Rate</u>	<u>Tot.Direct Rate</u>
Tot. Res. R/E	7,626,573	61.51%	24.56	15.11
Comm. R/E	3,219,944	25.97%	36.70	9.53
Tangible	979,269	7.90%	55.80	4.41
Excise	572,751	4.62%	35.00	1.62
		<u>100.00%</u>		<u>30.66</u>

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 7
Principal Property Taxpayers
Current Year and Ten Years Ago
(unaudited)

Taxpayer	2019			Percentage of Total Taxes	Taxpayer	2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxes			Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Narragansett Electric Co.	\$ 445,514,380	1	34.36%	Narragansett Electric	\$ 255,272,226.00	1	25.55%	
Prospect Charter Care*	\$ 107,936,091	2	8.33%	PRI XVIII LP	\$ 128,187,050.00	2	12.83%	
OMNI Rhode Island	\$ 67,993,890	3	5.24%	One Financial Holding	\$ 66,765,000.00	3	6.68%	
Westminster Partners	\$ 55,456,300	4	4.28%	Capital Properties	\$ 75,163,167.00	4	7.52%	
One Citizens Plaza Holdings	\$ 40,596,320	5	3.13%	HFP Hotel Owners	\$ 48,715,200.00	5	4.88%	
Regency Plaza I, LLC	\$ 50,530,210	6	3.90%	ONA Providence Office	\$ 47,961,500.00	6	4.80%	
1 Financial Holdings	\$ 49,635,900	7	3.83%	Textron Realty Corp.	\$ 40,177,600.00	7	4.02%	
Motiva Enterprises	\$ 32,499,750	8	2.51%	US Bancorp Equipment	\$ 23,350,120.00	8	2.34%	
CoxCom	\$ 52,599,860	9	4.06%	Motiva	\$ 30,312,200.00	9	3.03%	
Athlena Providence Place	\$ 38,919,010	10	3.00%	Avalon Properties	\$ 33,300,700.00	10	3.33%	
Textron Realty Corporation	\$ 38,677,300	11	2.98%	Regency Plaza LLC	\$ 31,652,600.00	11	3.17%	
Valley Stream	\$ 34,775,220	12	2.68%	High Rock Westminster	\$ 31,334,500.00	12	3.14%	
Blue Cross & Blue Shield*	\$ 44,427,500	13	3.43%	Providence Journal	\$ 28,179,100.00	13	2.82%	
CJUF III MJH Providence LLC	\$ 61,776,800	14	4.77%	G-Tech	\$ 29,673,591.00	14	2.97%	
Avalon Properties Inc	\$ 21,503,650	15	1.66%	Blue Cross Blue Shield	\$ 17,923,000.00	15	1.79%	
10 Memorial Boulevard Owner	\$ 47,162,700	16	3.64%	LaurelMeade Cooperative	\$ 27,033,081.00	16	2.71%	
Verizon Online LLC	\$ 25,525,700	17	1.97%	Empire LaSalle	\$ 26,437,000.00	17	2.65%	
GD Thayer	\$ 28,040,400	18	2.16%	Cox Communications	\$ 15,850,000.00	18	1.59%	
ARC Hospitality Providence	\$ 27,348,300	19	2.11%	Historic Hotel Partners	\$ 28,379,100.00	19	2.84%	
PRI I LP	\$ 25,533,600	20	1.97%	National Grid LNG	\$ 13,311,000.00	20	1.33%	
Total	\$ 1,296,452,881		100.00%		\$ 998,977,735		100.00%	

