

**CITY OF EAST  
PROVIDENCE,  
RHODE ISLAND**

**FINANCIAL STATEMENTS  
OCTOBER 31, 2019**

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
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**OCTOBER 31, 2019**

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# Introductory Section

**PRINCIPAL OFFICIALS**  
City of East Providence, Rhode Island

**MAYOR**

Roberto DaSilva

**CITY COUNCIL**

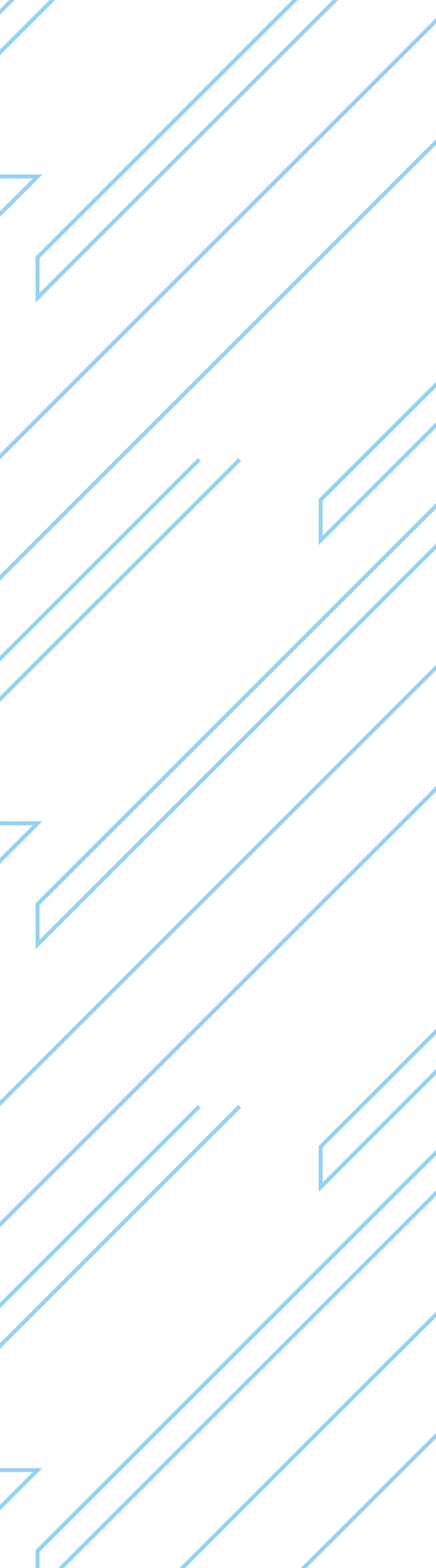
Robert Britto, Council President  
Nathan W. Cahoon  
Robert P. Rodericks

Anna M. Sousa  
Ricardo D. Mourato

**DEPARTMENT DIRECTORS**

Finance Director  
City Solicitor  
Police Chief  
Fire Chief  
Director of Public Works  
Superintendent of Schools  
School Director of Finance

Malcolm Moore  
Michael Marcello  
William Nebus  
Glen Quick  
Stephen Coutu  
Kathryn Crowley  
Craig Enos



**Financial Section**

## **Independent Auditors' Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of and for the year ended October 31, 2019, and the related notes to the financial statements, which collectively comprise the City of East 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.

#### ***Auditor's 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, each major fund and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of October 31, 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 East Providence, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, 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 section has 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 it.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020 on our consideration of the City of East 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 solely 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 the effectiveness of the City of East Providence, Rhode Island's 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 East Providence, Rhode Island's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

Cranston, Rhode Island  
November 16, 2020

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

As management of the City of East Providence, Rhode Island (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended October 31, 2019.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the City's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$61,120,154 (net position). Business-type activity assets and deferred outflows exceeded liabilities by \$34,788,125 at year end. On a government-wide basis, liabilities and deferred inflows exceeded assets and deferred outflows by \$95,908,279.
- The City's total net position increased by \$16,532,909. This was primarily due to an increase in property tax revenues and favorable operations in the general fund.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,740,540, a decrease of \$13,229,364 in comparison with the prior year. The increase is due to favorable operations in the general fund.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$14,397,389 or 11.6% of total General Fund expenditures and transfers out.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net position changed during the most recent 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, judicial, and administrative; financial administration; assessor's office; public safety; public works; human resources; miscellaneous; planning and assessment board' library; education; other; interest on long-term debt; and debt issuance costs. The business-type activities of the City include both water and sewer operations.

The government-wide financial statements can be found on Exhibits I and II.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds and similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifty plus individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, School Unrestricted Fund, Capital Projects Fund and High School Construction Fund. Data from the remaining governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements later in this report. The basic governmental fund financial statements can be found on pages 15 through 18 of this report. Details of the combined governmental funds can be found on pages 96 through 120.

### **Proprietary Funds**

The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water operations and its sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the sewer operations, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-77.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the budgetary information for the General Fund and School Unrestricted Fund.

The individual and combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$61,120,154 at the close of the fiscal year.

### City of East Providence, Rhode Island October 31, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 95,255,158	\$ 102,461,620	\$ 10,257,387	\$ 12,868,752	\$ 105,512,545	\$ 115,330,372
Capital assets	116,060,062	94,203,460	95,603,508	96,526,699	211,663,570	190,730,159
Other assets					-	-
Total Assets	<u>211,315,220</u>	<u>196,665,080</u>	<u>105,860,895</u>	<u>109,395,451</u>	<u>317,176,115</u>	<u>306,060,531</u>
Deferred outflows of resources	<u>26,490,834</u>	<u>51,730,229</u>	<u>294,163</u>	<u>432,001</u>	<u>26,784,997</u>	<u>52,162,230</u>
Other liabilities	24,622,691	22,947,884	5,685,923	5,551,082	30,308,614	28,498,966
Long-term liabilities	<u>279,569,686</u>	<u>291,264,219</u>	<u>65,495,421</u>	<u>69,791,454</u>	<u>345,065,107</u>	<u>361,055,673</u>
Total Liabilities	<u>304,192,377</u>	<u>314,212,103</u>	<u>71,181,344</u>	<u>75,342,536</u>	<u>375,373,721</u>	<u>389,554,639</u>
Deferred inflows of resources	<u>29,521,956</u>	<u>46,093,460</u>	<u>185,589</u>	<u>227,725</u>	<u>29,707,545</u>	<u>46,321,185</u>
Net Position:						
Net investment in capital assets	80,449,977	54,966,280	29,172,702	25,949,293	109,622,679	80,915,573
Restricted	46,325	44,595			46,325	44,595
Unrestricted	<u>(176,404,581)</u>	<u>(166,921,129)</u>	<u>5,615,423</u>	<u>8,307,898</u>	<u>(170,789,158)</u>	<u>(158,613,231)</u>
Total Net Position	\$ <u>(95,908,279)</u>	\$ <u>(111,910,254)</u>	\$ <u>34,788,125</u>	\$ <u>34,257,191</u>	\$ <u>(61,120,154)</u>	\$ <u>(77,653,063)</u>

The largest portion of the City's net position, \$109,622,679, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure) less any related debt and related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Governmental Activities

Already noted was the statement of activities' purpose in presenting information on how the City's net position changed during the most recent fiscal year. A summary of changes in net position follows. For the fiscal year, net position increased by \$16,001,795. The increase was due to favorable general fund operations and the increase in capital spending including the construction of the new high school project which will be completed by June 2022.

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

**City of East Providence, Rhode Island  
Statement of Changes in Net Position  
October 31, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 8,975,869	\$ 8,847,816	\$ 21,891,914	\$ 22,238,951	\$ 30,867,783	\$ 31,086,767
Operating grants and contributions	55,374,296	52,948,706			55,374,296	52,948,706
Capital grants and contributions	5,794,459	10,000			5,794,459	10,000
General Revenues:						
Property taxes	108,694,581	106,261,242			108,694,581	106,261,242
Motor vehicle phase-out taxes	2,006,137	516,915			2,006,137	516,915
Grants and contributions not restricted to specific programs	2,086,335	2,102,998			2,086,335	2,102,998
Investment income	416,475	276,222	20,195	92,493	436,670	368,715
Miscellaneous	713,089	329,104			713,089	329,104
Total revenues	<u>184,061,241</u>	<u>171,293,003</u>	<u>21,912,109</u>	<u>22,331,444</u>	<u>205,973,350</u>	<u>193,624,447</u>
Program Expenses:						
General government	7,416,175	8,079,163			7,416,175	8,079,163
Public safety	40,990,428	39,538,478			40,990,428	39,538,478
Public works	9,292,660	9,777,621			9,292,660	9,777,621
Public libraries	2,688,063	2,602,257			2,688,063	2,602,257
Parks and recreation	1,480,337	1,612,990			1,480,337	1,612,990
Sanitation	2,803,836	2,889,845			2,803,836	2,889,845
Education	102,423,257	97,345,668			102,423,257	97,345,668
Debt service	964,510	1,618,179			964,510	1,618,179
Water Fund expenses			8,376,098	8,787,843	8,376,098	8,787,843
WPC Fund expenses			13,005,077	12,996,818	13,005,077	12,996,818
Total expenses	<u>168,059,266</u>	<u>163,464,201</u>	<u>21,381,175</u>	<u>21,784,661</u>	<u>189,440,441</u>	<u>185,248,862</u>
Excess (deficiency) before transfers	16,001,975	7,828,802	530,934	546,783	16,532,909	8,375,585
Transfers	-	-	-	-	-	-
Change in net position	16,001,975	7,828,802	530,934	546,783	16,532,909	8,375,585
Net Position - Beginning of Year	<u>(111,910,254)</u>	<u>(119,739,056)</u>	<u>34,257,191</u>	<u>33,710,408</u>	<u>(77,653,063)</u>	<u>(86,028,648)</u>
Net Position - End of Year	<u>\$ (95,908,279)</u>	<u>\$ (111,910,254)</u>	<u>\$ 34,788,125</u>	<u>\$ 34,257,191</u>	<u>\$ (61,120,154)</u>	<u>\$ (77,653,063)</u>

- Significant changes from the prior year for revenues are as follows:
  - Property tax revenues increased \$2,433,539 due to a tax increase.
  - Operating grants and contributions increased \$2,425,590 due to increased funding from the Department of Justice and increases in state aid for education.
  - Capital grants and contributions increased \$5,784,459 due to state funding for the high school construction project.

**Revenues**

Governmental activities revenues totaled \$184,061,241 for the fiscal year. Property taxes are the largest revenue source for the City and represent 59.1 % of governmental revenues. Operating grants and contributions revenues are the City's second largest revenue. Operating grants and contributions revenues include grants for education, general government, libraries and various other functions.

Operating grants and contributions revenues account for 30.1% of governmental revenues for the year. Charges for services accounts for 4.9% of governmental revenues and includes revenues from various sources including but not limited to police details, fire rescue services, property tax interest and liens, and permits and recording fees. Capital grants and contributions account for 3.2% of governmental revenues. Grants and contributions not restricted to specific programs account for 2.2 %. Investment income represents roughly 0.2% of governmental revenue. Miscellaneous revenues represent 0.4% of governmental revenues.

## **Expenses**

Significant changes from the prior year are as follows:

- Education expenses increased by \$5,077,589 due to increases in salaries, benefits and purchased services.
- Public safety expenses increased by \$1,451,950 due to retirement benefit activity.

Governmental activities expenses totaled \$168,059,266 for the fiscal year. Of the expenditures, 60.9% was for education. Public safety expenses amounted to 24.4%, while public works amounted to 5.5%. Sanitation expenses were 1.7%. Library expenses were 1.6%. Park and recreation expenses were 0.9%. Interest expense was 0.6%. General government expenses were 4.4%.

## **Business-Type Activities**

### **Revenues**

General revenues do not support the City's business-type activities; thus, the largest source of revenues comes from charges for services and operating grants. Of the \$21,912,109 in revenues from the Water Fund and the WPC Fund, 99.9% comes from charges for services. Investment income makes up the final 0.1% of revenues for the City's business activities.

### **Expenses**

Business-type expenses totaled \$21,381,175, \$8,376,098 and \$13,005,077 for the Water Fund and the WPC Fund, respectively, for the fiscal year ended October 31, 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, the unassigned fund balance of \$3,979,352 may serve as a valuable assessment of a government's net resources available for spending at the end of the fiscal year. As of October 31, 2019, the City's governmental funds reported combined ending fund balances of \$51,969,904.

The General Fund is the chief operating fund of the City, excluding its school department. As of October 31, 2019, the total fund balance of the general fund was \$15,883,915 of which \$1,394,603 was assigned and \$14,397,389 was unassigned. The City's General Fund also has \$91,923 of nonspendable fund balance as of October 31, 2019.

The fund balance of the General Fund decreased by \$229,961 in fiscal year 2019. Actual revenues exceeded budgeted revenues by \$213,728 (see RSI-1). Property tax revenues fell short of budgetary estimates by \$1,734,460 while departmental revenues exceeded budgetary estimates by \$1,182,489. Total expenditures were \$2,174,580, less than appropriated amounts (see RSI-1). The largest portion of this was benefit expenditures coming in \$965,988 under the budgeted amount.

The School Unrestricted Fund is the principal operating fund of the school department. Revenues are derived principally from City appropriations and state aid supplemented by certain miscellaneous revenues, principally federal Medicaid reimbursements. Expenditures for education totaled \$92,616,206 including a state on-behalf payment to pension funds of \$3,969,213 on behalf of the school department.

The Capital Projects fund balance decreased \$263,384.

The High School Construction Fund reports a deficit fund balance of \$9,584,172 as expenditures exceed revenues by that same amount during the year.

### **Proprietary Funds**

The City's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The City's enterprise funds posted an overall increase in net position of \$530,934 for the fiscal year. This was primarily due to less than anticipated capital expenses.

### **Water Fund**

Unrestricted net position of the Water Control Fund at the end of the year amounted to \$2,678,151.

### **WPC Fund**

Unrestricted net deficit of the Sewer Fund at the end of the year amounted to \$2,937,272.

### **General Fund Budgetary Highlights**

Overall, the City finished the 2018-2019 fiscal year with a budgetary surplus of \$2,388,315.

Major General Fund Revenue Factors:

General Property Taxes - Property taxes are the largest single revenue source for the General Fund and account for 88.1% of total budgetary revenues.

Major Expenditure Factors:

Education Expense accounts for approximately 40.7% of the total budgetary expenditures within the General Fund of the City, Public Safety representing 32.9%, Public Works representing 6.9%, General Government representing 5.4% and the remaining functions represent 14.1%.



## Capital Asset and Debt Administration

### Capital assets

The City's investment in capital assets for its governmental and business-type activities at year-end amounts to \$211,663,570 net of accumulated depreciation. This investment in capital assets includes land, buildings, building improvements, vehicles, equipment, infrastructure, and construction in progress. The increase in the City's net investment in capital assets for the current fiscal year was \$20,933,411 as depreciation of \$9,414,013 was exceeded by capital asset additions of \$30,347,424.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,142,523	\$ 4,142,523	\$ 3,328,334	\$ 3,328,334	\$ 7,470,857	\$ 7,470,857
Construction in progress	19,937,917	2,253,133		1,615,907	19,937,917	3,869,040
Land and improvements	2,251,160	735,180	587	4,108	2,251,747	739,288
Buildings and improvements	55,431,496	55,262,331	79,127,133	81,473,170	134,558,629	136,735,501
Infrastructure	23,988,938	22,501,283	10,869,859	7,821,095	34,858,797	30,322,378
Machinery and equipment	6,395,007	5,385,595	1,937,388	2,065,772	8,332,395	7,451,367
Vehicles	3,913,021	3,923,415	340,207	218,313	4,253,228	4,141,728
Total	\$ 116,060,062	\$ 94,203,460	\$ 95,603,508	\$ 96,526,699	\$ 211,663,570	\$ 190,730,159

Major additions to the City's capital assets related to its governmental fund activities realized during the year included approximately \$15.3 million of construction in progress relative to the new high school project.

Additional information on the City's capital assets can be found on pages 38 and 39.

### Long-Term Debt

At the end of the current fiscal year, the City has total bonds and notes outstanding of \$105,233,505. In addition, the City had capital lease commitments outstanding of \$930,601. State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total equalized valuation.

#### City of East Providence, Rhode Island Bonds and Notes Payable October 31, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds and notes payable	\$ 38,802,699	\$ 42,679,966	\$ 66,430,806	\$ 70,577,406	\$ 105,233,505	\$ 113,257,372
Capital leases payable	930,601	1,148,701			930,601	1,148,701
Unamortized bond premiums	515,681	541,054			515,681	541,054
Total	\$ 40,248,981	\$ 44,369,721	\$ 66,430,806	\$ 70,577,406	\$ 106,679,787	\$ 114,947,127

The City currently has an "AA" rating from Standard and Poor's and an "A1" rating from Moody's for general obligation debt.

The current debt limitation for the City is approximately \$134,576,038 based on a net assessed value of \$4,485,867,942 at December 31, 2018, which significantly exceeds the City's current outstanding general obligation debt subject to the limitation.

Additional information on the City's long-term debt can be found on pages 40 through 43.

### **Next Year's Budget and Rates**

The City's elected appointed officials considered many factors when setting the fiscal year 2019-2020 budget. The most significant factor was funding for the bond for the new high school. The City's share of the debt service is projected to be \$6,901,949 for fiscal year 2021-2022. The City's plan is to set aside money each fiscal year going forward. The City appropriated another \$1,400,000 towards the bond in fiscal year 2019-2020, bringing the total to \$3,700,000 with another \$1,400,000 projected for fiscal year 2020-2021. The ongoing objectives have not changed, properly funding the schools and continue funding for capital projects.

The 2019-2020 general fund budget is \$164,767,856 an increase of 2.39% over the prior year budget.

### **Requests for Information**

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



# **Basic Financial Statements**

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF NET POSITION  
OCTOBER 31, 2019**

EXHIBIT I

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 45,041,000	\$ 2,598,246	\$ 47,639,246
Investments	1,815,698	7,759,340	9,575,038
<b>Receivables:</b>			
Property taxes, net	27,303,231		27,303,231
User charges, net		3,244,251	3,244,251
Intergovernmental	4,257,796	13,852	4,271,648
Other receivables	2,040,941		2,040,941
Internal balances	3,365,903	(3,365,903)	-
Inventory	88,792	7,601	96,393
Prepaid items	1,786,403		1,786,403
Total current assets	<u>85,699,764</u>	<u>10,257,387</u>	<u>95,957,151</u>
<b>Noncurrent assets:</b>			
Net pension asset	9,555,394		9,555,394
Capital assets not being depreciated	24,080,440	3,328,334	27,408,774
Capital assets, net of accumulated depreciation	91,979,622	92,275,174	184,254,796
Total noncurrent assets	<u>125,615,456</u>	<u>95,603,508</u>	<u>221,218,964</u>
Total assets	<u>211,315,220</u>	<u>105,860,895</u>	<u>317,176,115</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	99,955		99,955
Related to OPEB	720,906		720,906
Related to pensions	25,669,973	294,163	25,964,136
Total deferred outflows of resources	<u>26,490,834</u>	<u>294,163</u>	<u>26,784,997</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	6,169,593	872,015	7,041,608
Accrued payroll and related liabilities	3,167,928	193,986	3,361,914
Accrued interest payable	707,646	432,822	1,140,468
Unearned revenue	9,395,003		9,395,003
Other liabilities	379,444		379,444
Current portion of long-term obligations	4,803,077	4,187,100	8,990,177
Total current liabilities	<u>24,622,691</u>	<u>5,685,923</u>	<u>30,308,614</u>
<b>Noncurrent liabilities:</b>			
Long-term obligations due in more than one year	279,569,686	65,495,421	345,065,107
Total liabilities	<u>304,192,377</u>	<u>71,181,344</u>	<u>375,373,721</u>
<b>Deferred Inflows of Resources:</b>			
Related to OPEB	7,238,780	122,119	7,360,899
Related to pensions	22,283,176	63,470	22,346,646
Total deferred inflows of resources	<u>29,521,956</u>	<u>185,589</u>	<u>29,707,545</u>
<b>Net Position:</b>			
Net investment in capital assets	80,449,977	29,172,702	109,622,679
<b>Restricted:</b>			
Nonexpendable	43,810		43,810
Expendable	2,515		2,515
Unrestricted	(176,404,581)	5,615,423	(170,789,158)
Total Net Position	<u>\$ (95,908,279)</u>	<u>\$ 34,788,125</u>	<u>\$ (61,120,154)</u>