Source: City Records

total levy for 2019 tax roll \$357,911,201

total levy for 2010 tax roll \$307,014,942

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 8
Property Tax Levies And Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30:	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$294,186,862	\$276,463,184	93.98%	\$10,118,571	\$286,581,755	97.41%
2011	\$307,014,942	\$277,131,464	90.27%	\$8,311,225	\$285,442,689	92.97%
2012	\$324,460,407	\$299,707,126	92.37%	\$10,739,844	\$310,446,970	95.68%
2013	\$332,768,119	\$310,510,342	93.31%	\$10,537,177	\$321,047,519	96.48%
2014	\$340,814,523	\$317,730,599	93.23%	\$8,718,349	\$326,448,948	95.78%
2015	\$345,156,658	\$321,248,525	93.07%	\$8,772,372	\$330,020,897	95.61%
2016	\$351,854,213	\$330,475,210	93.92%	\$6,409,289	\$336,884,499	95.75%
2017	\$364,264,528	\$344,482,858	94.57%	\$6,281,645	\$350,764,503	96.29%
2018	\$363,331,867	\$348,884,056	96.02%	\$2,670,226	\$351,554,282	96.76%
2019	\$358,880,880	\$344,202,602	95.91%		\$344,202,602	95.91%

Source: City Tax Collector Records

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 9
Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(unaudited)
(in thousands)

Fiscal Year	Governmental Activities									Business-Type Activities			Total Primary Government	Percentage of Personal Income	Net Debt Per Capita	Net General Obligation Bonds to Estimated Actual Value
	General Obligation Bonds	Revenue Bonds	Special Obligation Tax Increment	PPBA Debt	Capital Notes and Leases	Notes Payable	Net Bond Premium	Deferred Items from Financing	Line of Credit	Revenue Bonds	Capital Leases					
2010	\$ 88,260	\$ 58,080	\$ 18,435	\$ 360,663	\$ 52,286	\$ 798	\$ (4,184)		\$ 55,299	\$ -	\$ 633,821	**	\$ 495	0.73%		
2011	80,935	73,140	15,575	411,617	45,433	585	(3,792)		53,010		676,503	**	4,826	0.67%		
2012	73,815	68,860	12,585	388,487	39,554	2,776	(3,284)	\$ 1,906	52,489		637,188	**	**	0.61%		
2013	105,661	65,934	9,450	363,919	35,127	2,777	(722)	1,788	78,087		662,021	**	**	0.88%		
2014	99,501	59,799	6,170	333,344	30,506	2,474	(363)	6,276	74,269		611,976	**	**	0.83%		
2015	92,261	54,221	2,725	306,682	33,473	2,382		5,532	78,174		575,450	**	**	0.77%		
2016	83,961	49,644		294,314	34,768	2,749			103,545		568,981	**	**	0.70%		
2017	76,105	44,420		265,566	33,676	4,808			116,740		541,315	**	**	0.63%		
2018	67,920	37,558		280,038	39,341	5,102			111,387		541,346	**	**	0.56%		
2019	59,380	33,441		304,952	33,979	4,679			120,361		556,792	**	**	0.49%		

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

* Amounts were included in general obligation bonds.

** Information not available.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 10
Direct Governmental Activities Debt
For the Year Ended June 30, 2019
(unaudited)
(in thousands)

Governmental Unit	Debt Outstanding
General obligation debt:	
General obligation bonds	\$ 59,380
Revenue bonds	33,441
Notes payable	4,679
Capital leases	19,641
Capital notes	14,338
PPBA debt-City	282,324
PPBA net bond premium	<u>22,628</u>
Total direct debt	<u><u>\$ 436,431</u></u>

Note: The City of Providence is not subject to the debt of overlapping governments.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 11
Legal Debt Margin Information
For the Year Ended June 30, 2019
(unaudited)
(in thousands)

Legal Debt Margin Calculation for Fiscal Year 2016

Taxable Property	\$	11,598,377
Debt limit (3% of taxable property)		347,951
Debt applicable to limit:		
General obligation bonds		59,380
Less: debt not subject to 3% limit		<u>29,280</u>
Total net debt applicable to limit		<u>30,100</u>
Legal debt margin	\$	<u><u>317,851</u></u>

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 12
 Legal Debt Margin Information
 Last Ten Fiscal Years and Current Year Computation
(unaudited)
(in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 309,438	\$ 266,408	\$ 273,279	\$ 321,547	\$ 323,251	\$ 331,415	\$ 334,360	\$ 350,081	\$ 363,552	\$ 347,951
Total net debt applicable to limit	9,914	6,750	4,340	41,235	39,065	37,090	27,185	33,610	32,125	30,100
Legal debt margin	299,524	259,658	268,939	280,312	284,186	294,325	307,175	316,471	331,427	317,851
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	2%	15%	14%	13%	9%	11%	10%	9%
Debt outstanding issued outside the 3% debt limit*	\$ 78,346	\$ 74,185	\$ 69,475	\$ 65,950	\$ 60,435	\$ 55,170	\$ 48,921	\$ 42,495	\$ 35,795	\$ 29,280

* The State of Rhode Island General Assembly has, by Special Act, permitted the City to incur indebtedness outside the 3% debt limit. This amount excludes water and sewer bonds that are deemed self-supporting.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 13
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)
(in thousands)

Water Supply Board						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 54,976	\$ 50,845	\$ 4,131	\$ 618	\$ 71	6.00
2011	64,017	46,054	17,963	61	24	211
2012	61,726	49,212	12,514	115	41	80
2013	61,070	50,305	10,765	na	na	na
2014	62,872	54,394	8,478	na	na	na
2015	69,501	54,760	14,741	na	na	na
2016	71,011	56,953	14,058	na	na	na
2017	73,404	57,371	16,033	na	na	na
2018	76,102	60,483	15,619	na	na	na
2019	72,330	59,429	12,901	na	na	na

Redevelopment Revenue Bonds				
Fiscal Year	Collections	Debt Service		Coverage
		Principal	Interest	
2010	-	*	-	-
2011	-	*	-	-
2012	-	*	-	-
2013	-	*	-	-
2014	-	*	-	-
2015	-	*	-	-
2016	-	*	-	-
2017	-	*	-	-
2018	-	*	-	-
2019	-	*	-	-

Civic Center Bonds						
Fiscal Year	Charges	Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2010	-	-	-	***	-	-
2011	-	-	-	***	-	-
2012	-	-	-	***	-	-
2013	-	-	-	***	-	-
2014	-	-	-	***	-	-
2015	-	-	-	***	-	-
2016	-	-	-	***	-	-
2017	-	-	-	***	-	-
2018	-	-	-	***	-	-
2019	-	-	-	***	-	-

Providence Public Building Authority Revenue				
Fiscal Year	Collections	Debt Service		Coverage
		Principal	Interest	
2010	\$ 16,362	\$ 20,407	\$ 16,715	0.44
2011	18,548	25,491	17,429	0.43
2012	20,966	23,130	19,607	0.49
2013	20,020	24,568	18,368	0.47
2014	19,652	25,663	17,486	0.46
2015	18,861	26,661	12,483	0.48
2016	22,405	22,368	14,009	0.62
2017	13,815	28,748	11,476	0.34
2018	13,784	30,063	10,977	0.34
2019	14,826	29,789	12,152	0.36

* Bond was fully refunded in 2005.

** Not available.

*** Note: The Civic Center Authority was sold on December 5, 2005.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 14
Demographic and Economic Statistics
Last Ten Fiscal Years
(*unaudited*)

Fiscal Year Ended June 30	Population***	Personal Income	Per Capita Income****	Median Age***	School Enrollment**	Unemployment(*) Rate
2010	178,400	(1)	\$ 26,867	28.2	23,710	11.7%
2011	178,400	(1)	26,867	28.2	23,500	10.9%
2012	178,042	(1)	20,735	28.5	23,520	12.9%
2013	178,042	(1)	19,489	28.5	23,872	11.1%
2014	178,432	(1)	21,512	28.7	23,827	9.9%
2015	178,432	(1)	21,512	28.7	23,765	7.1%
2016	179,207	(1)	21,512	28.8	23,867	5.5%
2017	178,710	(1)	25,169	28.8	24,093	4.3%
2018	178,042	(1)	25,169	29	27,548	4.1%
2019	178,042	(1)	25,169	29	27,931	3.7%