The accompanying notes are an integral part of the financial statements

CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT II

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 7,416,175	\$ 3,496,811	\$ 1,359,528	\$ 96,784	\$ (2,463,052)		\$ (2,463,052)
Public safety	40,990,428	4,430,244	2,258,293		(34,301,891)		(34,301,891)
Public works	9,292,660		47,200		(9,245,460)		(9,245,460)
Public libraries	2,688,063		489,363		(2,198,700)		(2,198,700)
Parks and recreation	1,480,337	185,230	8,000		(1,287,107)		(1,287,107)
Sanitation	2,803,836				(2,803,836)		(2,803,836)
Education	102,423,257	863,584	51,211,912	5,697,675	(44,650,086)		(44,650,086)
Debt service	964,510				(964,510)		(964,510)
Total governmental activities	<u>168,059,266</u>	<u>8,975,869</u>	<u>55,374,296</u>	<u>5,794,459</u>	<u>(97,914,642)</u>	<u>-</u>	<u>(97,914,642)</u>
Business-Type Activities:							
Water Fund expenses	8,376,098	9,234,895				858,797	858,797
WPC Fund expenses	13,005,077	12,657,019				(348,058)	(348,058)
Total business-type activities	<u>21,381,175</u>	<u>21,891,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,739</u>	<u>510,739</u>
Total	<u>\$ 189,440,441</u>	<u>\$ 30,867,783</u>	<u>\$ 55,374,296</u>	<u>\$ 5,794,459</u>	<u>(97,914,642)</u>	<u>510,739</u>	<u>(97,403,903)</u>
General revenues:							
Property taxes, levied for general purposes					108,694,581		108,694,581
Motor vehicle phase-out taxes					2,006,137		2,006,137
Grants and contributions not restricted to specific programs					2,086,335		2,086,335
Unrestricted investment earnings					416,475	20,195	436,670
Miscellaneous					713,089		713,089
Total general revenues and transfers					<u>113,916,617</u>	<u>20,195</u>	<u>113,936,812</u>
Change in net position					16,001,975	530,934	16,532,909
Net Position at Beginning of Year					(111,910,254)	34,257,191	(77,653,063)
Net Position at End of Year					<u>\$ (95,908,279)</u>	<u>\$ 34,788,125</u>	<u>\$ (61,120,154)</u>

The accompanying notes are an integral part of the financial statements

	General Fund	School Unrestricted Fund	Capital Projects Fund	High School Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 38,427,691	\$ 1,660,535		\$	\$ 4,952,774	\$ 45,041,000
Investments					1,815,698	1,815,698
Accounts receivable:						
Real estate and personal property taxes, net	25,426,741					25,426,741
Intergovernmental		39,229			4,550,495	4,589,724
Other receivables	90,259	573,323			1,546,247	2,209,829
Due from other funds	13,164,037	9,600,123	21,794,834		2,434,079	46,993,073
Inventory	88,792					88,792
Prepaid items	3,131	1,783,272				1,786,403
<b>Total Assets</b>	<b>\$ 77,200,651</b>	<b>\$ 13,656,482</b>	<b>\$ 21,794,834</b>	<b>\$ -</b>	<b>\$ 15,299,293</b>	<b>\$ 127,951,260</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 483,423	\$ 3,444,613	\$ 164,049	\$ 1,221,519	\$ 924,865	\$ 6,238,469
Accounts payroll and related liabilities	2,135,036	964,016				3,099,052
Unearned revenue	1,131,958	6,037,154			2,225,891	9,395,003
Due to other funds	31,770,134	1,074,004		8,362,653	2,921,195	44,127,986
Other liabilities	369,444	10,000				379,444
<b>Total liabilities</b>	<b>35,889,995</b>	<b>11,529,787</b>	<b>164,049</b>	<b>9,584,172</b>	<b>6,071,951</b>	<b>63,239,954</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues - taxes	25,426,741					25,426,741
Unavailable revenues - intergovernmental receivable					544,025	544,025
<b>Total deferred inflows of resources</b>	<b>25,426,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>544,025</b>	<b>25,970,766</b>
<b>Fund balances:</b>						
Nonspendable	91,923	1,783,272			43,810	1,919,005
Restricted			21,630,785		9,473,372	31,104,157
Committed		343,423				343,423
Assigned	1,394,603					1,394,603
Unassigned	14,397,389			(9,584,172)	(833,865)	3,979,352
<b>Total fund balances</b>	<b>15,883,915</b>	<b>2,126,695</b>	<b>21,630,785</b>	<b>(9,584,172)</b>	<b>8,683,317</b>	<b>38,740,540</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 77,200,651</b>	<b>\$ 13,656,482</b>	<b>\$ 21,794,834</b>	<b>\$ -</b>	<b>\$ 15,299,293</b>	<b>\$ 127,951,260</b>

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**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**OCTOBER 31, 2019**

EXHIBIT III

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 (Exhibit III)	\$	38,740,540
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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	\$	232,525,655	
Less accumulated depreciation		<u>(116,465,593)</u>	
Net capital assets			116,060,062

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

Property tax receivables greater than 60 days	25,426,741
Accrued interest	1,876,490
Intergovernmental receivable - accrual basis change	544,025
Net pension asset	9,555,394
Deferred outflows related to OPEB	720,906
Deferred outflows related to pension	25,669,973

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

Bonds and notes payable	(38,802,699)
Deferred charge on refunding	99,955
Unamortized premium on bonds payable	(515,681)
Interest payable on bonds and notes	(707,646)
Capital leases payable	(930,601)
Accrued compensated absences	(5,074,612)
Net OPEB liability	(21,399,601)
Net pension liability	(217,649,569)
Deferred inflows related to OPEB	(7,238,780)
Deferred inflows related to pension	<u>(22,283,176)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(95,908,279)</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF EAST PROVIDENCE, RHODE ISLAND  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT IV

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>High School Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes, interest and liens	\$ 107,504,557	\$	\$	\$	\$	\$ 107,504,557
Intergovernmental	6,127,676	41,346,066		5,697,675	11,466,000	64,637,417
Charges for services	6,717,127	53,181			853,116	7,623,424
Licenses and permits	1,139,012					1,139,012
Fines and penalties	213,433					213,433
Interest income	353,220				63,227	416,447
Other revenue		499,085			293,817	792,902
Total revenues	<u>122,055,025</u>	<u>41,898,332</u>	<u>-</u>	<u>5,697,675</u>	<u>12,676,160</u>	<u>182,327,192</u>
Expenditures:						
General government	6,283,829				949,470	7,233,299
Public safety	38,640,672				599,105	39,239,777
Public works	8,139,192				49,634	8,188,826
Public libraries	2,180,111				10,247	2,190,358
Parks and recreation	999,280				29,286	1,028,566
Sanitation	2,803,836					2,803,836
Education		92,616,206			9,528,138	102,144,344
Benefits and other miscellaneous	5,745,904					5,745,904
Capital outlay			4,926,981	15,281,847	1,680,727	21,889,555
Debt service	4,844,125		247,966			5,092,091
Total expenditures	<u>69,636,949</u>	<u>92,616,206</u>	<u>5,174,947</u>	<u>15,281,847</u>	<u>12,846,607</u>	<u>195,556,556</u>
Excess (Deficiency) over Revenues over Expenditures	<u>52,418,076</u>	<u>(50,717,874)</u>	<u>(5,174,947)</u>	<u>(9,584,172)</u>	<u>(170,447)</u>	<u>(13,229,364)</u>
Other Financing Sources (Uses):						
Transfers in	1,939,233	47,733,474	6,850,796			56,523,503
Transfers out	(54,584,270)		(1,939,233)			(56,523,503)
Total other financing sources (uses)	<u>(52,645,037)</u>	<u>47,733,474</u>	<u>4,911,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(226,961)	(2,984,400)	(263,384)	(9,584,172)	(170,447)	(13,229,364)
Fund Balances at Beginning of Year	16,110,876	5,111,095	21,894,169	-	8,853,764	51,969,904
Fund Balances at End of Year	<u>\$ 15,883,915</u>	<u>\$ 2,126,695</u>	<u>\$ 21,630,785</u>	<u>\$ (9,584,172)</u>	<u>\$ 8,683,317</u>	<u>\$ 38,740,540</u>

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**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019**

EXHIBIT IV

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 of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (13,229,364)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Capital outlay	28,252,398
Depreciation expense	(6,395,796)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes collected after 60 days	932,422
Intergovernmental receivable - accrual basis change	544,025
Change in accrued interest	257,602
Change in net pension asset	2,214,862
Change in deferred outflows related to OPEB	(181,835)
Change in deferred outflows related to pension	(25,036,880)

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, however, 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 deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on bonds and notes	3,877,267
Capital leases payments	218,100

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

Amortization of deferred charge on refunding	(20,680)
Amortization of premium	25,373
Change in accrued interest	27,521
Change in compensated absences	194,836
Change in OPEB obligation	9,410,742
Change in net pension liability	(1,660,122)
Change in deferred inflows related to OPEB	(6,837,301)
Change in deferred inflows related to pension	23,408,805

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 16,001,975</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**OCTOBER 31, 2019**

EXHIBIT V

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>WPC Fund</b>	<b>Total</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,892,880	\$ 705,366	\$ 2,598,246
Investments	3,706,761	4,052,579	7,759,340
Accounts receivable usage sales and fees	1,457,685	1,786,566	3,244,251
Due from other federal and state government	13,852		13,852
Inventory	7,601		7,601
<b>Total current assets</b>	<b>7,078,779</b>	<b>6,544,511</b>	<b>13,623,290</b>
<b>Noncurrent assets:</b>			
Capital assets not being depreciated	1,909,975	1,418,359	3,328,334
Capital assets, net of accumulated depreciation	37,239,223	55,035,951	92,275,174
<b>Total noncurrent assets</b>	<b>39,149,198</b>	<b>56,454,310</b>	<b>95,603,508</b>
<b>Total assets</b>	<b>46,227,977</b>	<b>62,998,821</b>	<b>109,226,798</b>
<b>Deferred Outflows of Resources:</b>			
Related to pensions	294,163		294,163
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	442,759	429,256	872,015
Accrued liabilities	121,163		121,163
Accrued compensated absences	72,823		72,823
Accrued interest payable	150,221	282,601	432,822
Due to other funds	470,521	2,895,382	3,365,903
Current portion of long-term debt	1,432,400	2,754,700	4,187,100
<b>Total current liabilities</b>	<b>2,689,887</b>	<b>6,361,939</b>	<b>9,051,826</b>
<b>Noncurrent liabilities:</b>			
Net OPEB liability	328,246		328,246
Net pension liability	2,923,469		2,923,469
Bonds and loans payable	23,707,706	38,536,000	62,243,706
<b>Total noncurrent liabilities</b>	<b>26,959,421</b>	<b>38,536,000</b>	<b>65,495,421</b>
<b>Total liabilities</b>	<b>29,649,308</b>	<b>44,897,939</b>	<b>74,547,247</b>
<b>Deferred Inflows of Resources:</b>			
Related to OPEB	122,119		122,119
Related to pensions	63,470		63,470
<b>Total deferred inflows of resources</b>	<b>185,589</b>	<b>-</b>	<b>185,589</b>
<b>Net Position:</b>			
Net investment in capital assets	14,009,092	15,163,610	29,172,702
Unrestricted	2,678,151	2,937,272	5,615,423
<b>Total Net Position</b>	<b>\$ 16,687,243</b>	<b>\$ 18,100,882</b>	<b>\$ 34,788,125</b>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

EXHIBIT VI

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>WPC Fund</b>	<b>Total</b>
Operating Revenues:			
Usage sales and fees	\$ 9,234,895	\$ 12,657,019	\$ 21,891,914
Operating Expenses:			
Salaries and benefits	2,078,531		2,078,531
Repairs and maintenance	222,793		222,793
Contracted and purchased services	2,512,353	8,615,362	11,127,715
Operations	1,592,498	1,285,372	2,877,870
Depreciation and amortization	1,159,716	1,858,501	3,018,217
Total operating expenses	<u>7,565,891</u>	<u>11,759,235</u>	<u>19,325,126</u>
Operating Income	<u>1,669,004</u>	<u>897,784</u>	<u>2,566,788</u>
Nonoperating Revenues (Expenses):			
Investment income	20,195		20,195
Interest expense	(810,207)	(1,245,842)	(2,056,049)
Net nonoperating expenses	<u>(790,012)</u>	<u>(1,245,842)</u>	<u>(2,035,854)</u>
Change in Net Position	878,992	(348,058)	530,934
Net Position at Beginning of Year	<u>15,808,251</u>	<u>18,448,940</u>	<u>34,257,191</u>
Net Position at End of Year	<u>\$ 16,687,243</u>	<u>\$ 18,100,882</u>	<u>\$ 34,788,125</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

EXHIBIT VII

	<b>Enterprise Funds</b>		
	<b>Water Fund</b>	<b>WPC Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 9,342,542	\$ 12,784,899	\$ 22,127,441
Payments to suppliers	(4,124,833)	(9,975,254)	(14,100,087)
Payments to employees	(2,159,041)		(2,159,041)
Net cash provided by (used in) operating activities	<u>3,058,668</u>	<u>2,809,645</u>	<u>5,868,313</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Interfund loans	304,050	1,069,206	1,373,256
Net cash provided by (used in) noncapital financing activities	<u>304,050</u>	<u>1,069,206</u>	<u>1,373,256</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal paid on bonds, notes and loans	(1,402,100)	(2,744,500)	(4,146,600)
Interest paid on bonds, notes and loans	(806,310)	(1,216,410)	(2,022,720)
Additions to property, plant and equipment	(2,095,026)		(2,095,026)
Other nonoperating	1,837,285		1,837,285
Net cash provided by (used in) capital and related financing activities	<u>(2,466,151)</u>	<u>(3,960,910)</u>	<u>(6,427,061)</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of investments	(432,001)	(88,481)	(520,482)
Interest and dividends on investments	20,195		20,195
Net cash provided by (used in) investing activities	<u>(411,806)</u>	<u>(88,481)</u>	<u>(500,287)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	484,761	(170,540)	314,221
Cash and Cash Equivalents at Beginning of Year	<u>1,408,119</u>	<u>875,906</u>	<u>2,284,025</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,892,880</u>	<u>\$ 705,366</u>	<u>\$ 2,598,246</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	\$ 1,669,004	\$ 897,784	\$ 2,566,788
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,159,716	1,858,501	3,018,217
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	107,647	127,880	235,527
(Increase) decrease in deferred outflows related to OPEB	16,657		16,657
(Increase) decrease in deferred outflows related to pensions	121,181		121,181
Increase (decrease) in accounts payable	202,811	(74,520)	128,291
Increase (decrease) in accrued liabilities	(64,997)		(64,997)
Increase (decrease) in net OPEB liability	(235,739)		(235,739)
Increase (decrease) in net pension liability	126,806		126,806
Increase (decrease) in deferred inflows related to OPEB	122,119		122,119
Increase (decrease) in deferred inflows related to pension	(164,255)		(164,255)
Increase (decrease) in accrued compensated absences	(2,282)		(2,282)
Total adjustments	<u>1,389,664</u>	<u>1,911,861</u>	<u>3,301,525</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,058,668</u>	<u>\$ 2,809,645</u>	<u>\$ 5,868,313</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
OCTOBER 31, 2019**

EXHIBIT VIII

	<b>Pension and Other Post- Employment Benefit Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 15,836	\$ 303,685
Investments, at fair value:		
Mutual funds	137,479,257	
Alternative investments	21,047,022	
Member contribution receivable	1,761	
Due from other funds		605,665
Total assets	<u>158,543,876</u>	<u>909,350</u>
Liabilities:		
Accounts payable		14,131
Due to other funds		104,849
Deposits held in custody for others		790,370
Total liabilities	<u>-</u>	<u>909,350</u>
Net Position:		
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 158,543,876</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED OCTOBER 31, 2019**

EXHIBIT IX

	<b>Pension and Other Post- Employment Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer contributions	\$ 13,167,923
Plan members contributions	1,668,208
Total contributions	<u>14,836,131</u>
Investments income:	
Net change in fair value of investments	13,206,273
Interest and dividends	1,404,111
Total investment income	<u>14,610,384</u>
Total additions	<u>29,446,515</u>
Deductions:	
Benefits	17,173,088
Administration	125,476
Total deductions	<u>17,298,564</u>
Change in Net Position	12,147,951
Net Position at Beginning of Year	<u>146,395,925</u>
Net Position at End of Year	<u>\$ 158,543,876</u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The City of East Providence (the City) was incorporated in 1862. The City covers 16.61 square miles located in southeastern New England. The City is the fifth largest city in the State of Rhode Island and Providence Plantations and is approximately 60 miles from Boston and three and a half hours from New York by automobile or rail.

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

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the City applied the criteria prescribed by GASB Statement No. 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 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:

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

The following entity was considered for classification as a component unit for fiscal year 2019:

- East Providence School Department

Although the East Providence School Department meets certain criteria of the tests listed above, this entity is not deemed to have separate legal status apart from the City and the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result, the financial data of the East Providence School Department has been included.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City does not have any component units.

**B. Basis of Presentation - Government-Wide Financial Statements**

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

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

**C. Basis of Presentation - Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it is the primary operating fund of the City or meets the following criteria:

- Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category type, and
- Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of the individual, governmental fund, or enterprise funds are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

The *General Fund* is the government'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 Unrestricted Fund* accounts for the budgeted resources devoted to financing the general operations of the School Department.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The *High School Construction Fund* accounts for the financial resources and related expenditures of the high school construction project.



**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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The City reports the following major proprietary funds:

The *Water Fund* is a proprietary (enterprise) fund used to account for water use fees and expenses associated with providing water services to city residents.

The *WPC Fund* is a proprietary (enterprise) fund used to account for sewer use fees and expenses associated with providing wastewater services to city residents.

Additionally, the City reports the following fund types:

The *Pension and Other Post-Employment Benefit Trust Funds* are used to account for the funding and payment of pension benefits provided to City police officers and firefighters and to account for funding of future other postemployment benefits such as health, dental and life insurance for the City's and School Department's retirees.

The *Agency Funds* account for the various student activities and funds held in escrow for other parties.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 government considers revenues to be available if they are collected within 60 days of

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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the end of the current fiscal period. Expenditures generally are 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension trust fund, other postemployment benefit trust and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**E. Cash and Cash Equivalents**

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the City's cash and cash equivalents are held in public deposit institutions.

Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

State statutes authorize governments to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**F. Investments**

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

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships; infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
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**G. Property Taxes**

The City is permitted by state law to levy property taxes. The City's fiscal 2019 property taxes were levied in May 2019 based on an assessed valuation as of December 31, 2018. Taxes were due July 1, 2019 or may be paid quarterly, without penalty, at the taxpayer's option. Failure to mail payments by due dates will result in a lien on taxpayer's property.

The City offers a 1.5% discount to taxpayers who pay their assessment in full on or before the due date of the first quarterly installment. A 12% penalty is imposed for all taxes in an overdue status.

Property tax revenue is recognized in accordance with Section P70 "Property Taxes" of the Codification of Governmental Accounting and Reporting Standards which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no later than 60 days after the close of the current period. Property taxes levied in May 2019 for the current year and other delinquent balances are recorded as receivables.

**H. Other Receivables**

Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded, and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

**I. Due from/to Other Funds**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year end, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

**J. Prepaid items**

Prepaid items are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaid items recorded in the governmental type fund do not reflect current appropriate resources and, as such, an equivalent portion of the fund balance is reported as nonspendable.

**K. Unbilled Services Receivable**

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

**L. Inventory**

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

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
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**M. 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 assets with an initial, individual cost of more than a \$5,000 and an estimated useful life in excess of one year. 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.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

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

**N. 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 a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 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 plan (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 also reports deferred inflows 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 expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). In addition, for

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
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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 and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**O. Compensated Absences**

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

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

**P. 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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond 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, and debt payments, are reported as debt service expenditures.

**Q. Net Pension Asset/Liability**

The net pension asset/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.

**R. Net OPEB Liability**

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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.

## **S. Fund Equity**

Equity in the government-wide financial statements is defined as “net position”. Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The components of net position are detailed below:

### **Net Investment in Capital Assets**

The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

### **Restricted for Debt Service**

The component of net position that reflects funds set aside in accordance with indenture agreements with bondholders.

### **Restricted for Special Revenue Funds**

The component of net position that reports the difference between assets and liabilities of the various special revenue funds with constraints placed on their use by federal, state or local requirements.

### **Unrestricted**

All other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

### **Nonspendable Fund Balance**

Includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

### **Restricted Fund Balance**

Is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for capital projects and debt service obligations and for other items contained in the Rhode Island General Laws.

### **Committed Fund Balance**

Will be reported for amounts that can only be used for specific purposes pursuant to formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the City Council removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council.

### **Assigned Fund Balance**

This represents amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned Fund Balance**

This represents the residual classification for the general fund and deficit fund balances in other funds.

**T. Fund Balance Flow Assumptions**

The City of East 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 when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

**U. Use of Estimates**

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

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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The City has adopted a fund balance policy for the general fund. Every year the City has to budget 1% of revenues to replenish the fund balance to a maximum of 12% of the prior fiscal year general fund operating revenues, 7% of which is restricted. In the event that the payment to be made into the Fund Balance would increase the amount in said account to more than twelve percent (12%) of the prior fiscal year general operating fund revenues that said amount shall be transferred to a capital fund to be used solely for funding capital projects.

**B. Legal Debt Margin**

The City’s legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value. The legal debt margin for the City is approximately \$134,576,038. As of October 31, 2019, the City’s debt subject to legal debt margin is \$642,000, and the City is under the debt limit by \$133,934,038.

**C. Excess of Expenditures over Appropriations**

For the year ended October 31, 2019, expenditures exceeded appropriations in the following categories:

Human resources	\$	52,189
Harbor master		17
Building inspection		7,313
Central garage		24,597
Streetlights		82,388

**D. Fund Deficits**

At October 31, 2019, the City reported deficit fund balance in the following funds:

**Nonmajor Governmental Funds:**

Title I	\$	5,487	Pre-K Grant	\$	19,881
Title I 1003 (A) Year 1		2,925	Common Core State Standards		5,603
Perkins Odd Year		3,606	CTE Categorical Fund Year 2		88,492
Fresh Fruit & Vegetables		297	CTE Categorical IT Program Year 1		50,000
Pre-K Expansion Grant		26,130	Sports Donations		5,253
EPHS Gym		1,130	Summer School Remedial		38,566
Legislative Middle School Sports		710	Runnins River Flood Prevention		585,070
Legislative Technology Francis		715			

**Capital Projects Funds:**

High School Construction	9,584,172
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The nonmajor governmental fund deficits will be eliminated by grant funding, transfers and future donations.

The above capital project fund deficit will be funded by bond debt expected to be issued in the coming year, specifically for this project.



### **3. CASH AND INVESTMENTS**

#### **Deposits**

Substantially all of the City's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is guaranteed by FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

#### **Deposit Custodial Credit Risk**

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. The City does not have a formal deposit policy for custodial credit risk but is governed by State laws as described above.

As of October 31, 2019, the City's entire bank balance of \$50,728,045 was covered by either FDIC insurance or collateral held in the City's name.

#### **Investments**

The City invests in various types of investments, which are stated at fair value. The Retirement Board of Trustees is responsible for all aspects of the Pension Trust Fund's investments and has adopted an investment policy. The Pension Trust Fund is prohibited from directly engaging in the following transactions unless they are executed by a professional third-party manager retained by the Board of Trustees of the Pension Trust Fund:

- Purchases of securities by partial payment of their cost (purchases on margin).
- Sale of securities not owned by the Pension Trust Fund at the time of sale (short sales).
- Future contracts.
- Call options written against securities in the portfolio other than as follows:
  - Purchases of options other than as required to close out options positions.
  - Lettered or restricted stock (with the exception of those investments that are venture capital investments).
- Direct investment in mortgages.
- Collateral loans (with the exception of those investments that are leveraged buyout investments), provided that boards may participate in so-called "securities lending" programs through a custodian and provided, further, that the lending of securities is limited to brokers, dealers, and financial institutions and that the loan is collateralized by cash or United States Government securities according to applicable regulatory requirements.
- Direct purchase or lease of real estate.

#### **Interest Rate Risk**

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City has no investments that are subject to interest rate risk.

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
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**Credit Risk**

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City has no formal investment policy that limits investment choices for its pension funds.

**Concentration of Credit Risk**

The City does not have a formal investment policy that limits the amount that can be invested with one issuer. Currently, the City has no investments, to which this requirement applies, in any one issuer that represents more than five percent of the total investments.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of financial institution failure, the city's deposits and/or investments may not be returned. The City does not believe that it has significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. Additionally, the City places deposits in financial institutions that are FDIC insured up to \$250,000, rated "well capitalized" on its most recent audited financial statement/SEC filings if deposits exceed engage an outside rating agency to determine status of the institution. The City also ensures that all uninsured deposits greater than \$250,000 are collateralized.

**Fair Value**

The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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The three categories within the hierarchy are as follows:

**Level 1**

Quoted prices in active markets for identical assets and liabilities.

**Level 2**

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads and market-corroborated inputs.

**Level 3**

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

At October 31, 2019, the City had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 147,054,295	\$ 85,064,402	\$ 22,133,184	\$ 39,856,709
Alternative investments	<u>21,047,022</u>			<u>21,047,022</u>
Total Investments by Fair Value Level	<u>\$ 168,101,317</u>	<u>\$ 85,064,402</u>	<u>\$ 22,133,184</u>	<u>\$ 60,903,731</u>

**4. RECEIVABLES**

Receivable balances as of October 31, 2019 are presented below.

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Water Fund</u>	<u>WPC Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 28,376,741					\$ 28,376,741
Water and sewer use fees			1,457,685	1,786,566		3,244,251
Due from other governments		39,229	13,852		4,550,495	4,603,576
Other receivables	<u>90,259</u>	<u>573,323</u>			<u>1,546,247</u>	<u>2,209,829</u>
Total receivables	<u>28,467,000</u>	<u>612,552</u>	<u>1,471,537</u>	<u>1,786,566</u>	<u>6,096,742</u>	<u>38,434,397</u>
Less allowance for uncollectibles	<u>(2,950,000)</u>					<u>(2,950,000)</u>
Total Receivables	<u>\$ 25,517,000</u>	<u>\$ 612,552</u>	<u>\$ 1,471,537</u>	<u>\$ 1,786,566</u>	<u>\$ 6,096,742</u>	<u>\$ 35,484,397</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended October 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,142,523	\$ -	\$ -	\$ -	\$ 4,142,523
Construction in progress	2,253,133	19,507,426	-	(1,822,642)	19,937,917
Total capital assets not being depreciated	<u>6,395,656</u>	<u>19,507,426</u>	<u>-</u>	<u>(1,822,642)</u>	<u>24,080,440</u>
Capital assets being depreciated:					
Land improvements	4,024,081	1,629,320	-	-	5,653,401
Buildings and improvements	97,540,179	3,350,270	-	-	100,890,449
Infrastructure	58,601,758	568,285	-	1,822,642	60,992,685
Machinery and equipment	17,527,529	2,355,745	-	-	19,883,274
Vehicles	20,184,054	841,352	-	-	21,025,406
Total capital assets being depreciated	<u>197,877,601</u>	<u>8,744,972</u>	<u>-</u>	<u>1,822,642</u>	<u>208,445,215</u>
Less accumulated depreciation for:					
Land improvements	3,288,901	113,340	-	-	3,402,241
Buildings and improvements	42,277,848	3,181,105	-	-	45,458,953
Infrastructure	36,100,475	903,272	-	-	37,003,747
Machinery and equipment	12,141,934	1,346,333	-	-	13,488,267
Vehicles	16,260,639	851,746	-	-	17,112,385
Total accumulated depreciation	<u>110,069,797</u>	<u>6,395,796</u>	<u>-</u>	<u>-</u>	<u>116,465,593</u>
Total capital assets being depreciated, net	<u>87,807,804</u>	<u>2,349,176</u>	<u>-</u>	<u>1,822,642</u>	<u>91,979,622</u>
Governmental Activities Capital Assets, Net	\$ <u>94,203,460</u>	\$ <u>21,856,602</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>116,060,062</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 3,328,334	\$ -	\$ -	\$ -	\$ 3,328,334
Construction in progress	1,615,907	-	-	(1,615,907)	-
Total capital assets not being depreciated	<u>4,944,241</u>	<u>-</u>	<u>-</u>	<u>(1,615,907)</u>	<u>3,328,334</u>
Capital assets being depreciated:					
Land improvements	208,215	-	-	-	208,215
Infrastructure	117,556,796	-	-	-	117,556,796
Buildings, pump stations and tanks	25,367,566	1,837,284	-	1,615,907	28,820,757
Machinery and equipment	6,404,947	62,992	-	-	6,467,939
Vehicles	2,013,381	194,750	-	-	2,208,131
Total capital assets being depreciated	<u>151,550,905</u>	<u>2,095,026</u>	<u>-</u>	<u>1,615,907</u>	<u>155,261,838</u>
Less accumulated depreciation for:					
Land improvements	204,107	3,521	-	-	207,628
Infrastructure	36,083,626	2,346,037	-	-	38,429,663
Buildings, pump stations and tanks	17,546,471	404,427	-	-	17,950,898
Machinery and equipment	4,339,175	191,376	-	-	4,530,551
Vehicles	1,795,068	72,856	-	-	1,867,924
Total accumulated depreciation	<u>59,968,447</u>	<u>3,018,217</u>	<u>-</u>	<u>-</u>	<u>62,986,664</u>
Total capital assets being depreciated, net	<u>91,582,458</u>	<u>(923,191)</u>	<u>-</u>	<u>1,615,907</u>	<u>92,275,174</u>
Business-Type Activities Capital Assets, Net	\$ <u>96,526,699</u>	\$ <u>(923,191)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>95,603,508</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 216,447
Public safety	1,699,999
Public works	1,172,292
Public libraries	127,145
Parks and recreation	303,048
Education	<u>2,876,865</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>6,395,796</u>
 Business-type activities:	
Water fund	\$ 1,159,716
WPC fund	<u>1,858,501</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>3,018,217</u>

**6. INTERFUND BALANCES AND TRANSFERS**

A summary of interfund balances as of October 31, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	High School construction	\$ 8,362,653
General fund	Water fund	470,521
General fund	WPC fund	2,895,382
General fund	Nonmajor governmental funds	1,435,481
School unrestricted fund	General fund	8,009,560
School unrestricted fund	Nonmajor governmental funds	1,485,714
School unrestricted fund	Agency funds	104,849
Capital project fund	General fund	21,794,834
Nonmajor governmental funds	General fund	1,480,853
Nonmajor governmental funds	School unrestricted fund	953,226
Agency funds	School unrestricted fund	484,887
Agency funds	General fund	<u>120,778</u>
		 \$ <u>47,598,738</u>

The General Fund holds primarily all the cash for the City and the resulting due to/from other results from these cash allocations.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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**Interfund Transfers**

A summary of interfund transfers as of October 31, 2019 is as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>Total Transfers Out</u>
Transfers out:				
General Fund	\$ 1,939,233	\$ 47,733,474	\$ 6,850,796	\$ 56,523,503

**7. CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended October 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Public offerings	\$ 13,600,000		\$ 250,000	\$ 13,350,000	\$ 250,000
Direct borrowing and placements	29,079,966		3,627,267	25,452,699	3,314,306
Capital leases payable	1,148,701		218,100	930,601	223,771
Unamortized bond premiums	541,054		25,373	515,681	
Accrued compensated absences	5,269,448		194,836	5,074,612	1,015,000
Net pension liability	215,989,447	1,660,122		217,649,569	
Net OPEB liability	30,810,343		9,410,742	21,399,601	
Total Governmental Activities - Long-Term Liabilities	\$ 296,438,959	\$ 1,660,122	\$ 13,726,318	\$ 284,372,763	\$ 4,803,077
Business-type activities:					
Direct borrowing and placements	\$ 70,577,406		\$ 4,146,600	\$ 66,430,806	\$ 4,187,100
Net pension liability	2,796,663	126,806		2,923,469	
Net OPEB liability	563,985		235,739	328,246	
Total Business-Type Activities - Long-Term Liabilities	\$ 73,938,054	\$ 126,806	\$ 4,382,339	\$ 69,682,521	\$ 4,187,100

All long-term liabilities for the governmental activities are generally liquidated by the General Fund.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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**Bonds and Loans Payable**

Bonds and notes outstanding as of October 31, 2019 consisted of the follow:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance October 31, 2019</u>
<b>Governmental Activities:</b>					
<u>Public Offerings</u>					
General Obligation	\$ 5,000,000	5/27/2010	5/15/2030	3.0% - 4.55%	\$ 2,750,000
TIF - Kettle Point	10,600,000	1/5/2017	5/15/2041	7.5% - 10.0%	10,600,000
Total Public Offerings					<u>13,350,000</u>
<u>Direct Borrowings and Placements</u>					
School Revenue Bond	3,955,000	10/5/2010	5/15/2025	4.35%	1,994,000
School Revenue Bond	7,777,000	11/3/2010	5/15/2025	6.41%	3,925,000
School Revenue Bond	15,000,000	10/4/2012	5/15/2032	2.0% - 4.0%	11,170,000
RIIB Road & Bridge	1,215,000	7/17/2014	9/1/2024	0.64% - 2.65%	642,000
Series 2014 Refunding	11,843,630	8/29/2014	5/15/2024	2.65%	4,435,699
HUD Section Loan	3,000,000	8/7/2003	8/1/2023	varies	1,055,000
RIIB Energy Efficiency	2,370,000	12/31/2017	9/1/2033	2.24%	2,231,000
Total Direct Borrowings and Placements					<u>25,452,699</u>
Total Governmental Activities					<u>\$ 38,802,699</u>
<b>Business-Type Activities:</b>					
<b>Water Fund</b>					
<u>Direct Borrowings and Placements</u>					
RIIB 2009A	6,000,000	11/19/2009	9/1/2030	varies	\$ 3,299,000
RIIB 2009A#2	561,206	2/12/2010	9/1/2030	varies	308,206
RIIB 2012	2,000,000	11/4/2011	9/1/2031	varies	1,420,000
RIIB 2014A	18,725,000	12/18/2014	9/1/2036	varies	16,646,000
RIIB 2017	1,850,000	9/25/2017	9/1/2032	varies	1,642,000
RIIB 2018	2,000,000	10/31/2018	9/1/2028	varies	1,824,900
Total Water Fund					<u>25,140,106</u>
<b>WPC Fund</b>					
<u>Direct Borrowings and Placements</u>					
RIIB 2009A	10,000,000	10/6/2009	9/1/2030	varies	6,441,000
RIIB 2010B	7,000,000	6/24/2010	9/1/2031	varies	4,834,000
RIIB 2011A	23,000,000	3/29/2011	9/1/2032	varies	17,014,000
RIIB 2012A	17,500,000	6/28/2012	9/1/2033	varies	12,545,000
Series 2014 Refunding	1,449,200	8/29/2014	5/15/2024	2.65%	456,700
Total WPC Fund					<u>41,290,700</u>
Total Business-Type Activities					<u>\$ 66,430,806</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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Annual debt service requirements of bonds and notes as of October 31, 2019 were as follows:

Year Ending October 31,	Public Offerings		Direct Borrowings and Placements				Total	
	Governmental Activities		Governmental Activities		Business-Type Activities		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2020	\$ 250,000	\$ 942,500	\$ 3,314,306	\$ 906,996	\$ 4,187,100	\$ 2,230,560	\$ 7,751,406	\$ 4,080,056
2021	250,000	932,500	3,297,545	791,940	4,249,100	2,104,727	7,796,645	3,829,167
2022	330,000	921,125	3,095,981	667,918	4,374,300	1,971,862	7,800,281	3,560,905
2023	360,000	901,750	3,176,763	549,368	4,509,100	1,831,695	8,045,863	3,282,813
2024	385,000	879,375	2,509,104	428,341	4,647,300	1,684,125	7,541,404	2,991,841
2025-2029	2,500,000	3,957,500	6,306,000	1,156,578	24,952,700	5,998,953	33,758,700	11,113,031
2030-2034	2,705,000	3,070,625	3,753,000	223,502	16,958,206	1,830,642	23,416,206	5,124,769
2035-2039	4,215,000	1,895,250			2,553,000	150,162	6,768,000	2,045,412
2040-2041	2,355,000	269,250					2,355,000	269,250
	<u>\$ 13,350,000</u>	<u>\$ 13,769,875</u>	<u>\$ 25,452,699</u>	<u>\$ 4,724,643</u>	<u>\$ 66,430,806</u>	<u>\$ 17,802,726</u>	<u>\$ 105,233,505</u>	<u>\$ 36,297,244</u>

**Tax Increment Financing Bond**

Tax increment financing (TIF) is an economic development tool in which a municipality earmarks a portion of its property taxes to help finance development in a particular area or site. During fiscal year 2017, the City participated in a tax incremental financing agreement with a local real estate developer to pay for infrastructure improvements and site remediation at Kettle Point.

In fiscal year 2017, the City issued \$10,600,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The City and its taxpayers are not liable for such bonds, except to the extent of the additional property taxes generated within the project area and dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the City's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the City nor do they count against the City's statutory debt limit. Total principal and interest remaining on the bonds is \$23,620,500 payable through 2041. For the current year, interest paid was \$818,750 and there were no incremental property tax revenues generated.

**Tax Anticipation Notes**

The following is a schedule of tax anticipation note activity for the year ended October 31, 2019:

Date Issued	Maturity Date	Interest Rate	Balance November 1, 2018	Increases	Decreases	Balance October 31, 2019
3/14/19	7/30/19	2.53%	\$ -	\$ 17,500,000	\$ 17,500,000	\$ -

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at October 31, 2019 is \$8,005,000. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.



**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
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**Capital Lease Commitments**

The City's capital lease program consists of two leases for the purchase of various vehicles and equipment. The City may purchase leased vehicles and equipment as set forth in the lease agreements. Leases are renewed annually based on the City's appropriation of funds sufficient to pay the obligations under the lease agreements. The assets acquired through the capital lease are as follows:

	<b>Governmental Activities</b>
	<u>                    </u>
Equipment	\$ 1,148,701
Less accumulated depreciation	<u>(218,100)</u>
Net Book Value	<u><u>\$ 930,601</u></u>

Obligations of Governmental Activities under capital leases at October 31, 2019 were as follows:

	<b>Governmental Activities</b>
	<u>                    </u>
2020	\$ 247,967
2021	247,967
2022	247,966
2023	247,967
Total minimum lease payments	991,867
Less amount for interest	<u>(61,266)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 930,601</u></u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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**8. FUND BALANCE**

The components of fund balance for the governmental funds at October 31, 2019 are as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 88,792					\$ 88,792
Prepaid expenditures	3,131	1,783,272				1,786,403
Permanent funds - various					43,810	43,810
Restricted for:						
Public safety programs					2,366,207	2,366,207
Historical records preservation					328,790	328,790
Senior programs					59,346	59,346
Champlin grants					42,073	42,073
Library programs					144,484	144,484
Recreational purposes					117,593	117,593
Community development					323,967	323,967
Educational programs					1,128,985	1,128,985
Cemetery care					3,228	3,228
Various capital improvement projects			21,630,785		4,958,699	26,589,484
Committed for:						
Educational programs		343,423				343,423
Assigned to:						
Fiscal year 2019/20 use of fund balance	1,394,603					1,394,603
Unassigned	14,397,389			(9,584,172)	(833,865)	3,979,352
Total Fund Balances	<u>\$ 15,883,915</u>	<u>\$ 2,126,695</u>	<u>\$ 21,630,785</u>	<u>\$ (9,584,172)</u>	<u>\$ 8,683,317</u>	<u>\$ 38,740,540</u>

**9. PENSION PLANS**

**A. Police and Firefighters Retirement System**

**Summary of Significant Accounting Policies**

**Plan Description**

The Police and Firefighters Retirement System covers all police officers and firefighters sworn into the respective departments. The Police and Firefighters Retirement System is a single employer defined benefit pension plan. The Board of Trustees is responsible for the administration of the plan. The Board is comprised of seven members consisting of the City Manager, the City Finance Director, one police officer and one firefighter having at least five years of credited service, one member of the city police and fire retirees association, one member of City Council, and one member who shall be elected by the remaining six members of the Board. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police and Firefighters Retirement System.

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The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

**Benefit Provisions**

The Police and Firefighters Retirement System provides retirement, disability and death benefits to its members. Retirement benefits are generally calculated as the product of the number of completed years of service, final average compensation at retirement, and a cumulative percentage that varies by years of service (for each year 0- 24 years: 2.5%, for each year 25 - 28 years: 2.0%, and for each year 29 - 30 years: 1.0%). Members may retire after 20 years of service, and Fire Fighters hired after January 1, 2014 may retire after age 55 with 25 years of service. Members are eligible for non-service-related disability after 10 years of service and service-related disability after hire date. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without actuarial reduction. Death benefits are provided for nonservice-related deaths after 3 years of service and for service-related deaths after hire date. Benefits upon death are also dependent on marital and dependent status at the time of death. Members who leave the Plan upon employment termination prior to 10 years of service are entitled to the return of contributions without interest.

As of October 31, 2019, the following employees and other participants were members of the Police and Firefighters Retirement System:

	<u>Total</u>
Active participants	197
Retired participants	175
Beneficiaries	50
Disability participants	45
Terminated vested participants	<u>14</u>
 Total Participants	 <u><u>481</u></u>

**Contributions**

The actual contributions required to be made to the Plan by the City each year are determined based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by members during the year, with an additional amount to finance the unfunded accrued liability. The City contributions to the Plan for the fiscal year ended October 31, 2019 were 50.9%, of covered payroll. The established contribution rates for members are currently set at 9.0% of pay for firefighters and for police. For the purpose of pension calculations and determination of contributions, pay includes base pay, longevity pay and holiday pay of the members.

**Actuarial Assumptions**

The City’s net pension liability has been measured as of October 31 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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The total pension liability in the October 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Salary increases	4.00%, including inflation
Investment rate of return	7.50%, including inflation and expenses
Mortality rates	Rates were based on the RP-2014 Combined Health for Males and Females with Blue Collar adjustment mortality table, projected for mortality improvements with scale AA.

The actuarial assumptions used in the October 31, 2018 actuarial valuation have been based on the results of the 2015 Actuarial Experience Study completed for the periods ending October 31 in years 1991 through 2014.

Benefit terms provide for annual cost-of living adjustments to the monthly benefit payable to retired Members each year, generally including retired Members from about the mid-1990's and thereafter. The annual cost-of-living for these retired Members is an annual compounded increase of 3.00% each year. For Fire Fighter Members hired after January 1, 2014, the annual cost-of-living increase upon retirement will be an annual non-compounded increase of 2.25% each year. These annual cost-of-living increases are fully reflected in the determination of the total pension liability which has been determined as of October 31, 2019.

**Investments**

*Investment Policy*

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of Trustees. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long-term expected rate of return on pension plan investments can be approximated by using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding the annual expected annual rate of inflation.