(1) Unavailable

* Source: Rhode Island Department of Labor and Training

** RI Department of Education

*** Source: U.S. Bureau of the Census

**** Source U.S. Bureau of Economic Analysis

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 15
Principal Employers
2013 and 2004
(unaudited)

Employer	2013*			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brown University	4,600	1	4.30%	3,251	2	2.78%
Rhode Island Hospital	4,200	2	3.93%	6,063	1	5.19%
Life Span (Mgmt. Svcs. including Miriam Mgmt Svcs.)	1,990	3	1.86%			
Women & Infants Hospital	1,800	4	1.68%	2,800	4	2.40%
Roger Williams Medical Center	1,470	5	1.38%	1,340	6	1.15%
The Miriam Hospital	1,263	6	1.18%	2,161	5	1.85%
Belo Corp/Providence Journal	870	7	0.81%	964	11	0.82%
Mars 2000	850	8	0.80%			
Providence College	799	9	0.75%			
AAA Southern New England	700	10	0.66%			
Johnson & Wales University	700	11	0.66%	1,200	8	1.03%
Butler Hospital	699	12	0.65%	800	16	0.68%
H. Carr & Sons Inc.	500	13	0.47%			
National Grid	450	14	0.42%	1,304	10	1.12%
Employment 2000	400	15	0.37%			
Verizon Wireless	400	16	0.37%			
Gilbane Building Co.	400	17	0.37%			
Wal-mart Stores	350	18	0.33%			
Jewel Case Corp.	300	19	0.28%			
Nordstrom Inc.	300	20	0.28%			

* most recent information available

Sources: Commerce RI, (f/k/a Rhode Island Economic Development Corp.)

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 16
Full-Time Equivalent Employees By Functional Program
Last Ten Fiscal Years
(unaudited)

Functions/Program	Full-Time Equivalent Employees as of June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Executive, Legislative, Judicial and Finance:										
City Council	15	15	15	15	15	15	15	15	15	15
City Council Administration	15	13	13	13	10.5	11	11	11	11	11
Internal Auditor	3	2	2	2	2	2	2	2	2	4
City Sergeant	1	1	1	1	1	1	1	1	1	1
City Clerk	10	10	10	11	9.5	9	9	9	11	11
Human Resources (Personnel)	18	17	17	16	16	16	14	14	12	12
Finance	20	23	21	19	18	19	23	18	24	24
Information Technology	19	19	15	16	13	13	13	13	5	5
Legal	33	33	27	26	26	27	25	26	25	24
Courts	26	25	24	23	23	23	23	24	24	24
Retirement	5	4	4	4	4	4	4	5	5	5
Board Tax Assessment	5	5	5	5	4	4	5	5	5	5
City Treasurer	5	5	5	5	5	5	5	6	7	6
City Collector	15	15	15	15	15	15	15	15	15	15
City Assessor	17	17	18	18	18	18	18	15	16	15
Recreation and Public Land and Parks:										
Neighborhood Parks & Recreation Svcs	52	45	44	44	57	57	56	60	61	44
Recreation	29	19	16	13	-	-	-	-	-	21
Zoo	31	31	31	31	31	31	31	31	31	31
Forestry	15	14	13	13	13	13	15	15	15	14
Parks	39	38	39	54	52	49	51	49	51	48
Botanical	11	11	9	8	8	8	6	10	11	11
Public Property	36	31	30	30	31	31	31	32	30	30
Public Safety:										
Police Department	544	538	559	526	552	544	529	562	594	594
Commissioner's Office	10	9	8	8	8	9	9	9	9	8
Firefighters' Department	475	439	463	508	509	507	438	433	450	467
Communication	67	67	67	67	67	69	69	73	76	76
Emergency Mgmt./Homeland Security	5	5	5	5	5	5	5	6	6	6
Public Works:										
Administration	9	8	9	8	8	8	8	8	8	8
Engineering	10	10	9	8	7	7	8	8	8	8
Environmental Control	10	8	8	8	8	8	8	11	12	12
Highway and Bridge Maintenance	49	49	49	49	49	50	50	52	50	50
Sewer Maintenance	10	10	9	9	9	9	9	10	12	12
Miscellaneous	0	0	0	0	0	0	3	3	1	1
Garage	7	7	7	7	7	7	7	9	9	9
Parking Administration	4	4	3	3	3	-	-	-	-	-
Traffic Engineering	10	9	9	9	9	9	9	8	13	13
Building Inspection	50	53	54	54	55	57	42	55	60	60
Miscellaneous:										
Recorded Deeds	5	5	5	5	5	5	6	7	7	7
Planning & Development	44	44	46	48	44	47	44	50	54	46
Office of Economic Opportunity	5	5	0	-	-	-	-	-	-	-
Arts, Culture & Tourism	6	6	5	4	4	4	4	4	5	5
Human Relations	1	1	1	1	1	1	1	1	3	3
Human Services	8	10	10	9	8	7	7	3	2	4
PERA	3	3	1	1	1	1	1	2	3	3
Board of Canvassers	9	9	9	9	13	8	8	8	8	8
Board of Licenses	12	11	11	11	11	11	11	13	12	11
Vital Statistics	4	4	4	4	4	5	11	5	5	5
City Archivist	4	4	4	3	3	3	3	3	3	3
School Department	3,425	3,400	3,316	3,265	3,260	3,241	3,224	3,226	3,236	3,157
Total	5,206	5,111	5,045	5,011	5,022	4,993	4,887	4,945	5,023	4,952