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Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of October 31, 2019 are summarized in the following table:

<b>Target Asset Allocation Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Domestic equity	30.0%	8.51%
International equity	19.0%	8.89%
Fixed income	24.0%	4.73%
Real estate	8.0%	7.51%
Hedge funds	10.0%	10.01%
Private equity	8.0%	11.26%
Cash	1.0%	3.53%
	<u>100.0%</u>	

**Discount Rate**

The discount rate used to determine the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee contribution rates. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. 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.

**Rate of Return**

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 9.19% for the year ended October 31, 2019. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The City's net pension liability was measured as of October 31, 2019. The components of the net pension liability of the City at October 31, 2019 were as follows:

Total pension liability	\$ 237,778,298
Plan fiduciary net position	<u>134,920,201</u>
City's Net Pension Liability	<u>\$ 102,858,097</u>

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**Changes in the Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of November 1, 2018	\$ 231,157,560	\$ 126,545,967	\$ 104,611,593
Changes for the year:			
Service cost	3,434,978		3,434,978
Interest	17,115,560		17,115,560
Changes of benefit terms			-
Differences between expected and actual experience			-
Changes of assumptions	(1,159,664)		(1,159,664)
Employer contributions		7,764,971	(7,764,971)
Member contributions		1,439,814	(1,439,814)
Net investment income		12,018,478	(12,018,478)
Benefit payments, including refunds of member contributions	(12,770,136)	(12,770,136)	-
Administrative expenses		(78,893)	78,893
Other changes			-
Net changes	<u>6,620,738</u>	<u>8,374,234</u>	<u>(1,753,496)</u>
Balances as of October 31, 2019	\$ <u>237,778,298</u>	\$ <u>134,920,201</u>	\$ <u>102,858,097</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the single discount rate:

	<b>Current</b>		
	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
Net Pension Liability	\$ 163,967,714	\$ 102,858,097	\$ 105,028,288

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

For the year ended October 31, 2019, the Police and Firefighters Retirement System recognized pension expense of \$5,456,183. As of October 31, 2019, the City reported deferred outflows of resources and deferred 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	\$ 4,090,829	\$ 833,635
Changes of assumptions	3,002,088	15,209,209
Net difference between projected and actual earnings on pension plan investments	<u>1,071,581</u>	
Total	<u>\$ 8,164,498</u>	<u>\$ 16,042,844</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ (9,015,887)
2021	540,493
2022	1,129,886
2023	<u>(532,838)</u>
Total	<u>\$ (7,878,346)</u>

**B. Employees' Retirement System**

**Plan Description**

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

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

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**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 five years of service as of July 1, 2012. Members are vested after five 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 2018, East Providence School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the City 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 the City; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2019 for the state and the City, respectively. The City contributed \$5,042,374, \$4,757,046 and \$4,515,281 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year.



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

At October 31, 2019, the East's Providence School Department reported a liability of \$68,581,003 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 were as follows:

East Providence School District's proportionate share of the net pension liability	\$ 68,581,003
State of Rhode Island's proportionate share of the net pension liability	<u>51,374,273</u>
Total Net Pension Liability	<u>\$ 119,955,276</u>

The net pension liability was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City 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 2.15%.

For the year ended October 31, 2019, the City recognized gross pension expense of \$13,951,229 and revenue of \$5,699,320 for support provided by the State. At October 31, 2019, the City reported deferred outflows of resources and deferred 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	\$ 835,141	\$ 1,145,301
Changes of assumptions	4,013,071	541,266
Net difference between projected and actual earnings on pension plan investments		107,918
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,986,415	
Contributions subsequent to measurement date	<u>1,926,900</u>	
Total	<u>\$ 10,761,527</u>	<u>\$ 1,794,485</u>

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\$1,926,900 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 in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ 2,031,806
2021	842,768
2022	1,625,362
2023	1,578,401
2024	761,345
Thereafter	<u>200,460</u>
Total	<u>\$ 7,040,142</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	3.00% to 13.00%
Investment rate of return	7.00%

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, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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**Investments**

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, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Global Equity</b>		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
<b>Private Equity</b>		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
<b>Income</b>		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
<b>Crisis Protection Class</b>		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
<b>Volatility Protection</b>		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100.00%</u>	

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.

**Measurement of the Net Pension Liability**

*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 calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 84,754,463	\$ 68,581,003	\$ 55,341,398

**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. Municipal Employees’ Retirement System (MERS)**

**Plan Description**

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

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**Benefit Provisions**

General employees participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and firefighters are covered under a separate City sponsored plan.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): Prior to July 1, 2012, and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

*General Employees*

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 in (a) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with ten or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within 5 years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

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Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

*Other Benefit Provisions*

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

- a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%
- c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016 and \$26,098 for 2017.

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**Employees Covered by Benefit Terms**

At the June 30, 2018 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	401
Inactive, Nonretired Members	127
Active Members	<u>431</u>
Total	<u><u>959</u></u>

**Contributions**

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The City contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City contributed \$4,572,393 in the year ended October 31, 2019 which was 22.24% of annual covered payroll.

**Net Pension Liability**

The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)</b>	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50%
Inflation	2.50%
Mortality	Variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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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, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Global Equity</b>		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
<b>Private Equity</b>		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
<b>Income</b>		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
<b>Crisis Protection Class</b>		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
<b>Volatility Protection</b>		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100.00%</u>	

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.



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**Measurement of the Net Pension Liability**

*Discount Rate*

The discount rate used to measure the total pension liability of the plans 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.

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2018	\$ 112,265,681	\$ 65,262,940	\$ 47,002,741
Changes for the year:			
Service cost	1,768,303		1,768,303
Interest	7,661,747		7,661,747
Changes of benefit terms			-
Differences between expected and actual experience	1,950,483		1,950,483
Changes of assumptions			-
Employer contributions		4,572,393	(4,572,393)
Member contributions		540,278	(540,278)
Net investment income		4,192,310	(4,192,310)
Benefit payments, including refunds of member contributions	(7,392,604)	(7,392,604)	
Administrative expenses		(65,535)	65,535
Other changes		9,890	(9,890)
Net changes	<u>3,987,929</u>	<u>1,856,732</u>	<u>2,131,197</u>
Balances as of June 30, 2019	\$ <u>116,253,610</u>	\$ <u>67,119,672</u>	\$ <u>49,133,938</u>

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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 61,524,249	\$ 49,133,938	\$ 38,991,780

**Pension Plan Fiduciary Net Position**

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

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

For the year ended October 31, 2019, the employer recognized pension expense of \$6,108,721. The employer 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	\$ 1,557,810	\$ 904,598
Changes of assumptions	1,978,973	
Net difference between projected and actual earnings on pension plan investments		162,122
Contributions subsequent to measurement date	<u>1,407,126</u>	
Total	<u>\$ 4,943,909</u>	<u>\$ 1,066,720</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ 1,683,720
2021	236,650
2022	111,031
2023	438,662
2024	
Thereafter	
Total	<u>\$ 2,470,063</u>

**D. Teachers’ Survivors Benefits Plan**

**Plan Description**

Certain employees of the East Providence School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers’ Survivors Benefit 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 a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

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

**Benefit Provisions**

The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children’s benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children’s benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full-time student, and was dependent upon the member at the time of the member’s death. Family benefits are provided if at the time of the member’s death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member’s wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse’s benefits is paid and based on the annual social security adjustment.

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Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or less	\$ 825
\$17,001 to \$25,000	\$ 963
\$25,001 to \$33,000	\$ 1,100
\$33,001 to \$40,000	\$ 1,238
\$40,001 and over	\$ 1,375

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

<b>Parent and 1 Child</b>	<b>Parent and 2 or more Children</b>	<b>One Child Alone</b>	<b>Two Children Alone</b>	<b>Three or more Children Alone</b>	<b>Dependent Parent</b>
150%	175%	75%	150%	175%	100%

**Funding Policy**

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The East Providence School Department contributed \$62,822, \$61,209 and \$49,771 for the fiscal years ended October 31, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year

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

At October 31, 2019, the East Providence School Department reported an asset of \$9,555,394 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The East Providence School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2019 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019, the East Providence School Department's proportion was 8.42%.

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For the year ended October 31, 2019 the East Providence School Department recognized pension expense of \$(168,268) - an increase in the net pension asset. At October 31, 2019, the East Providence School Department reported deferred outflows of resources and deferred 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	\$ 1,041,321	\$ 2,537,730
Changes of assumptions	832,608	
Net difference between projected and actual earnings on pension plan investments		94,097
Changes in proportion and differences between employer contributions and proportionate share of contributions	159,804	810,770
Contributions subsequent to measurement date	<u>60,469</u>	
Total	<u>\$ 2,094,202</u>	<u>\$ 3,442,597</u>

\$60,469 reported as deferred outflows of resources related to pensions resulting from the East Providence School Department's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ 378
2021	(367,096)
2022	(163,545)
2023	(112,666)
2024	(267,866)
Thereafter	<u>(498,069)</u>
Total	<u>\$ (1,408,864)</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	3.00% to 13.00%
Investment rate of return	7.00%

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

Cost of living adjustment - eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment - for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2018 valuation and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Global Equity</b>		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
<b>Private Equity</b>		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
<b>Income</b>		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
<b>Crisis Protection Class</b>		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
<b>Volatility Protection</b>		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100.00%</u>	

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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.

**Measurement of the Net Pension Liability (Asset)**

*Discount Rate*

The discount rate used to measure the total pension liability (asset) 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 (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) calculated using the discount rate of 7.00% 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension (Asset) Liability	\$ (7,363,307)	\$ (9,555,394)	\$ (11,187,570)

**Pension Plan Fiduciary Net Position**

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

**E. Defined Contribution 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 between 5% and 7% of their annual covered salary depending upon years of service as of June 30, 2012 and employers contribute between 1% and 3.5% 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 Internal Revenue Service guidelines for such plans.

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The City (including the School Department) recognized pension expense of \$1,273,128 for the fiscal year ended October 31, 2019. Of that amount, \$115,243 was recognized for general employees and \$1,157,885 was for school employees.

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

## **10. OTHER POST EMPLOYMENT BENEFITS**

The City and School Department have separate benefit plans for other post-retirement employment benefits. Plan details are as follows:

### **A. City Plan**

#### **Plan Description**

The City administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental, and life insurance for eligible retirees and their dependents through the City's group health and life insurance plans, which cover both active and retired members. Benefit provisions are established and may be amended by the union contracts through negotiations between the City and the respective unions. The plan does not issue a publicly available financial report.

Management of the post-employment benefits plan is vested with the Finance Director under the direction of the City Manager. Funds are managed by a third-party investment management firm.

#### **Funding Policy**

The City has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the City Council.

The City's funding strategy for post-employment obligations are based upon characteristics of benefits on distinct groups of employees established within their respective collective bargaining units and/or contracts.

#### **Police, Fire and City General Employees**

Medical and prescription drug benefits and group life insurance of \$7,500 are provided to eligible retirees until age 65 or 3 years after retirement, whichever is later. Disabled police and firefighters receive benefits for life and disabled general employees are treated as retirees. The spouse's disability benefit terminates when the retiree turns 65 or upon death of retiree, whichever is earlier. A surviving spouse receives COBRA coverage upon death of the retiree and must pay the required COBRA rate. Upon death of an active Police Officer or Firefighter, the surviving spouse receives three years of free coverage paid by the City and then must elect COBRA coverage and pay the required COBRA rate. Upon death of a General City employee, the surviving spouse receives one year of subsidized coverage paid by the City and then must elect Cobra coverage and pay the required COBRA rate. The City's subsidy will be at the same level as the existing active employee's subsidy. Retirees prior to November 1, 2012 do not



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contribute to medical and prescription drug benefits or group life insurance, except for those enrolled in COBRA coverage or Medicare Plan 65 who pay the full cost of coverage. Members who retire on/after January 1, 2015 contribute 20% to the cost of retiree health benefits. Retirees may elect dental coverage at their own cost.

At October 31, 2019, plan membership consisted of the following:

Active employees	383
Retired employees	<u>150</u>
Total	<u><u>533</u></u>

**Investments**

**Investment Policy**

The City is responsible for directing and monitoring the investment and management of the assets. Under the plan document, the City has the power to make such rules and regulations as may be necessary for the administration of the plan and the fund and the investment and reinvestment of the assets. As such, the City is authorized to delegate certain responsibilities to professional experts in various fields. These include investment managers, custodians, and other specialists such as attorneys, actuaries, retirement plan consultants, and others to assist the City in meeting its responsibilities and obligations to administer the plan assets prudently.

The investment plan assets shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

**Rate of Return**

For the year ended October 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 11.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the City**

The City's net OPEB liability was measured as of October 31, 2019. The components of the net OPEB liability of the City at October 31, 2019, were as follows:

Total OPEB liability	\$ 38,221,341
Plan fiduciary net position	<u>20,671,562</u>
Net OPEB Liability	<u><u>\$ 17,549,779</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	54.1%

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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of October 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.80%
Salary increases	3.25 - 10.00%, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	8.5% for 2019, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years

Mortality rates were based on SOA Pub-2010 Weighted Mortality Table fully generational using scale MP-2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of October 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	48.3%	5.0%
Non U.S. equity	20.7%	7.1%
U.S. aggregate bonds	9.0%	1.7%
Intermediate-term credit	5.4%	2.2%
Short-term credit	3.6%	2.0%
Intermediate-term TIPS	5.0%	1.0%
REITs	8.0%	4.1%
Total	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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**Change in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of November 1, 2018	\$ 44,217,599	\$ 17,232,670	\$ 26,984,929
Changes for the year:			
Service cost	1,754,085		1,754,085
Interest	3,098,608		3,098,608
Differences between expected and actual experience	(7,033,053)		(7,033,053)
Changes of assumptions	(345,480)		(345,480)
Employer contributions		4,698,812	(4,698,812)
Member contributions			-
Net investment income		2,250,197	(2,250,197)
Benefit payments, including refunds of member contributions	(3,470,418)	(3,470,418)	-
Administrative expenses		(39,699)	39,699
Net changes	<u>(5,996,258)</u>	<u>3,438,892</u>	<u>(9,435,150)</u>
Balances as of October 31, 2019	<u>\$ 38,221,341</u>	<u>\$ 20,671,562</u>	<u>\$ 17,549,779</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 20,335,877	\$ 17,549,779	\$ 15,024,599

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.00% decreasing to 3.50%) or 1 percentage point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 14,534,104	\$ 17,549,779	\$ 20,989,613

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

For the year ended October 31, 2019, the City recognized OPEB expense of \$2,589,769. At October 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 6,028,331
Change in assumptions		296,126
Net difference between projected and actual earnings on OPEB plan investments		<u>204,677</u>
Total	<u>\$ -</u>	<u>\$ 6,529,134</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ 1,055,435
2021	1,055,435
2022	1,055,434
2023	1,254,677
2022	1,054,076
Thereafter	<u>1,054,077</u>
Total	<u>\$ 6,529,134</u>

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The following schedule presents the net position held in trust for OPEB benefits at October 31, 2019 and the changes in net position for the year ended October 31, 2019:

	<u><b>City OPEB Trust Fund</b></u>
Assets:	
Investments:	
Mutual funds	\$ <u>20,671,562</u>
Total assets	<u>20,671,562</u>
Net Position:	
Restricted for OPEB Benefits	\$ <u><u>20,671,562</u></u>
	<u><b>City OPEB Trust Fund</b></u>
Additions:	
Contributions:	
Employer	\$ 4,470,418
Plan members	<u>228,394</u>
Total contributions	4,698,812
Investment income:	
Net change in fair value of investments	<u>2,250,197</u>
Total additions	<u>6,949,009</u>
Deductions:	
Benefits	3,470,418
Administration	<u>39,699</u>
Total deductions	<u>3,510,117</u>
Change in Net Position	3,438,892
Net Position - Beginning of Year	<u>17,232,670</u>
Net Position - End of Year	\$ <u><u>20,671,562</u></u>

**B. East Providence School Department Plan**

**Plan Description**

The School Department administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental, and life insurance for eligible retirees and their dependents through the School Department's group health and life insurance plans, which cover both active and retired members. Benefit provisions are established and may be amended by the union contracts through negotiations between the School Department and the respective unions. The plan does not issue a publicly available financial report.

Management of the post-employment benefits plan is vested with the School Finance Director under the direction of the Superintendent. Funds are managed by a third-party investment management firm.

**Funding Policy**

The School Department has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the School Unrestricted Fund and budgeted as part of the budgeting process, which is approved by the School Committee.

The School Department's funding strategy for post-employment obligations are based upon characteristics of benefits on distinct groups of employees established within their respective collective bargaining units and/or contracts.

**Teacher and School General Employees**

Medical and prescription drug benefits, dental benefits and group life insurance of \$25,000 are provided to eligible retirees. For retirees after November 1, 2012, medical and dental benefits will be provided for one year for family plans and two years for single plans. Custodians/secretaries who reach 30 years of service before October 31, 2017, shall receive health insurance benefits for themselves and their spouse until age 65. Medical, prescription drug, and dental benefits cease once the retiree is eligible for Medicare. Life insurance benefits cease upon attainment of age 70 (teachers, teachers assistants, principals and administrators), age 75 (custodians), or age 80 (secretaries).

At October 31, 2019, plan membership consisted of the following:

Active employees	835
Retired employees	<u>202</u>
Total	<u><u>1,037</u></u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS  
 OCTOBER 31, 2019**

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**Investments**

**Investment Policy**

The School Department is responsible for directing and monitoring the investment and management of the assets. Under the plan document, the School Department has the power to make such rules and regulations as may be necessary for the administration of the plan and the fund and the investment and reinvestment of the assets. As such, the School Department is authorized to delegate certain responsibilities to professional experts in various fields. These include investment managers, custodians, and other specialists such as attorneys, actuaries, retirement plan consultants, and others to assist the School Department in meeting its responsibilities and obligations to administer the plan assets prudently.

The investment plan assets shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity and return.

Rate of return: For the year ended October 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 12.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the School Department**

The School Department’s net OPEB liability was measured as of October 31, 2019. The components of the net OPEB liability of the City at October 31, 2019, were as follows:

Total OPEB liability	\$	7,130,181
Plan fiduciary net position		<u>2,952,113</u>
Net OPEB Liability	\$	<u><u>4,178,068</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		41.4%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of October 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.0 - 13.0%, including inflation
Investment rate of return	4.45%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	9.0% for 2017, decreasing 0.5% per year to an ultimate rate of 5.0% for 2026 and later years

Mortality rates were based on SOA Pub-2010 Weighted Mortality Table fully generational using scale MP-2019.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of October 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	48.3%	6.8%
Non U.S. equity	20.7%	8.2%
U.S. aggregate bonds	9.0%	1.4%
Intermediate-term credit	5.4%	2.1%
Short-term credit	3.6%	2.0%
Intermediate-term TIPS	5.0%	0.7%
REITs	8.0%	5.0%
Total	<u>100.0%</u>	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 4.45%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



**CITY OF EAST PROVIDENCE, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2019**

**Change in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of November 1, 2018	\$ 7,006,687	\$ 2,617,288	\$ 4,389,399
Changes for the year:			
Service cost	266,562		266,562
Interest	477,041		477,041
Differences between expected and actual experience	(488,582)		(488,582)
Changes of assumptions	801,007		801,007
Employer contributions		932,534	(932,534)
Member contributions			-
Net investment income		341,709	(341,709)
Benefit payments, including refunds of member contributions	(932,534)	(932,534)	-
Administrative expenses		(6,884)	6,884
Net changes	<u>123,494</u>	<u>334,825</u>	<u>(211,331)</u>
Balances as of October 31, 2019	<u>\$ 7,130,181</u>	<u>\$ 2,952,113</u>	<u>\$ 4,178,068</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.45%) or 1 percentage point higher (5.45%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 4,639,473	\$ 4,178,068	\$ 3,744,463

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.00% decreasing to 3.50%) or 1 percentage point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 3,578,032	\$ 4,178,068	\$ 4,885,820

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 NOTES TO FINANCIAL STATEMENTS  
 OCTOBER 31, 2019**

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

For the year ended October 31, 2019, the School Department recognized OPEB expense of \$553,008. At October 31, 2019, the School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 759,384
Change in assumptions	720,906	37,211
Net difference between projected and actual earnings on OPEB plan investments		<u>35,170</u>
Total	<u>\$ 720,906</u>	<u>\$ 831,765</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2020	\$ 14,506
2021	14,506
2022	14,505
2023	45,113
2024	13,365
Thereafter	<u>8,864</u>
Total	<u>\$ 110,859</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

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The following schedule presents the net position held in trust for OPEB benefits at October 31, 2019 and the changes in net position for the year ended October 31, 2019:

	<b><u>School OPEB Trust Fund</u></b>
Assets:	
Investments:	
Mutual funds	\$ <u>2,952,113</u>
Total assets	<u>2,952,113</u>
Net Position:	
Restricted for OPEB Benefits	\$ <u><u>2,952,113</u></u>
	<b><u>School OPEB Trust Fund</u></b>
Additions:	
Contributions:	
Employer	\$ 932,534
Plan members	
Total contributions	<u>932,534</u>
Investment income:	
Net change in fair value of investments	<u>341,709</u>
Total additions	<u>1,274,243</u>
Deductions:	
Benefits	932,534
Administration	<u>6,884</u>
Total deductions	<u>939,418</u>
Change in Net Position	334,825
Net Position - Beginning of Year	<u>2,617,288</u>
Net Position - End of Year	\$ <u><u>2,952,113</u></u>

## **11. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

### **Litigation**

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

### **Grants**

The City and School Department participate in a number of federally assisted programs. The audits of these programs through the year ended October 31, 2019 were performed in connection with the accompanying financial statements under the Single Audit concept and the auditors' reports thereon are presented in the separately issued single audit report. The amount, if any, of expenditures, which may be disallowed, will not be material to the financial position of the City.

## **12. SUBSEQUENT EVENTS**

In March 2020, the City issued \$2,255,000 of general obligation refunding bonds and \$15,000,000 of general obligation tax anticipation notes. The bond proceeds will be used to refund \$2,500,000 of outstanding general obligation bonds dated May 27, 2010. The notes proceeds will be used for cash flow needs of the City.

On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19). On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 outbreak. The City derives a significant portion of its revenues from property taxes levied to business and individuals for commercial and residential real estate as well as tangible personal property. Business and individuals may have both been negatively impacted by business closures and job loss. While the City has not experienced any significant decline in the amount of property taxes collected, the situation creates uncertainty about the impact on future revenues that might be generated from these taxes.



# **Required Supplementary Information**

CITY OF EAST PROVIDENCE, RHODE ISLAND  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED OCTOBER 31, 2019

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Property taxes, interest and liens	\$ 109,239,017	\$ 109,239,017	\$ 107,504,557	\$ (1,734,460)
Intergovernmental	5,715,197	5,715,197	6,127,676	412,479
Departmental	6,887,083	6,887,083	8,069,572	1,182,489
Interest on investments			353,220	353,220
Total revenues	<u>121,841,297</u>	<u>121,841,297</u>	<u>122,055,025</u>	<u>213,728</u>
Expenditures:				
General government:				
City council	30,637	30,637	27,137	3,500
Mayor	394,156	394,156	366,584	27,572
City manager	35,372	35,372	34,555	817
Senior services	447,815	447,815	392,771	55,044
Information technology	949,246	949,246	916,756	32,490
City clerk	718,123	718,123	677,035	41,088
Finance	833,451	833,451	789,712	43,739
Tax collection	740,249	740,249	714,367	25,882
Tax assessment	719,602	719,602	592,489	127,113
Planning	672,114	672,114	599,388	72,726
Law	371,984	371,984	332,133	39,851
Human resources	559,545	559,545	611,734	(52,189)
Canvassing	232,264	232,264	229,168	3,096
Total general government	<u>6,704,558</u>	<u>6,704,558</u>	<u>6,283,829</u>	<u>420,729</u>
Public safety:				
Police	16,732,039	16,732,039	16,574,301	157,738
Animal shelter	343,326	343,326	327,502	15,824
Harbor master	50,692	50,692	50,709	(17)
Fire	20,888,558	20,888,558	20,862,738	25,820
Building inspection	818,109	818,109	825,422	(7,313)
Total public safety	<u>38,832,724</u>	<u>38,832,724</u>	<u>38,640,672</u>	<u>192,052</u>
Public works:				
Director	282,711	282,711	282,069	642
Engineering	760,667	760,667	679,002	81,665
Highway	4,592,464	4,592,464	4,479,457	113,007
Central garage	781,619	781,619	806,216	(24,597)
Streetlights	600,000	600,000	682,388	(82,388)
Public buildings	1,315,869	1,315,869	1,210,060	105,809
Total public works	<u>8,333,330</u>	<u>8,333,330</u>	<u>8,139,192</u>	<u>194,138</u>

(Continued on next page)

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)**  
**FOR THE YEAR ENDED OCTOBER 31, 2019**

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Sanitation:				
Refuse disposal	\$ 2,877,890	\$ 2,877,890	\$ 2,803,836	\$ 74,054
Public libraries	2,358,636	2,358,636	2,180,111	178,525
Parks and recreation:				
Pierce stadium	22,000	22,000	21,602	398
Recreation	855,345	855,345	842,442	12,903
Carousel	149,833	149,833	135,236	14,597
Total parks and recreation	<u>1,027,178</u>	<u>1,027,178</u>	<u>999,280</u>	<u>27,898</u>
Debt service	4,965,321	4,965,321	4,844,125	121,196
Benefits and other miscellaneous	6,711,892	6,711,892	5,745,904	965,988
Total expenditures	<u>71,811,529</u>	<u>71,811,529</u>	<u>69,636,949</u>	<u>2,174,580</u>
Excess of Revenues over Expenditures	<u>50,029,768</u>	<u>50,029,768</u>	<u>52,418,076</u>	<u>2,388,308</u>
Other Financing Sources (Uses):				
Transfers from capital fund	1,939,233	1,939,233	1,939,233	-
Transfer to capital fund	(4,235,527)	(4,235,527)	(4,235,520)	7
Operating transfer to school unrestricted	(47,733,474)	(47,733,474)	(47,733,474)	-
Total other financing uses	<u>(50,029,768)</u>	<u>(50,029,768)</u>	<u>(50,029,761)</u>	<u>7</u>
Net Change in Fund Balances - Budgetary Basis	\$ <u>          -</u>	\$ <u>          -</u>	2,388,315	\$ <u>2,388,315</u>
Budgetary expenditures are different than GAAP expenditures because:				
Transfer excess fund balance to capital fund per City Charter Article V Sec. 5-15			<u>(2,615,276)</u>	
Net Change in Fund Balances - GAAP Basis			\$ <u>(226,961)</u>	

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 BUDGETARY COMPARISON SCHEDULE - SCHOOL UNRESTRICTED FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED OCTOBER 31, 2019**

RSI-2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 35,672,633	\$ 35,672,633	\$ 37,376,853	\$ 1,704,220
Charges for services			53,181	53,181
Other revenue			499,085	499,085
Total revenues	<u>35,672,633</u>	<u>35,672,633</u>	<u>37,929,119</u>	<u>2,256,486</u>
Expenditures:				
Education	<u>84,996,107</u>	<u>84,996,107</u>	<u>88,646,993</u>	<u>(3,650,886)</u>
Deficiency of Revenues Over Expenditures	(49,323,474)	(49,323,474)	(50,717,874)	1,394,400
Other Financing Sources:				
Transfers in	<u>47,733,474</u>	<u>47,733,474</u>	<u>47,733,474</u>	<u>-</u>
Net Change in Fund Balances - Budgetary Basis	<u>\$ (1,590,000)</u>	<u>\$ (1,590,000)</u>	(2,984,400)	<u>\$ 1,394,400</u>

Budgetary revenues are different than GAAP revenues because:

State of Rhode Island on-behalf contributions  
to State pension plans are not budgeted. 3,969,213

Budgetary expenditures are different than GAAP expenditures because:

State of Rhode Island on-behalf contributions  
to State pension plans are not budgeted. (3,969,213)

Net Change in Fund Balances - GAAP Basis \$ (2,984,400)



**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE AND FIRE LOCAL PENSION PLAN  
LAST FIVE FISCAL YEARS\***

RSI-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:					
Service cost	\$ 3,434,978	\$ 3,213,366	\$ 3,455,749	\$ 3,904,298	\$ 4,206,988
Interest	17,115,560	16,230,344	15,671,330	12,492,276	11,945,938
Changes of benefit terms		308,964			
Differences between expected and actual experience		(1,667,271)	1,774,809	16,904,538	4,477,160
Changes of assumptions	(1,159,664)	6,004,176	(1,427,122)	(68,843,063)	7,535,431
Benefit payments, including refunds of member contributions	<u>(12,770,136)</u>	<u>(12,246,488)</u>	<u>(11,311,227)</u>	<u>(10,784,177)</u>	<u>(10,237,038)</u>
Net change in total pension liability	6,620,738	11,843,091	8,163,539	(46,326,128)	17,928,479
Total pension liability - beginning	<u>231,157,560</u>	<u>219,314,469</u>	<u>211,150,930</u>	<u>257,477,058</u>	<u>239,548,579</u>
Total pension liability - ending	<u>237,778,298</u>	<u>231,157,560</u>	<u>219,314,469</u>	<u>211,150,930</u>	<u>257,477,058</u>
Plan fiduciary net position:					
Contributions - employer	7,764,971	7,610,501	6,327,364	5,816,231	6,435,589
Contributions - employee	1,439,814	1,371,089	1,302,238	1,284,211	1,263,128
Net investment income	12,018,478	(136,131)	17,310,859	4,389,968	2,104,629
Benefit payments, including refunds of member contributions	(12,770,136)	(12,246,488)	(11,311,227)	(10,784,177)	(10,237,038)
Pension plan administrative expense	<u>(78,893)</u>	<u>(92,864)</u>	<u>(62,375)</u>	<u>(59,424)</u>	<u>(391,962)</u>
Net change in plan fiduciary net position	8,374,234	(3,493,893)	13,566,859	646,809	(825,654)
Plan fiduciary net position - beginning	<u>126,545,967</u>	<u>130,039,860</u>	<u>116,473,001</u>	<u>115,826,192</u>	<u>116,651,846</u>
Plan fiduciary net position - ending	<u>134,920,201</u>	<u>126,545,967</u>	<u>130,039,860</u>	<u>116,473,001</u>	<u>115,826,192</u>
Net Pension Liability - Ending	<u>\$ 102,858,097</u>	<u>\$ 104,611,593</u>	<u>\$ 89,274,609</u>	<u>\$ 94,677,929</u>	<u>\$ 141,650,866</u>
Plan fiduciary net position as a percentage of the total pension liability	56.74%	54.74%	59.29%	55.16%	44.99%
Covered-employee payroll	\$ 14,440,465	\$ 15,270,020	\$ 14,517,769	\$ 15,021,061	\$ 14,628,273
Net pension liability as a percentage of covered payroll	712.29%	685.08%	614.93%	630.30%	968.34%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF CONTRIBUTIONS  
POLICE AND FIRE LOCAL PENSION PLAN  
LAST TEN FISCAL YEARS**

RSI-4

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 7,470,844	\$ 7,019,872	\$ 7,289,839	\$ 5,921,652	\$ 5,617,511	\$ 5,436,880	\$ 7,951,460	\$ 7,525,388	\$ 7,362,115	\$ 6,878,284
Contributions in relation to the actuarially determined contribution	<u>7,764,971</u>	<u>7,610,501</u>	<u>6,327,364</u>	<u>5,816,231</u>	<u>6,435,589</u>	<u>5,606,148</u>	<u>7,784,310</u>	<u>1,590,445</u>	<u>1,437,580</u>	<u>1,400,002</u>
Contribution Deficiency (Excess)	\$ <u>(294,127)</u>	\$ <u>(590,629)</u>	\$ <u>962,475</u>	\$ <u>105,421</u>	\$ <u>(818,078)</u>	\$ <u>(169,268)</u>	\$ <u>167,150</u>	\$ <u>5,934,943</u>	\$ <u>5,924,535</u>	\$ <u>5,478,282</u>
Covered-employee payroll	\$ 15,270,020	\$ 14,517,769	\$ 15,021,061	\$ 14,628,273	\$ 13,861,789	\$ 12,666,939	\$ 12,542,000	\$ 12,326,000	\$ 11,770,000	\$ 12,580,000
Contributions as a percentage of covered-employee payroll	50.85%	52.42%	42.12%	39.76%	46.43%	44.26%	62.07%	12.90%	12.21%	11.13%

**Notes to Schedule**

Valuation date October 31, 2019  
Measurement date October 31, 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 30-year closed level % of pay amortization of the excess of the entry age actuarial accrued liability over the actuarial value of plan assets. For this purpose, pay is assumed to grow at 3.75% annually.  
Asset valuation method Market value of assets  
Inflation 2.50%  
Salary increases 4.0% compounded annually  
Investment rate of return 7.50%  
Retirement age Age-based table  
Mortality - Healthy RP-2014 Blue Collar Mortality Table with improvements from 2006 to 2017 based on assumptions from the 2017 Social Security Administration Trustee's Report  
Mortality - Disabled RP-2014 Disabled Mortality with improvements from 2006 to 2017 based on assumptions from the 2017 Social Security Administration Trustee's Report

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 SCHEDULE OF INVESTMENT RETURNS  
 POLICE AND FIRE LOCAL PENSION PLAN  
 LAST SIX FISCAL YEARS\***

RSI-5

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	9.19%	-0.11%	14.28%	1.94%	1.83%	15.73%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\***

RSI-6

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	2.15%	2.11%	2.06%	2.06%	1.98%	1.93%
City's proportionate share of the net pension liability	\$ 68,581,003	\$ 67,171,776	\$ 65,081,789	\$ 61,441,400	\$ 54,392,896	\$ 46,902,474
State's proportionate share of the net pension liability associated with the school district	<u>51,374,273</u>	<u>50,105,320</u>	<u>49,186,196</u>	<u>42,075,337</u>	<u>37,159,519</u>	<u>32,163,187</u>
Total	<u>\$ 119,955,276</u>	<u>\$ 117,277,096</u>	<u>\$ 114,267,985</u>	<u>\$ 103,516,737</u>	<u>\$ 91,552,415</u>	<u>\$ 79,065,661</u>
City's covered employee payroll	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	197.15%	203.33%	205.79%	181.60%	166.12%	147.97%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.06%	54.06%	57.55%	61.40%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF CONTRIBUTIONS  
EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\***

RSI-7

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 5,365,646	\$ 5,052,279	\$ 4,824,845	\$ 4,645,199	\$ 4,305,249	\$ 3,794,420
Contributions in relation to the actuarially determined contribution	<u>5,365,646</u>	<u>5,052,279</u>	<u>4,824,845</u>	<u>4,645,199</u>	<u>4,305,249</u>	<u>3,794,420</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
Contributions as a percentage of covered-employee payroll	15.42%	15.29%	15.26%	13.73%	13.15%	11.97%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Valuation date: June 30, 2018  
Measurement date: June 30, 2019

- 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.) In May 2017, the Employees' Retirement System of Rhode Island Board voted to lower the investment rate of return assumption from 7.5% to 7.0% which will be reflected in the determination of the net pension liability for the various plans administered by the System beginning with the June 30, 2017 measurement date valuations.

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)**  
**LAST SIX FISCAL YEARS\***

RSI-8

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 1,768,303	\$ 1,796,629	\$ 1,655,859	\$ 1,569,286	\$ 1,451,910	\$ 1,497,818
Interest	7,661,747	7,606,148	7,596,902	7,655,003	7,436,366	7,307,825
Changes of benefit terms					2,000,052	
Differences between expected and actual experience	1,950,483	(1,175,856)	(536,482)	(2,768,415)	(893,679)	
Changes of assumptions			5,903,171			(10,889)
Benefit payments	<u>(7,392,604)</u>	<u>(7,444,373)</u>	<u>(7,200,820)</u>	<u>(7,346,876)</u>	<u>(6,929,467)</u>	<u>(7,186,379)</u>
Net change in total pension liability	3,987,929	782,548	7,418,630	(891,002)	3,065,182	1,608,375
Total pension liability - beginning	<u>112,265,681</u>	<u>111,483,133</u>	<u>104,064,503</u>	<u>104,955,505</u>	<u>101,890,323</u>	<u>100,281,948</u>
Total pension liability - ending	<u>116,253,610</u>	<u>112,265,681</u>	<u>111,483,133</u>	<u>104,064,503</u>	<u>104,955,505</u>	<u>101,890,323</u>
Plan fiduciary net position:						
Contributions - employer	4,572,393	4,593,669	4,600,763	4,382,613	3,537,324	3,440,709
Contributions - employee	540,278	544,804	566,714	545,479	320,534	320,779
Net investment income	4,192,310	4,883,497	6,668,333	32,571	1,432,717	8,364,016
Benefit payments	(7,392,604)	(7,444,373)	(7,200,820)	(7,346,876)	(6,929,467)	(7,186,379)
Pension plan administrative expense	(65,535)	(65,011)	(63,000)	(107,691)	(59,227)	(52,375)
Other	9,890	(42,013)	(428,614)	7,412	35,429	(161,450)
Net change in plan fiduciary net position	1,856,732	2,470,573	4,143,376	(2,486,492)	(1,662,690)	4,725,300
Plan fiduciary net position - beginning	<u>65,262,940</u>	<u>62,792,367</u>	<u>58,648,991</u>	<u>61,135,483</u>	<u>62,798,173</u>	<u>58,072,873</u>
Plan fiduciary net position - ending	<u>67,119,672</u>	<u>65,262,940</u>	<u>62,792,367</u>	<u>58,648,991</u>	<u>61,135,483</u>	<u>62,798,173</u>
Net Pension Liability - Ending	<u>\$ 49,133,938</u>	<u>\$ 47,002,741</u>	<u>\$ 48,690,766</u>	<u>\$ 45,415,512</u>	<u>\$ 43,820,022</u>	<u>\$ 39,092,150</u>
Plan fiduciary net position as a percentage of the total pension liability	57.74%	58.13%	56.32%	56.36%	58.25%	61.63%
Covered-employee payroll	\$ 20,561,664	\$ 19,786,662	\$ 18,859,437	\$ 17,301,940	\$ 15,990,195	\$ 15,733,380
Net pension liability as a percentage of covered payroll	238.96%	237.55%	258.18%	262.49%	274.04%	248.47%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF CONTRIBUTIONS  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)  
LAST SIX FISCAL YEARS\***

RSI-9

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,572,393	\$ 4,593,669	\$ 4,600,763	\$ 4,382,613	\$ 3,537,324	\$ 3,440,709
Contributions in relation to the actuarially determined contribution	<u>4,572,393</u>	<u>4,593,669</u>	<u>4,600,763</u>	<u>4,382,613</u>	<u>3,537,324</u>	<u>3,440,709</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,561,664	\$ 19,786,662	\$ 18,859,437	\$ 17,301,940	\$ 15,990,195	\$ 15,990,195
Contributions as a percentage of covered-employee payroll	22.24%	23.22%	24.40%	25.33%	22.12%	21.52%

**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 percent of payroll, closed  
Remaining amortization period 19 years  
Asset valuation method 5-year smoothed market  
Inflation 2.75%  
Salary increases 3.5% to 7.50% for general employees and 4% to 14% for Police and Fire  
Investment rate of return 7.00%  
Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation.  
Mortality Males: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.  
95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET**  
**TEACHERS' SURVIVORS BENEFITS PLAN**  
**LAST SIX FISCAL YEARS\***

RSI-10

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension asset	8.42%	8.22%	8.44%	8.02%	7.89%	7.41%
City's proportionate share of the net pension asset	\$ 9,555,394	\$ 7,340,532	\$ 6,979,985	\$ 7,985,342	\$ 7,362,805	\$ 9,214,210
City's covered payroll	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
City's proportionate share of the net pension asset as a percentage of its covered payroll	27.47%	22.22%	22.07%	23.60%	22.49%	29.07%
Plan fiduciary net position as a percentage of the total pension liability	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.



**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF CONTRIBUTIONS  
TEACHERS' SURVIVORS BENEFITS PLAN  
LAST SIX FISCAL YEARS\***

RSI-11

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily determined contribution	\$ 60,469	\$ 61,209	\$ 49,771	\$ 51,508	\$ 47,588	\$ 45,149
Contributions in relation to the statutorily determined contribution	<u>60,469</u>	<u>61,209</u>	<u>49,771</u>	<u>51,508</u>	<u>47,588</u>	<u>45,149</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
Contributions as a percentage of covered payroll	0.17%	0.19%	0.16%	0.15%	0.15%	0.14%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Valuation date: June 30, 2018  
Measurement date: June 30, 2019

- 1.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by Rhode Island General Laws, Section 16-16-35.
- 2.) In May 2017, the Employees' Retirement System of Rhode Island Board voted to lower the investment rate of return assumption from 7.5% to 7.0% which will be reflected in the determination of the net pension liability for the various plans administered by the System beginning with the June 30, 2017 measurement date valuations.