Source: City Records.

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 17
 Operating Indicators By Function/Program
 Last Ten Fiscal Years
(unaudited)
(in thousands)

Function/Program	Fiscal year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Calls for service	152	131	130	124	122	115	114	118	125	139
Fire:										
Total fire calls	67	44	47	46	40	42	41	44	10	11
Total rescue calls *									31	31
Building safety:										
Total building permits	8	8	9	9	8	7	8	8	8	10
Total value all permits	305,314	328,428	368,662	397,535	190,735	155,160	215,485	162,913	198,251	146,236
Public service:										
Residential garbage collected (ton)	66	64	63	61	70	70	71	73	74	77

Source: City Records

* Reported as total fire and rescue

CITY OF PROVIDENCE, RHODE ISLAND

Schedule 18
 Capital Asset Statistics By Function/Program
 Last Ten Fiscal Years
(unaudited)

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety:										
Fire, Fire Stations	15	15	15	15	15	15	15	15	15	15
Fire trucks	23	23	23	23	23	23	23	23	23	23
Public Works:										
Bridges	27	27	27	27	27	27	27	27	27	27
Streets (Miles)	370	370	370	370	370	370	370	370	370	370
Manholes	20	20	20	20	20	20	20	20	20	20
Catch Basins	12	12	12	12	12	12	12	12	12	12
Drain Inlets	4	4	4	4	4	4	4	4	4	4
Parks & Recreation:										
Acreage	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Parks	124	124	124	124	124	124	124	124	124	124
Golf Course	2	2	2	2	2	2	2	2	2	2
Baseball/Softball Diamonds	40	40	40	40	40	40	40	40	40	40
Greenhouse	6	6	6	6	6	6	6	6	6	6
Soccer/Football Fields	11	11	11	11	11	11	11	11	11	11
Water Parks	9	9	9	9	9	9	9	9	9	9
Museum	1	1	1	1	1	1	1	1	1	1
Swimming pools	6	6	6	6	6	6	6	6	6	6
Recreation Centers	10	10	10	10	10	10	10	10	10	10
Zoo	1	1	1	1	1	1	1	1	1	1
Water:										
Lakes	10	10	10	10	10	10	10	10	10	10
Wastewater:										
Sanitary Sewer Lines (miles)	300	300	300	300	300	300	300	300	300	300

Source: City Records