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN - CITY**  
**LAST THREE FISCAL YEARS\***

RSI-12

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 1,754,085	\$ 1,639,332	\$ 1,598,797
Interest	3,098,608	3,000,593	2,598,530
Changes of benefit terms			(2,890,110)
Differences between expected and actual experience	(7,033,053)		5,460,910
Changes of assumptions	(345,480)		1,734,512
Benefit payments	<u>(3,470,418)</u>	<u>(3,242,372)</u>	<u>(2,371,199)</u>
Net change in total OPEB liability	(5,996,258)	1,397,553	6,131,440
Total OPEB liability - beginning	<u>44,217,599</u>	<u>42,820,046</u>	<u>36,688,606</u>
Total OPEB liability - ending	<u>38,221,341</u>	<u>44,217,599</u>	<u>42,820,046</u>
Plan fiduciary net position:			
Contributions - employer	4,698,812	4,445,961	5,216,989
Net investment income	2,250,197	157,530	1,911,235
Benefit payments	(3,470,418)	(3,242,372)	(2,371,199)
Administrative expense	<u>(39,699)</u>	<u>(37,198)</u>	<u>(29,543)</u>
Net change in plan fiduciary net position	3,438,892	1,323,921	4,727,482
Plan fiduciary net position - beginning	<u>17,232,670</u>	<u>15,908,749</u>	<u>11,181,267</u>
Plan fiduciary net position - ending	<u>20,671,562</u>	<u>17,232,670</u>	<u>15,908,749</u>
Net OPEB Liability - Ending	<u>\$ 17,549,779</u>	<u>\$ 26,984,929</u>	<u>\$ 26,911,297</u>
Plan fiduciary net position as a percentage of the total OPEB liability	54.1%	39.0%	37.2%
Covered-employee payroll	\$ 24,116,710	\$ 24,357,724	\$ 23,591,016
Net OPEB liability as a percentage of covered-employee payroll	72.8%	110.8%	114.1%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN - SCHOOL**  
**LAST THREE FISCAL YEARS\***

RSI-13

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 266,562	\$ 272,629	\$ 222,290
Interest	477,041	529,705	454,036
Changes of assumptions	801,007	(46,513)	(1,647,195)
Differences between expected and actual experience	(488,582)	(399,574)	3,306,969
Benefit payments	<u>(932,534)</u>	<u>(1,266,859)</u>	<u>(1,342,764)</u>
Net change in total OPEB liability	123,494	(910,612)	993,336
Total OPEB liability - beginning	<u>7,006,687</u>	<u>7,917,299</u>	<u>6,923,963</u>
Total OPEB liability - ending	<u>7,130,181</u>	<u>7,006,687</u>	<u>7,917,299</u>
Plan fiduciary net position:			
Contributions - employer	932,534	1,266,859	2,157,091
Net investment income	341,709	28,428	326,997
Benefit payments	(932,534)	(1,266,859)	(1,342,764)
Administrative expense	<u>(6,884)</u>	<u>(6,715)</u>	<u>(5,320)</u>
Net change in plan fiduciary net position	334,825	21,713	1,136,004
Plan fiduciary net position - beginning	<u>2,617,288</u>	<u>2,595,575</u>	<u>1,459,571</u>
Plan fiduciary net position - ending	<u>2,952,113</u>	<u>2,617,288</u>	<u>2,595,575</u>
Net OPEB Liability - Ending	<u>\$ 4,178,068</u>	<u>\$ 4,389,399</u>	<u>\$ 5,321,724</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41.4%	37.4%	32.8%
Covered-employee payroll	\$ 54,318,220	\$ 48,259,017	\$ 46,967,413
Net OPEB liability as a percentage of covered-employee payroll	7.7%	9.1%	11.3%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFIT PLAN - CITY  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 4,100,211	\$ 3,945,974	4,100,391	\$ 3,645,401	\$ 3,645,401	\$ 4,330,882	\$ 4,330,882	\$ 5,547,669	\$ 5,547,669	\$ 5,138,868
Contributions in relation to the actuarially determined contribution	<u>4,698,812</u>	<u>4,445,961</u>	<u>5,216,989</u>	<u>7,772,836</u>	<u>8,721,571</u>	<u>3,424,015</u>	<u>3,424,015</u>	<u>3,728,228</u>	<u>3,728,228</u>	<u>2,755,302</u>
Contribution Deficiency (Excess)	\$ <u>(598,601)</u>	\$ <u>(499,987)</u>	<u>(1,116,598)</u>	\$ <u>(4,127,435)</u>	\$ <u>(5,076,170)</u>	\$ <u>906,867</u>	\$ <u>906,867</u>	\$ <u>1,819,441</u>	\$ <u>1,819,441</u>	\$ <u>2,383,566</u>
Covered-employee payroll	\$ 24,116,710	\$ 24,357,724	23,591,016	\$ 22,427,960	\$ 22,427,960	\$ 22,427,960	\$ 22,427,960	\$ 22,427,960	\$ 22,427,960	\$ N/A
Contributions as a percentage of covered-employee payroll	19.5%	18.3%	22.1%	34.7%	38.9%	15.3%	15.3%	16.6%	16.6%	N/A

Valuation date: October 31, 2019

Measurement date: October 31, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	3.25%
Healthcare cost trend rates	9.0% initial, decreasing 0.5% per year to an ultimate rate of 5.0%
Salary increases	3.0% - 10.0%, including inflation
Investment rate of return	7.00%
Mortality - Healthy Retirees	RPH-2017 Total Dataset Mortality Table fully generational using scale MP-2017
Mortality - Disabled Retirees	RPH-2017 Disabled Mortality Table fully generational using scale MP-2017

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFIT PLAN - SCHOOL  
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 1,039,308	\$ 1,266,859	\$ 1,350,666	\$ 1,626,290	\$ 1,626,290	\$ 2,595,520	\$ 2,595,520	\$ 3,810,380	\$ 3,810,380	\$ 2,029,870
Contributions in relation to the actuarially determined contribution	<u>932,534</u>	<u>1,266,859</u>	<u>2,157,091</u>	<u>1,441,677</u>	<u>1,441,677</u>	<u>2,085,638</u>	<u>2,085,638</u>	<u>3,157,313</u>	<u>2,896,617</u>	<u>3,784,314</u>
Contribution Deficiency (Excess)	\$ <u>106,774</u>	\$ <u>-</u>	\$ <u>(806,425)</u>	\$ <u>184,613</u>	\$ <u>184,613</u>	\$ <u>509,882</u>	\$ <u>509,882</u>	\$ <u>653,067</u>	\$ <u>913,763</u>	\$ <u>(1,754,444)</u>
Covered-employee payroll	\$ 54,318,220	\$ 48,259,017	\$ 46,967,413	\$ 27,591,816	\$ 27,591,816	\$ 35,323,248	\$ 35,323,248	\$ 38,107,684	\$ 38,107,684	\$ N/A
Contributions as a percentage of covered-employee payroll	1.7%	2.6%	4.6%	5.2%	5.2%	5.9%	5.9%	8.3%	7.6%	N/A

Valuation date: October 31, 2019

Measurement date: October 31, 2019

Methods and assumptions used to determine contribution rates:


Actuarial cost method	Entry age
Amortization method	Level percentage of salary
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates	9.0% initial, decreasing 0.5% per year to an ultimate rate of 5.0%
Salary increases	3.0% - 13.0%, including inflation
Investment rate of return	7.00%
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using scale MP-2017

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 SCHEDULE OF INVESTMENT RETURNS  
 OTHER POST-EMPLOYMENT BENEFITS PLAN  
 LAST THREE FISCAL YEARS\***

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	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense:			
City Plan	11.87%	0.95%	14.07%
School Plan	12.27%	1.09%	16.13%

\*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes 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 revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses. The following is a list of special revenue funds in this section:

**Byrne/JAG 2009 Formula** - to account for grant proceeds received from the U.S. Department of Justice for the purpose of enhancing law enforcement operations and public safety.

**Substance Abuse Grants** - to account for grant proceeds to fight substance abuse.

**Hazmat Reimbursement** - to account for rescue related expenditures.

**Hunts Mill / Tranquility Place** - to account for improvement to Jones pond.

**Project Dare** - to account for underage drinking program.

**Forfeited Drug State** - to account for proceeds from drug related property seizures and related anti-drug expenditures.

**DOJ Equitable Sharing** - to account for proceeds from drug related property seizures and related anti-drug expenditures.

**Forfeited Drug Federal** - to account for proceeds from drug related property seizures and related anti-drug expenditures.

**Emergency Management Program** - to account for expenses for backup generators.

**Historical Records Preservation** - to account for fees and expenditures related to the preservation of historic records.

**Senior Center Donations** - to account for donations and expenditures related to the operation of the Senior Center.

**Champlin Fund Weaver** - to account for expenditures for library.

**Crescent Park Carousel** - to account for receipts and expenditures related to the Crescent Park Carousel.

**Library Donation Fund** - to account for library donations and related expenditures.

**Friends of Ancient Little Neck Cemetery** - to account for improvements to the cemetery.

**Fire Decon Grant** - to account for special training for hazmat issues.

**Beautification Committee** - to account for receipt and disbursements of grants, donations and related expenditures for to improvement of the City's aesthetics.

**RIDEM Central Ave Park** - to account for expenditures for school playground.

**RIDEM Sabin Point Stormwater** - to account for grant funds and related expenditures.

**NEIWPPC** - to account for the cleanup plan for Narragansett Bay, more specifically Sabin Point.

**Sabin Point** - to account for grant funds and related expenditures.

**Community Development Activities** - Established to account for the annual Entitlement Community program of the U.S. Department of Housing and Urban Development and related expenditures addressing housing and community development needs throughout East Providence. It provides assistance to the low and moderate income population of the City of East Providence.

**School Restricted Funds** - Funds established to account for federal, state, and private grant monies used for the benefit of the East Providence School Department. The following is a list of the School funds included in this section:

- IDEA Part B
- Pre-School Section 619
- School Implementation
- Title I
- ECETT Grant
- Title 1 1003 (A) Year 1
- Title 1 1003 (A) Year 2
- Title 1 1003 (A) Year 3
- Title II
- Title III
- Title IV
- Perkins
- Perkins Odd Year
- Vocational Education Reserves
- Vocational Training for Adults
- Fresh Fruit & Vegetables
- Equipment Assistance Grant
- Enhanced Assessment Instruments
- Pre-K Expansion Grant
- Safe and Drug-Free Schools
- EPHS Gym
- Legislative Middle School Sports
- Legislative Technology Francis
- Pre-K Grant
- RI State Council on the Arts
- Common Core State Standards
- CTE Categorical Fund Year 1
- CTE Categorical Fund Year 2
- CTE Categorical IT Program Year 1
- CTE Categorical IT Program Year 2
- Permanent School Fund
- English Language Learner Categorical
- CTE Categorical Innovation and Equity
- School Resource Officer
- Champlin Music/Media Lab
- Feinstein
- Feinstein Hennessey
- Lowe's Foundation
- RI Foundation
- United Way
- RI Foundation 2
- Walmart
- Verizon
- Care New England Health System
- Donations & Gifts
- RI Council of the Arts
- Playground Donations
- RI Parent Information Network
- Am Assoc School Admin
- School Improvement Grant
- Sports Middle School
- Sports Donations
- High School Band
- Elementary School Donations
- Housing Aid Capital
- Wireless Classroom Initiative
- School Lunch Fund
- Summer School Remedial
- Adult Vocation Training Program Income
- Virtual Learning Program
- NOCTI Testing Fees

## **CAPITAL PROJECT FUNDS:**

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, except those financed by the Enterprise Funds.

**Miscellaneous Projects** - to account for capital improvement projects.

**Economic Development Projects** - to account for capital improvements related to economic development.

**TIF Bond Fund** - to account for activity of the Kettle Point Project TIF Bond.

**Energy Bond Fund** - to account for street light purchases and conversion to LED lighting.

**Central Avenue Splash Pad** - to account for grant funds and related expenditures for a splash pad playground.

**Runnins River Flood Prevention** - to account for grant and local funds and related expenditures for flood control.

## **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. The following permanent funds are reported as nonmajor governmental funds.

**Nancy W. Miller Fund** - to account for funds provided for the perpetual care of the City cemeteries.

**George Bucklin Fund** - to account for funds provided for the perpetual care of the Newman Cemetery.

**Lakeside Springvale** - to account for funds provided for the perpetual care of the historic Lakeside and Springvale Cemeteries.

**Little Neck Cemetery** - to account for funds provided for the perpetual care of the historic Little Neck Cemetery.

**FBO Newman** - to accounts for funds provided for the perpetual care of the Newman Cemetery.

CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
OCTOBER 31, 2019

EXHIBIT A-1

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - City</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Project Funds</u>	<u>Permanent Funds</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,602,195	\$ 418,941	\$ 927,825	\$ 3,813	\$ 4,952,774
Investments			1,815,698		1,815,698
Accounts receivable	1,445,285	100,962			1,546,247
Intergovernmental receivable	379,128	1,736,159	2,435,208		4,550,495
Due from other funds	<u>540,524</u>	<u>953,226</u>	<u>897,817</u>	<u>42,512</u>	<u>2,434,079</u>
Total Assets	<u>\$ 5,967,132</u>	<u>\$ 3,209,288</u>	<u>\$ 6,076,548</u>	<u>\$ 46,325</u>	<u>\$ 15,299,293</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 42,441	\$ 843,384	\$ 39,040	\$	\$ 924,865
Unearned revenue	2,225,891				2,225,891
Due to other funds	<u>315,627</u>	<u>1,485,714</u>	<u>1,119,854</u>		<u>2,921,195</u>
Total liabilities	<u>2,583,959</u>	<u>2,329,098</u>	<u>1,158,894</u>	<u>-</u>	<u>6,071,951</u>
Deferred inflows of resources:					
Unavailable revenues - intergovernmental receivable			544,025		544,025
Fund balances:					
Nonspendable				43,810	43,810
Restricted	3,383,173	1,128,985	4,958,699	2,515	9,473,372
Unassigned		<u>(248,795)</u>	<u>(585,070)</u>		<u>(833,865)</u>
Total fund balances	<u>3,383,173</u>	<u>880,190</u>	<u>4,373,629</u>	<u>46,325</u>	<u>8,683,317</u>
Total Liabilities and Fund Balances	<u>\$ 5,967,132</u>	<u>\$ 3,209,288</u>	<u>\$ 6,076,548</u>	<u>\$ 46,325</u>	<u>\$ 15,299,293</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED OCTOBER 31, 2019

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Special Revenue Funds - City	Special Revenue Funds - School Restricted	Capital Projects Funds	Permanent Funds	
Revenues:					
Intergovernmental	\$ 3,055,044	\$ 8,314,172	\$ 96,784	\$	\$ 11,466,000
Charges for services	42,713	810,403			853,116
Investment and interest income	22,736		40,491		63,227
Contributions and private grants	77,385			2,428	79,813
Other revenue	214,004				214,004
Total revenues	<u>3,411,882</u>	<u>9,124,575</u>	<u>137,275</u>	<u>2,428</u>	<u>12,676,160</u>
Expenditures:					
General government	948,772			698	949,470
Public safety	599,105				599,105
Public works	49,634				49,634
Public libraries	10,247				10,247
Parks and recreation	29,286				29,286
Education		9,528,138			9,528,138
Capital outlay			1,680,727		1,680,727
Debt service					-
Total expenditures	<u>1,637,044</u>	<u>9,528,138</u>	<u>1,680,727</u>	<u>698</u>	<u>12,846,607</u>
Excess (Deficiency) of Revenues over Expenditures	1,774,838	(403,563)	(1,543,452)	1,730	(170,447)
Fund Balances at Beginning of Year	<u>1,608,335</u>	<u>1,283,753</u>	<u>5,917,081</u>	<u>44,595</u>	<u>8,853,764</u>
Fund Balances at End of Year	<u>\$ 3,383,173</u>	<u>\$ 880,190</u>	<u>\$ 4,373,629</u>	<u>\$ 46,325</u>	<u>\$ 8,683,317</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING BALANCE SHEET  
OCTOBER 31, 2019

EXHIBIT A-3

	<u>Byrne/JAG 2009 Formula</u>	<u>Substance Abuse Grants</u>	<u>Hazmat Reimbursement</u>	<u>Hunts Mill/ Tranquility Place</u>	<u>Project Dare</u>	<u>Forfeited Drug State</u>	<u>DOJ Equitable Sharing</u>	<u>Forfeited Drug Federal</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 2,086,589	\$
Accounts receivable								
Intergovernmental receivable								
Due from other funds	<u>20,903</u>	<u>16,880</u>	<u>37,046</u>		<u>9,763</u>	<u>24,217</u>		<u>2,912</u>
Total Assets	<u>\$ 20,903</u>	<u>\$ 16,880</u>	<u>\$ 37,046</u>	<u>\$ -</u>	<u>\$ 9,763</u>	<u>\$ 24,217</u>	<u>\$ 2,086,589</u>	<u>\$ 2,912</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued expense	\$	\$ 3,287	\$	\$	\$	\$	\$ 15,240	\$
Unearned revenue								
Due to other funds								
Other liabilities								
Total liabilities	<u>-</u>	<u>3,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,240</u>	<u>-</u>
Fund balances:								
Restricted	20,903	13,593	37,046		9,763	24,217	2,071,349	2,912
Unassigned								
Total fund balances	<u>20,903</u>	<u>13,593</u>	<u>37,046</u>	<u>-</u>	<u>9,763</u>	<u>24,217</u>	<u>2,071,349</u>	<u>2,912</u>
Total Liabilities and Fund Balances	<u>\$ 20,903</u>	<u>\$ 16,880</u>	<u>\$ 37,046</u>	<u>\$ -</u>	<u>\$ 9,763</u>	<u>\$ 24,217</u>	<u>\$ 2,086,589</u>	<u>\$ 2,912</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-3

	<u>Emergency Management Program</u>	<u>Historical Records Preservation</u>	<u>Senior Center Donations</u>	<u>Champlin Fund Weaver</u>	<u>Crescent Park Carousel</u>	<u>Library Donation Fund</u>	<u>Friends of Ancient Little Neck Cemetery</u>	<u>Fire Decon Grant</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 292,225	\$	\$ 43,123	\$ 118,774	\$	\$	\$
Accounts receivable								
Intergovernmental receivable								
Due from other funds	<u>90,989</u>	<u>36,565</u>	<u>59,346</u>	<u></u>	<u></u>	<u>144,484</u>	<u>713</u>	<u>95,800</u>
Total Assets	\$ <u>90,989</u>	\$ <u>328,790</u>	\$ <u>59,346</u>	\$ <u>43,123</u>	\$ <u>118,774</u>	\$ <u>144,484</u>	\$ <u>713</u>	\$ <u>95,800</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued expense	\$	\$	\$	\$ 900	\$ 976	\$	\$	\$ 365
Unearned revenue								
Due to other funds				150	205			
Other liabilities								
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>1,181</u>	<u>-</u>	<u>-</u>	<u>365</u>
Fund balances:								
Restricted	90,989	328,790	59,346	42,073	117,593	144,484	713	95,435
Unassigned								
Total fund balances	<u>90,989</u>	<u>328,790</u>	<u>59,346</u>	<u>42,073</u>	<u>117,593</u>	<u>144,484</u>	<u>713</u>	<u>95,435</u>
Total Liabilities and Fund Balances	\$ <u>90,989</u>	\$ <u>328,790</u>	\$ <u>59,346</u>	\$ <u>43,123</u>	\$ <u>118,774</u>	\$ <u>144,484</u>	\$ <u>713</u>	\$ <u>95,800</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-3

	Beautification Committee	RIDEM Central Ave Park	RIDEM Sabin Point Stormwater	NEIWPPC	Sabin Point	Community Development Activities	Total Special Revenue Funds - City
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$	\$	\$ 850,000	\$ 211,484	\$ 3,602,195
Accounts receivable						1,445,285	1,445,285
Intergovernmental receivable			47,200			331,928	379,128
Due from other funds	906						540,524
<b>Total Assets</b>	<b>\$ 906</b>	<b>\$ -</b>	<b>\$ 47,200</b>	<b>\$ -</b>	<b>\$ 850,000</b>	<b>\$ 1,988,697</b>	<b>\$ 5,967,132</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued expense	\$	\$	\$	\$	\$ 331	\$ 21,342	\$ 42,441
Unearned revenue					849,033	1,376,858	2,225,891
Due to other funds			47,200		636	267,436	315,627
Other liabilities							-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>47,200</b>	<b>-</b>	<b>850,000</b>	<b>1,665,636</b>	<b>2,583,959</b>
Fund balances:							
Restricted	906					323,061	3,383,173
Unassigned							-
<b>Total fund balances</b>	<b>906</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,061</b>	<b>3,383,173</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 906</b>	<b>\$ -</b>	<b>\$ 47,200</b>	<b>\$ -</b>	<b>\$ 850,000</b>	<b>\$ 1,988,697</b>	<b>\$ 5,967,132</b>



CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-4

	<u>Byrne/JAG 2009 Formula</u>	<u>Substance Abuse Grants</u>	<u>Hazmat Reimbursement</u>	<u>Hunts Mill/ Tranquility Place</u>	<u>Project Dare</u>	<u>Forfeited Drug State</u>	<u>DOJ Equitable Sharing</u>	<u>Forfeited Drug Federal</u>
Revenues:								
Intergovernmental	\$ 12,535	\$ 294	\$ 2,000	\$	\$	\$ 15,391	\$ 2,168,277	\$
Charges for services								
Investment and interest income								
Contributions and private grants								
Other revenue								
Total revenues	<u>12,535</u>	<u>294</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>15,391</u>	<u>2,168,277</u>	<u>-</u>
Expenditures:								
General government								
Public safety	13,493	7,095	7,065			4,991	561,514	
Public works								
Public libraries								
Parks and recreation								
Total expenditures	<u>13,493</u>	<u>7,095</u>	<u>7,065</u>	<u>-</u>	<u>-</u>	<u>4,991</u>	<u>561,514</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(958)	(6,801)	(5,065)	-	-	10,400	1,606,763	-
Fund Balances at Beginning of Year	<u>21,861</u>	<u>20,394</u>	<u>42,111</u>	<u>-</u>	<u>9,763</u>	<u>13,817</u>	<u>464,586</u>	<u>2,912</u>
Fund Balances at End of Year	<u>\$ 20,903</u>	<u>\$ 13,593</u>	<u>\$ 37,046</u>	<u>\$ -</u>	<u>\$ 9,763</u>	<u>\$ 24,217</u>	<u>\$ 2,071,349</u>	<u>\$ 2,912</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-4

	<u>Emergency Management Program</u>	<u>Historical Records Preservation</u>	<u>Senior Center Donations</u>	<u>Champlin Fund Weaver</u>	<u>Crescent Park Carousel</u>	<u>Library Donation Fund</u>	<u>Friends of Ancient Little Neck Cemetery</u>
Revenues:							
Intergovernmental	\$ 3,000		\$ 50,499				
Charges for services		42,713					
Investment and interest income		562		69	254		
Contributions and private grants			3,086	31,244	37,222	5,833	
Other revenue							
Total revenues	<u>3,000</u>	<u>43,275</u>	<u>53,585</u>	<u>31,313</u>	<u>37,476</u>	<u>5,833</u>	<u>-</u>
Expenditures:							
General government		8,015	28,980	12,613			
Public safety	142						
Public works							
Public libraries						10,247	
Parks and recreation					29,286		
Total expenditures	<u>142</u>	<u>8,015</u>	<u>28,980</u>	<u>12,613</u>	<u>29,286</u>	<u>10,247</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	2,858	35,260	24,605	18,700	8,190	(4,414)	-
Fund Balances at Beginning of Year	<u>88,131</u>	<u>293,530</u>	<u>34,741</u>	<u>23,373</u>	<u>109,403</u>	<u>148,898</u>	<u>713</u>
Fund Balances at End of Year	<u>\$ 90,989</u>	<u>\$ 328,790</u>	<u>\$ 59,346</u>	<u>\$ 42,073</u>	<u>\$ 117,593</u>	<u>\$ 144,484</u>	<u>\$ 713</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - CITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-4

	Fire Decon Grant	Beautification Committee	RIDEM Central Ave Park	RIDEM Sabin Point Stormwater	NEIWPC	Sabin Point	Community Development Activities	Total Special Revenue Funds - City
Revenues:								
Intergovernmental	\$ 75,187	\$	\$	\$ 47,200	\$ 94,930	\$ 967	\$ 584,764	\$ 3,055,044
Charges for services								42,713
Investment and interest income							21,851	22,736
Contributions and private grants								77,385
Other revenue							214,004	214,004
Total revenues	<u>75,187</u>	<u>-</u>	<u>-</u>	<u>47,200</u>	<u>94,930</u>	<u>967</u>	<u>820,619</u>	<u>3,411,882</u>
Expenditures:								
General government							899,164	948,772
Public safety	4,805							599,105
Public works			48,667			967		49,634
Public libraries								10,247
Parks and recreation								29,286
Total expenditures	<u>4,805</u>	<u>-</u>	<u>48,667</u>	<u>-</u>	<u>-</u>	<u>967</u>	<u>899,164</u>	<u>1,637,044</u>
Excess (Deficiency) of Revenues over Expenditures	70,382	-	(48,667)	47,200	94,930	-	(78,545)	1,774,838
Fund Balances at Beginning of Year	<u>25,053</u>	<u>906</u>	<u>48,667</u>	<u>(47,200)</u>	<u>(94,930)</u>	<u>-</u>	<u>401,606</u>	<u>1,608,335</u>
Fund Balances at End of Year	<u>\$ 95,435</u>	<u>\$ 906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,061</u>	<u>\$ 3,383,173</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET  
OCTOBER 31, 2019

EXHIBIT A-5

	<u>IDEA Part B</u>	<u>Preschool Section 619</u>	<u>Title I</u>	<u>ECETT Grant</u>	<u>Title I 1003 (A) Year 1</u>	<u>Title I 1003 (A) Year 2</u>	<u>Title I 1003 (A) Year 3</u>	<u>Title II</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable						2,550		
Intergovernmental receivable	336,215	20,129	203,967	86,047		26,485	27,551	105,517
Due from other funds								
Total Assets	<u>\$ 336,215</u>	<u>\$ 20,129</u>	<u>\$ 203,967</u>	<u>\$ 86,047</u>	<u>\$ -</u>	<u>\$ 29,035</u>	<u>\$ 27,551</u>	<u>\$ 105,517</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ 35,529	\$ 772	\$ 19,101	\$ 5,050	\$	\$	\$ 1,122	\$ 5,820
Due to other funds	300,509	19,357	190,353	80,997	2,925	18,869	26,429	97,468
Total liabilities	<u>336,038</u>	<u>20,129</u>	<u>209,454</u>	<u>86,047</u>	<u>2,925</u>	<u>18,869</u>	<u>27,551</u>	<u>103,288</u>
Fund balances:								
Restricted	177		(5,487)		(2,925)	10,166		2,229
Unassigned								
Total fund balances	<u>177</u>	<u>-</u>	<u>(5,487)</u>	<u>-</u>	<u>(2,925)</u>	<u>10,166</u>	<u>-</u>	<u>2,229</u>
Total Liabilities and Fund Balances	<u>\$ 336,215</u>	<u>\$ 20,129</u>	<u>\$ 203,967</u>	<u>\$ 86,047</u>	<u>\$ -</u>	<u>\$ 29,035</u>	<u>\$ 27,551</u>	<u>\$ 105,517</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	<u>Title III</u>	<u>Title IV</u>	<u>Perkins</u>	<u>Perkins Odd Year</u>	<u>Vocational Education Reserves</u>	<u>Vocational Training for Adults</u>	<u>Fresh Fruits &amp; Vegetables</u>	<u>Equipment Assistance Grant</u>	<u>Enhanced Assessment Instruments</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable			53,405						
Intergovernmental receivable	1,163	34,717	148,966		28,661		6,507		
Due from other funds	866					18,141	8,238		254
Total Assets	<u>\$ 2,029</u>	<u>\$ 34,717</u>	<u>\$ 202,371</u>	<u>\$ -</u>	<u>\$ 28,661</u>	<u>\$ 18,141</u>	<u>\$ 14,745</u>	<u>\$ -</u>	<u>\$ 254</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued expenses	\$	\$ 12,627	\$ 28,541	\$	\$ 47	\$	\$ 15,042	\$	\$
Due to other funds		19,881	169,154	3,606	28,614				
Total liabilities	<u>-</u>	<u>32,508</u>	<u>197,695</u>	<u>3,606</u>	<u>28,661</u>	<u>-</u>	<u>15,042</u>	<u>-</u>	<u>-</u>
Fund balances:									
Restricted	2,029	2,209	4,676			18,141			254
Unassigned				(3,606)			(297)		
Total fund balances	<u>2,029</u>	<u>2,209</u>	<u>4,676</u>	<u>(3,606)</u>	<u>-</u>	<u>18,141</u>	<u>(297)</u>	<u>-</u>	<u>254</u>
Total Liabilities and Fund Balances	<u>\$ 2,029</u>	<u>\$ 34,717</u>	<u>\$ 202,371</u>	<u>\$ -</u>	<u>\$ 28,661</u>	<u>\$ 18,141</u>	<u>\$ 14,745</u>	<u>\$ -</u>	<u>\$ 254</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	Pre-K Expansion Grant	Safe and Drug-Free Schools	EPHS Gym	Legislative Middle School Sports	Legislative Technology Francis	Pre-K Grant	RI State Council on the Arts	Common Core State Standards	CTE Categorical Fund Year 1	CTE Categorical Fund Year 2
<b>ASSETS</b>										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable										
Intergovernmental receivable	62,784	4,593				275,135				
Due from other funds					149		3,151		280,468	
Total Assets	<u>\$ 62,784</u>	<u>\$ 4,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 275,135</u>	<u>\$ 3,151</u>	<u>\$ -</u>	<u>\$ 280,468</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable and accrued expenses	\$ 23,495	\$ 946	\$	\$	\$	\$ 47,971	\$	\$	\$ 24,273	\$
Due to other funds	65,419	3,647	1,130	710	864	247,045		5,603		88,492
Total liabilities	<u>88,914</u>	<u>4,593</u>	<u>1,130</u>	<u>710</u>	<u>864</u>	<u>295,016</u>	<u>-</u>	<u>5,603</u>	<u>24,273</u>	<u>88,492</u>
Fund balances:										
Restricted							3,151		256,195	
Unassigned	(26,130)		(1,130)	(710)	(715)	(19,881)		(5,603)		(88,492)
Total fund balances	<u>(26,130)</u>	<u>-</u>	<u>(1,130)</u>	<u>(710)</u>	<u>(715)</u>	<u>(19,881)</u>	<u>3,151</u>	<u>(5,603)</u>	<u>256,195</u>	<u>(88,492)</u>
Total Liabilities and Fund Balances	<u>\$ 62,784</u>	<u>\$ 4,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 275,135</u>	<u>\$ 3,151</u>	<u>\$ -</u>	<u>\$ 280,468</u>	<u>\$ -</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	CTE Categorical IT Program Year 1	CTE Categorical IT Program Year 2	Permanent School Fund	English Language Learner Categorical	CTE Categorical Innovation and Equity	School Resource Officer	Champlin Music/ Media Lab	Feinstein	Feinstein Hennessey
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									318
Intergovernmental receivable				29,506					
Due from other funds		150,000	109		908	48,968	170	14,717	66,173
Total Assets	\$ -	\$ 150,000	\$ 109	\$ 29,506	\$ 908	\$ 48,968	170	\$ 14,717	\$ 66,491
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued expenses	\$	\$ 1,653	\$	\$ 11,506	\$	\$ 48,968	\$	\$	\$
Due to other funds	50,000	2,828		17,995					
Total liabilities	50,000	4,481	-	29,501	-	48,968	-	-	-
Fund balances:									
Restricted		145,519	109	5	908		170	14,717	66,491
Unassigned	(50,000)								
Total fund balances	(50,000)	145,519	109	5	908	-	170	14,717	66,491
Total Liabilities and Fund Balances	\$ -	\$ 150,000	\$ 109	\$ 29,506	\$ 908	\$ 48,968	170	\$ 14,717	\$ 66,491

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	<u>Lowe's Foundation</u>	<u>RI Foundation</u>	<u>United Way</u>	<u>RI Foundation 2</u>	<u>Walmart</u>	<u>Verizon</u>	<u>Care New England Health System</u>	<u>Donations &amp; Gifts</u>	<u>RI Council of the Arts</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$		\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Intergovernmental receivable									
Due from other funds	<u>2,475</u>	<u>5,070</u>	<u>1,590</u>	<u>21,305</u>	<u>18</u>	<u>10,280</u>	<u>60</u>	<u>6,081</u>	<u>400</u>
Total Assets	<u>\$ 2,475</u>	<u>5,070</u>	<u>\$ 1,590</u>	<u>\$ 21,305</u>	<u>\$ 18</u>	<u>\$ 10,280</u>	<u>\$ 60</u>	<u>\$ 6,081</u>	<u>\$ 400</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued expenses	\$ 742	480	\$	\$ 644	\$	\$	\$	\$	\$
Due to other funds									
Total liabilities	<u>742</u>	<u>480</u>	<u>-</u>	<u>644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
Restricted	1,733	4,590	1,590	20,661	18	10,280	60	6,081	400
Unassigned									
Total fund balances	<u>1,733</u>	<u>4,590</u>	<u>1,590</u>	<u>20,661</u>	<u>18</u>	<u>10,280</u>	<u>60</u>	<u>6,081</u>	<u>400</u>
Total Liabilities and Fund Balances	<u>\$ 2,475</u>	<u>5,070</u>	<u>\$ 1,590</u>	<u>\$ 21,305</u>	<u>\$ 18</u>	<u>\$ 10,280</u>	<u>\$ 60</u>	<u>\$ 6,081</u>	<u>\$ 400</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	<u>Playground Donations</u>	<u>RI Parent Information Network</u>	<u>Am Assoc School Admin</u>	<u>School Improvement Grant</u>	<u>Sports Middle School</u>	<u>Sports Donations</u>	<u>High School Band</u>	<u>Elementary School Donations</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable								
Intergovernmental receivable								
Due from other funds		1,181	430	2,043	3,397		1,028	1,950
Total Assets	\$ -	\$ 1,181	\$ 430	\$ 2,043	\$ 3,397	\$ -	\$ 1,028	\$ 1,950
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued expenses	\$	\$	\$	\$	\$ 2,532	\$	\$	\$
Due to other funds						5,253		
Total liabilities	-	-	-	-	2,532	5,253	-	-
Fund balances:								
Restricted		1,181	430	2,043	865		1,028	1,950
Unassigned						(5,253)		
Total fund balances	-	1,181	430	2,043	865	(5,253)	1,028	1,950
Total Liabilities and Fund Balances	\$ -	\$ 1,181	\$ 430	\$ 2,043	\$ 3,397	\$ -	\$ 1,028	\$ 1,950

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING BALANCE SHEET (CONTINUED)  
OCTOBER 31, 2019

EXHIBIT A-5

	<u>Housing Aid Capital</u>	<u>Wireless Classroom Initiative</u>	<u>School Lunch Fund</u>	<u>Summer School Remedial</u>	<u>Adult Vocation Training Program Income</u>	<u>Virtual Learning Program</u>	<u>NOCTI Testing Fees</u>	<u>Total Special Revenue Funds - School Restricted</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$	\$ 418,941	\$	\$	\$	\$	\$ 418,941
Accounts receivable			44,689					100,962
Intergovernmental receivable			338,216					1,736,159
Due from other funds	<u>272,802</u>				<u>9,585</u>	<u>18,643</u>	<u>2,576</u>	<u>953,226</u>
Total Assets	\$ <u>272,802</u>	\$ -	\$ <u>801,846</u>	\$ -	\$ <u>9,585</u>	\$ <u>18,643</u>	\$ <u>2,576</u>	\$ <u>3,209,288</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued expenses	\$	\$	\$ 556,523	\$	\$	\$	\$	\$ 843,384
Due to other funds			-	<u>38,566</u>				<u>1,485,714</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>556,523</u>	<u>38,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,329,098</u>
Fund balances:								
Restricted	<u>272,802</u>		<u>245,323</u>		<u>9,585</u>	<u>18,643</u>	<u>2,576</u>	<u>1,128,985</u>
Unassigned				<u>(38,566)</u>				<u>(248,795)</u>
Total fund balances	<u>272,802</u>	<u>-</u>	<u>245,323</u>	<u>(38,566)</u>	<u>9,585</u>	<u>18,643</u>	<u>2,576</u>	<u>880,190</u>
Total Liabilities and Fund Balances	\$ <u>272,802</u>	\$ -	\$ <u>801,846</u>	\$ -	\$ <u>9,585</u>	\$ <u>18,643</u>	\$ <u>2,576</u>	\$ <u>3,209,288</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	IDEA Part B	Preschool Section 619	Title I	ECETT Grant	Title I 1003 (A) Year 1	Title I 1003 (A) Year 2	Title I 1003 (A) Year 3	Title II	Title III
Revenues:									
Intergovernmental	\$ 1,543,342	\$ 63,682	\$ 1,464,963	\$ 260,996	\$ -	\$ 23,058	\$ 27,552	\$ 375,566	\$ 26,241
Charges for services									
Total revenues	<u>1,543,342</u>	<u>63,682</u>	<u>1,464,963</u>	<u>260,996</u>	<u>-</u>	<u>23,058</u>	<u>27,552</u>	<u>375,566</u>	<u>26,241</u>
Expenditures:									
Education	<u>1,543,342</u>	<u>63,682</u>	<u>1,456,032</u>	<u>260,996</u>		<u>22,670</u>	<u>27,552</u>	<u>375,566</u>	<u>26,012</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	8,931	-	-	388	-	-	229
Fund Balances at Beginning of Year	<u>177</u>	<u>-</u>	<u>(14,418)</u>	<u>-</u>	<u>(2,925)</u>	<u>9,778</u>	<u>-</u>	<u>2,229</u>	<u>1,800</u>
Fund Balances at End of Year	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ (5,487)</u>	<u>\$ -</u>	<u>\$ (2,925)</u>	<u>\$ 10,166</u>	<u>\$ -</u>	<u>\$ 2,229</u>	<u>\$ 2,029</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	<u>Title IV</u>	<u>Perkins</u>	<u>Perkins Odd Year</u>	<u>Vocational Education Reserves</u>	<u>Vocational Training for Adults</u>	<u>Fresh Fruits &amp; Vegetables</u>	<u>Equipment Assistance Grant</u>	<u>Enhanced Assessment Instruments</u>	<u>Pre-K Expansion Grant</u>
Revenues:									
Intergovernmental	\$ 172,713	\$ 250,461	\$	\$ 49,109	\$	\$ 78,745	\$	\$	\$ 144,311
Charges for services									
Total revenues	<u>172,713</u>	<u>250,461</u>	<u>-</u>	<u>49,109</u>	<u>-</u>	<u>78,745</u>	<u>-</u>	<u>-</u>	<u>144,311</u>
Expenditures:									
Education	<u>170,504</u>	<u>253,087</u>		<u>49,130</u>		<u>78,745</u>			<u>170,441</u>
Excess (Deficiency) of Revenues over Expenditures	2,209	(2,626)	-	(21)	-	-	-	-	(26,130)
Fund Balances at Beginning of Year	<u>-</u>	<u>7,302</u>	<u>(3,606)</u>	<u>21</u>	<u>18,141</u>	<u>(297)</u>	<u>-</u>	<u>254</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 2,209</u>	<u>\$ 4,676</u>	<u>\$ (3,606)</u>	<u>\$ -</u>	<u>\$ 18,141</u>	<u>\$ (297)</u>	<u>\$ -</u>	<u>\$ 254</u>	<u>\$ (26,130)</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	Safe and Drug-Free Schools	EPHS Gym	Legislative Middle School Sports	Legislative Technology Francis	Pre-K Grant	RI State Council on the Arts	Common Core State Standards	CTE Categorical Fund Year 1	CTE Categorical Fund Year 2
Revenues:									
Intergovernmental	\$ 4,592	\$	\$	\$	\$ 1,392,810	\$ 2,957	\$	\$ 154,159	\$
Charges for services									
Total revenues	<u>4,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,392,810</u>	<u>2,957</u>	<u>-</u>	<u>154,159</u>	<u>-</u>
Expenditures:									
Education	<u>4,592</u>				<u>1,392,726</u>	<u>1,489</u>		<u>173,385</u>	
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	84	1,468	-	(19,226)	-
Fund Balances at Beginning of Year	<u>-</u>	<u>(1,130)</u>	<u>(710)</u>	<u>(715)</u>	<u>(19,965)</u>	<u>1,683</u>	<u>(5,603)</u>	<u>275,421</u>	<u>(88,492)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (1,130)</u>	<u>\$ (710)</u>	<u>\$ (715)</u>	<u>\$ (19,881)</u>	<u>\$ 3,151</u>	<u>\$ (5,603)</u>	<u>\$ 256,195</u>	<u>\$ (88,492)</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	CTE Categorical IT Program Year 1	CTE Categorical IT Program Year 2	Permanent School Fund	English Language Learner Categorical	CTE Categorical Innovation and Equity	School Resource Officer	Champlin Music/ Media Lab	Feinstein	Feinstein Hennessey
Revenues:									
Intergovernmental	\$	\$ 100,000	\$	\$ 45,571	\$	\$ 48,968	\$	\$	\$ 25,346
Charges for services									
Total revenues	-	100,000	-	45,571	-	48,968	-	-	25,346
Expenditures:									
Education		4,481		46,059		48,968			27,720
Excess (Deficiency) of Revenues over Expenditures	-	95,519	-	(488)	-	-	-	-	(2,374)
Fund Balances at Beginning of Year	(50,000)	50,000	109	493	908	-	170	14,717	68,865
Fund Balances at End of Year	<u>\$(50,000)</u>	<u>\$ 145,519</u>	<u>\$ 109</u>	<u>\$ 5</u>	<u>\$ 908</u>	<u>\$ -</u>	<u>\$ 170</u>	<u>\$ 14,717</u>	<u>\$ 66,491</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	<u>Lowe's Foundation</u>	<u>RI Foundation</u>	<u>United Way</u>	<u>RI Foundation 2</u>	<u>Walmart</u>	<u>Verizon</u>	<u>Care New England Health System</u>	<u>Donations &amp; Gifts</u>	<u>RI Council of the Arts</u>
Revenues:									
Intergovernmental	\$	\$ 7,016	\$	\$	\$	\$	\$	\$	\$
Charges for services	<u>5,000</u>			<u>25,000</u>					
Total revenues	<u>5,000</u>	<u>7,016</u>	-	<u>25,000</u>	-	-	-	-	-
Expenditures:									
Education	<u>3,267</u>	<u>4,537</u>		<u>4,339</u>					
Excess (Deficiency) of Revenues over Expenditures	1,733	2,479	-	20,661	-	-	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>2,111</u>	<u>1,590</u>	<u>-</u>	<u>18</u>	<u>10,280</u>	<u>60</u>	<u>6,081</u>	<u>400</u>
Fund Balances at End of Year	<u>\$ 1,733</u>	<u>\$ 4,590</u>	<u>\$ 1,590</u>	<u>\$ 20,661</u>	<u>\$ 18</u>	<u>\$ 10,280</u>	<u>\$ 60</u>	<u>\$ 6,081</u>	<u>\$ 400</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	<u>Playground Donations</u>	<u>RI Parent Information Network</u>	<u>Am Assoc School Admin</u>	<u>School Improvement Grant</u>	<u>Sports Middle School</u>	<u>Sports Donations</u>	<u>High School Band</u>	<u>Elementary School Donations</u>
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$ 12,955
Charges for services								
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,955</u>
Expenditures:								
Education	<u>25,001</u>			<u>4,805</u>				<u>13,315</u>
Excess (Deficiency) of Revenues over Expenditures	(25,001)	-	-	(4,805)	-	-	-	(360)
Fund Balances at Beginning of Year	<u>25,001</u>	<u>1,181</u>	<u>430</u>	<u>6,848</u>	<u>865</u>	<u>(5,253)</u>	<u>1,028</u>	<u>2,310</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 1,181</u>	<u>\$ 430</u>	<u>\$ 2,043</u>	<u>\$ 865</u>	<u>\$ (5,253)</u>	<u>\$ 1,028</u>	<u>\$ 1,950</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED OCTOBER 31, 2019

EXHIBIT A-6

	<u>Housing Aid Capital</u>	<u>Wireless Classroom Initiative</u>	<u>School Lunch Fund</u>	<u>Summer School Remedial</u>	<u>Adult Vocation Training Program Income</u>	<u>Virtual Learning Program</u>	<u>NOCTI Testing Fees</u>	<u>Total Special Revenue Funds - School Restricted</u>
Revenues:								
Intergovernmental	\$ 669,923	\$	\$ 1,363,331	\$	\$	\$ 5,805	\$	\$ 8,314,172
Charges for services			780,403					810,403
Total revenues	<u>669,923</u>	<u>-</u>	<u>2,143,734</u>	<u>-</u>	<u>-</u>	<u>5,805</u>	<u>-</u>	<u>9,124,575</u>
Expenditures:								
Education	<u>1,194,901</u>		<u>2,080,794</u>					<u>9,528,138</u>
Excess (Deficiency) of Revenues over Expenditures	(524,978)	-	62,940	-	-	5,805	-	(403,563)
Fund Balances at Beginning of Year	<u>797,780</u>	<u>-</u>	<u>182,383</u>	<u>(38,566)</u>	<u>9,585</u>	<u>12,838</u>	<u>2,576</u>	<u>1,283,753</u>
Fund Balances at End of Year	<u>\$ 272,802</u>	<u>\$ -</u>	<u>\$ 245,323</u>	<u>\$ (38,566)</u>	<u>\$ 9,585</u>	<u>\$ 18,643</u>	<u>\$ 2,576</u>	<u>\$ 880,190</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
OCTOBER 31, 2019

EXHIBIT A-7

	<u>Miscellaneous Projects</u>	<u>Economic Development Projects</u>	<u>TIF Bond Fund</u>	<u>Energy Bond Fund</u>	<u>Central Avenue Splash Pad</u>	<u>Runnins River Flood Prevention</u>	<u>Total Capital Projects Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 927,825	\$	\$	\$	\$	\$ 927,825
Investments			1,815,698				1,815,698
Intergovernmental receivable Due from other funds	897,817			1,795,418	95,765	544,025	2,435,208
	<u>897,817</u>						<u>897,817</u>
Total Assets	<u>\$ 897,817</u>	<u>\$ 927,825</u>	<u>\$ 1,815,698</u>	<u>\$ 1,795,418</u>	<u>\$ 95,765</u>	<u>\$ 544,025</u>	<u>\$ 6,076,548</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$ 39,040	\$ 39,040
Unearned revenue							-
Due to other funds			478,059		95,765	546,030	1,119,854
Total liabilities	<u>-</u>	<u>-</u>	<u>478,059</u>	<u>-</u>	<u>95,765</u>	<u>585,070</u>	<u>1,158,894</u>
Deferred inflows of resources:							
Unavailable revenues - intergovernmental receivable						544,025	544,025
Fund balances:							
Restricted	897,817	927,825	1,337,639	1,795,418			4,958,699
Unassigned						(585,070)	(585,070)
Total fund balances	<u>897,817</u>	<u>927,825</u>	<u>1,337,639</u>	<u>1,795,418</u>	<u>-</u>	<u>(585,070)</u>	<u>4,373,629</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 897,817</u>	<u>\$ 927,825</u>	<u>\$ 1,815,698</u>	<u>\$ 1,795,418</u>	<u>\$ 95,765</u>	<u>\$ 544,025</u>	<u>\$ 6,076,548</u>

**NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Miscellaneous Projects</u>	<u>Economic Development Projects</u>	<u>TIF Bond Fund</u>	<u>Energy Bond Fund</u>	<u>Central Avenue Splash Pad</u>	<u>Runnins River Flood Prevention</u>	<u>Total Capital Projects Funds</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$ 96,784	\$	\$ 96,784
Investment and interest income		1,937	38,554				40,491
Total revenues	<u>-</u>	<u>1,937</u>	<u>38,554</u>	<u>-</u>	<u>96,784</u>	<u>-</u>	<u>137,275</u>
Expenditures:							
Capital outlay			951,474	40,041	74,466	614,746	1,680,727
Debt service							-
Total expenditures	<u>-</u>	<u>-</u>	<u>951,474</u>	<u>40,041</u>	<u>74,466</u>	<u>614,746</u>	<u>1,680,727</u>
Excess (Deficiency) of Revenues over Expenditures	-	1,937	(912,920)	(40,041)	22,318	(614,746)	(1,543,452)
Fund Balances at Beginning of Year	<u>897,817</u>	<u>925,888</u>	<u>2,250,559</u>	<u>1,835,459</u>	<u>(22,318)</u>	<u>29,676</u>	<u>5,917,081</u>
Fund Balances at End of Year	<u>\$ 897,817</u>	<u>\$ 927,825</u>	<u>\$ 1,337,639</u>	<u>\$ 1,795,418</u>	<u>\$ -</u>	<u>\$ (585,070)</u>	<u>\$ 4,373,629</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
 NONMAJOR GOVERNMENTAL FUNDS  
 PERMANENT FUNDS  
 COMBINING BALANCE SHEET  
 OCTOBER 31, 2019**

	<u>Nancy W. Miller Fund</u>	<u>George Bucklin Fund</u>	<u>Lakeside Springvale</u>	<u>Little Neck Cemetery</u>	<u>FBO Newman</u>	<u>Total Permanent Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$	\$	\$	\$ 3,813	\$	\$ 3,813
Due from other funds	<u>1,620</u>	<u>15,111</u>	<u>9,994</u>	<u>1,702</u>	<u>14,085</u>	<u>42,512</u>
Total Assets	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,515</u>	<u>\$ 14,085</u>	<u>\$ 46,325</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Due to other funds	\$	\$	\$	\$	\$	\$ -
Fund balances:						
Nonspendable	1,620	15,111	9,994	3,000	14,085	43,810
Restricted				<u>2,515</u>		<u>2,515</u>
Total fund balances	<u>1,620</u>	<u>15,111</u>	<u>9,994</u>	<u>5,515</u>	<u>14,085</u>	<u>46,325</u>
Total Liabilities and Fund Balances	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,515</u>	<u>\$ 14,085</u>	<u>\$ 46,325</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
PERMANENT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Nancy W. Miller Fund</u>	<u>George Bucklin Fund</u>	<u>Lakeside Springvale</u>	<u>Little Neck Cemetery</u>	<u>FBO Newman</u>	<u>Total Permanent Funds</u>
Revenues:						
Contributions and private grants	\$	\$	\$	\$ 2,428	\$	\$ 2,428
Expenditures:						
General government				698		698
Excess of Revenues over Expenditures	-	-	-	1,730	-	1,730
Fund Balances at Beginning of Year	1,620	15,111	9,994	3,785	14,085	44,595
Fund Balances at End of Year	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,515</u>	<u>\$ 14,085</u>	<u>\$ 46,325</u>



# Fiduciary Funds

## **FIDUCIARY FUND TYPES**

The Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. The agency funds of the City are as follows:

### **TRUST FUNDS:**

**Police and Firefighters Retirement System** - to account for the accumulation of resources to be used for payment of retirement benefits for retired city police and firefighters.

**City OPEB Trust Fund** - to account for the accumulation of resources to be used for payments of healthcare benefits for retired city employees.

**School OPEB Trust Fund** - to account for the accumulation of resources to be used for payments of healthcare benefits for retired school employees.

### **AGENCY FUNDS:**

**Escrow Pending Forfeiture** - to account for money seized by the police and awaiting disposition of the case.

**Contractor's Escrow Account** - This fund accounts for monies held by the City as retainage.

**Dolly Searle Scholarship Account** - This fund accounts for money to be awarded as scholarships.

**Student Activities Fund** - to account for monies received and expended for various student activities and groups.

**CITY OF EAST PROVIDENCE, RHODE ISLAND  
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
OCTOBER 31, 2019**

	<b>Police and Firefighters Retirement System</b>	<b>City Other Post- Employment Benefit Trust Fund</b>	<b>School Other Post- Employment Benefit Trust Fund</b>	<b>Total Pension and Other Post- Employment Benefit Trust Funds</b>
<b>ASSETS</b>				
Cash	\$ 15,836	\$	\$	\$ 15,836
Investments, at fair value:				
Mutual funds	113,855,582	20,671,562	2,952,113	137,479,257
Alternative investments	21,047,022			21,047,022
Member contribution receivable	1,761			1,761
Total Assets	<u>\$ 134,920,201</u>	<u>\$ 20,671,562</u>	<u>\$ 2,952,113</u>	<u>\$ 158,543,876</u>
<b>NET POSITION</b>				
Net Position:				
Restricted for pension benefits	\$ 134,920,201	\$	\$	\$ 134,920,201
Restricted for OPEB benefits		20,671,562	2,952,113	23,623,675
Total Net Position	<u>\$ 134,920,201</u>	<u>\$ 20,671,562</u>	<u>\$ 2,952,113</u>	<u>\$ 158,543,876</u>



**CITY OF EAST PROVIDENCE, RHODE ISLAND  
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
OCTOBER 31, 2019**

	<b>Police and Firefighters Retirement System</b>	<b>City Other Post- Employment Benefit Trust Fund</b>	<b>School Other Post- Employment Benefit Trust Fund</b>	<b>Total Pension and Other Post- Employment Benefit Trust Funds</b>
Additions:				
Contributions:				
Employer contributions	\$ 7,764,971	\$ 4,470,418	\$ 932,534	\$ 13,167,923
Employee contributions	1,439,814	228,394		1,668,208
Total contributions	<u>9,204,785</u>	<u>4,698,812</u>	<u>932,534</u>	<u>14,836,131</u>
Investment income:				
Net change in fair value of investments	10,614,367	2,250,197	341,709	13,206,273
Interest and dividends	1,404,111			1,404,111
Total investment income	<u>12,018,478</u>	<u>2,250,197</u>	<u>341,709</u>	<u>14,610,384</u>
Total additions	<u>21,223,263</u>	<u>6,949,009</u>	<u>1,274,243</u>	<u>29,446,515</u>
Deductions:				
Benefits	12,770,136	3,470,418	932,534	17,173,088
Operating expenses	78,893	39,699	6,884	125,476
Total deductions	<u>12,849,029</u>	<u>3,510,117</u>	<u>939,418</u>	<u>17,298,564</u>
Change in Net Position	8,374,234	3,438,892	334,825	12,147,951
Net Position at Beginning of Year	<u>126,545,967</u>	<u>17,232,670</u>	<u>2,617,288</u>	<u>146,395,925</u>
Net Position at End of Year	<u>\$ 134,920,201</u>	<u>\$ 20,671,562</u>	<u>\$ 2,952,113</u>	<u>\$ 158,543,876</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Balance</u> <u>November 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>October 31, 2019</u>
<b>Escrow Pending Forfeiture</b>				
Assets:				
Due from other funds	\$ 28,014	\$ 327,563	\$ 20,550	\$ 335,027
Total Assets	<u>\$ 28,014</u>	<u>\$ 327,563</u>	<u>\$ 20,550</u>	<u>\$ 335,027</u>
Liabilities:				
Deposits held for others	\$ 28,014	\$ 327,563	\$ 20,550	\$ 335,027
Total Liabilities	<u>\$ 28,014</u>	<u>\$ 327,563</u>	<u>\$ 20,550</u>	<u>\$ 335,027</u>
<b>Contractor's Escrow Account</b>				
Assets:				
Due from other funds	\$ 154,860	\$ 5,000	\$ 10,000	\$ 149,860
Total Assets	<u>\$ 154,860</u>	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 149,860</u>
Liabilities:				
Deposits held for others	\$ 154,860	\$ 5,000	\$ 10,000	\$ 149,860
Total Liabilities	<u>\$ 154,860</u>	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 149,860</u>
<b>Dolly Searle Scholarship Account</b>				
Assets:				
Cash and cash equivalents	\$ 31,311	\$ 5,615	\$ 2,000	\$ 34,926
Total Assets	<u>\$ 31,311</u>	<u>\$ 5,615</u>	<u>\$ 2,000</u>	<u>\$ 34,926</u>
Liabilities:				
Deposits held for others	\$ 31,311	\$ 5,615	\$ 2,000	\$ 34,926
Total Liabilities	<u>\$ 31,311</u>	<u>\$ 5,615</u>	<u>\$ 2,000</u>	<u>\$ 34,926</u>

(Continued on next page)

**CITY OF EAST PROVIDENCE, RHODE ISLAND**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)**  
**FOR THE YEAR ENDED OCTOBER 31, 2019**

	<u>Balance</u> <u>November 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>October 31, 2019</u>
<b>Student Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 237,569	\$ 789,390	\$ 758,200	\$ 268,759
Due from other funds	<u>122,755</u>	<u>69,894</u>	<u>71,871</u>	<u>120,778</u>
Total Assets	\$ <u><u>360,324</u></u>	\$ <u><u>859,284</u></u>	\$ <u><u>830,071</u></u>	\$ <u><u>389,537</u></u>
Liabilities:				
Accounts payable	\$ 500	\$ 33,830	\$ 20,199	\$ 14,131
Deposits held in custody	273,031	657,898	660,372	270,557
Due to other funds	<u>86,793</u>	<u>66,345</u>	<u>48,289</u>	<u>104,849</u>
Total Liabilities	\$ <u><u>360,324</u></u>	\$ <u><u>758,073</u></u>	\$ <u><u>728,860</u></u>	\$ <u><u>389,537</u></u>
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 268,880	\$ 795,005	\$ 760,200	\$ 303,685
Due from other funds	<u>305,629</u>	<u>402,457</u>	<u>102,421</u>	<u>605,665</u>
Total Assets	\$ <u><u>574,509</u></u>	\$ <u><u>1,197,462</u></u>	\$ <u><u>862,621</u></u>	\$ <u><u>909,350</u></u>
Liabilities:				
Accounts payable	\$ 500	\$ 33,830	\$ 20,199	\$ 14,131
Due to other funds	86,793	66,345	48,289	104,849
Deposits held for others	<u>487,216</u>	<u>996,076</u>	<u>692,922</u>	<u>790,370</u>
Total Liabilities	\$ <u><u>574,509</u></u>	\$ <u><u>1,096,251</u></u>	\$ <u><u>761,410</u></u>	\$ <u><u>909,350</u></u>



# Other Schedules

CITY OF EAST PROVIDENCE, RHODE ISLAND  
TAX COLLECTOR'S ANNUAL REPORT  
FOR THE YEAR ENDED OCTOBER 31, 2019

Tax Roll Year	Property Taxes Receivable November 1, 2018	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Balance October 31, 2019
2019	\$ 23,468,771	\$ 108,981,156	\$ 83,969	\$ 1,280,426	\$ 107,784,699	\$ 82,880,799	\$ 24,903,900
2018			200,370	(190,588)	23,859,729	22,842,833	1,016,896
2017	1,397,760		32,033	(25,737)	1,455,530	1,103,959	351,571
2016	481,272		1,528	(27,792)	510,592	177,771	332,821
2015	431,567		722	61,624	370,665	59,556	311,109
2014	330,565		1,101	189	331,477	23,220	308,257
2013	333,134			2,108	331,026	12,119	318,907
2012 and prior	895,260			54,708	840,552	7,272	833,280
Total	27,338,329	\$ 108,981,156	\$ 319,723	\$ 1,154,938	\$ 135,484,270	\$ 107,107,529	28,376,741
Less: allowance for uncollectible accounts	(2,931,000)						(2,950,000)
Net Property Taxes Receivable	\$ 24,407,329						\$ 25,426,741

**Schedule of Net Assessed Property Value by Category**  
Assessed December 31, 2017

Description of Property	Valuations	Levy
Real property	\$ 4,414,136,200	\$ 85,143,703
Motor vehicle	307,309,666	8,857,045
Tangible property	272,003,650	14,980,408
Total	4,993,449,516	108,981,156
Exemptions and adjustments	507,581,574	
Net Assessed Value	\$ 4,485,867,942	\$ 108,981,156



# **Annual Supplemental Transparency Report**

City of East Providence  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended October 31, 2019

EXHIBIT D-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 82,550,469	\$ -
Last Year's Levy Tax Collection	22,842,493	-
Prior Years Property Tax Collection	1,202,418	-
Interest & Penalty	909,178	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,139,012	-
Fines and Forfeitures	213,433	-
Investment Income	353,220	-
Departmental	1,878,848	-
Rescue Run Revenue	2,532,029	-
Police & Fire Detail	1,697,776	-
Other Local Non-Property Tax Revenues	376,530	-
Tuition	-	301,640
Impact Aid	-	-
Medicaid	-	1,520,792
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	183,574	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	2,350,927	4,485,328
MV Excise Tax Reimbursement	516,914	-
State PILOT Program	246,077	-
Distressed Community Relief Fund	-	-
Library Resource Aid	418,643	-
Library Construction Aid	64,887	-
Public Service Corporation Tax	597,746	-
Meals & Beverage Tax / Hotel Tax	1,142,129	-
LEA Aid	-	35,856,061
Group Home	-	-
Housing Aid Capital Projects	-	669,923
Housing Aid Bonded Debt	1,551,674	-
State Food Service Revenue	-	1,363,331
Incentive Aid	-	-
Property Revaluation Reimbursement	109,800	-
Other State Revenue	222,526	1,742,465
Motor Vehicle Phase Out	1,489,223	-
Other Revenue	-	1,114,151
Local Appropriation for Education	-	47,733,474
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 124,589,526</b>	<b>\$ 94,787,164</b>
Financing Sources: Transfer from Capital Funds	\$ 1,939,233	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 1,939,233</b>	<b>\$ -</b>

City of East Providence  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended October 31, 2019

EXHIBIT D-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 913,237	\$ 1,569,668	\$ 247,816	\$ 357,305	\$ 1,564,542	\$ 1,194,592	\$ 3,550,011	\$ 601,958	\$ 6,927,337
Compensation - Group B	-	-	-	-	-	-	-	-	475,405
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	3,574	1,104	-	4,651	53,251	32,132	142,030	14,313	1,694,000
Overtime - Group B	-	-	-	-	-	-	-	-	116,255
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	1,131,791
Active Medical Insurance - Group A	96,788	238,298	14,242	24,346	210,908	200,276	601,361	74,384	1,092,253
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	74,959
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	8,622	20,581	2,322	1,604	22,961	14,142	49,865	5,888	78,517
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	5,388
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	70,866	117,106	20,063	27,217	129,847	90,418	269,947	44,770	254,582
Life Insurance	5,693	9,512	1,136	3,187	8,511	8,250	21,311	2,329	41,976
State Defined Contribution- Group A	6,036	11,480	1,381	3,661	12,914	11,525	35,504	3,656	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,647
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	4,988	34,894	21,204	-	24,265	-	10,163	-	237,159
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	1,891,563
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	184,638	339,970	29,308	77,697	296,629	244,591	753,472	77,592	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	77,385
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	528,044	85,066	17,301	57,941	81,881	133,243	788,093	26,431	39,905
Materials/Supplies	89,782	54,705	4,889	11,474	57,842	176,077	66,029	39,974	144,334
Software Licenses	-	-	-	126,223	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	524,124
Insurance	1,527,238	-	-	-	-	-	-	-	-
Maintenance	-	-	1,706	117,723	161,820	21,665	136,696	15,924	7,454
Vehicle Operations	-	-	2,195	-	9,831	-	215,982	4,308	187,455
Utilities	5,849	-	29,209	103,728	177,150	53,011	253,952	83,583	359,187
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	682,388	-	-
Revaluation	-	193,362	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	96,170	-	-
Trash Removal & Recycling	-	-	-	-	-	-	2,057,989	-	-
Claims & Settlements	97,506	-	-	-	-	-	-	-	-
Community Support	30,000	-	-	-	-	-	-	-	-
Other Operation Expenditures	24,956	45,970	30,000	-	6,094	190	-	4,170	70,969
Tipping Fees	-	-	-	-	-	-	4,989	-	-
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,597,817</b>	<b>\$ 2,721,716</b>	<b>\$ 422,772</b>	<b>\$ 916,757</b>	<b>\$ 2,818,446</b>	<b>\$ 2,180,112</b>	<b>\$ 9,735,952</b>	<b>\$ 999,280</b>	<b>\$ 15,435,645</b>



City of East Providence  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended October 31, 2019

EXHIBIT D-1

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 8,748,077	\$ 1,018,726	\$ 226,237	\$ -	\$ -	\$ -	\$ 26,919,506	\$ 38,389,271
Compensation - Group B	154,833	-	-	-	-	-	630,238	4,533,844
Compensation - Group C	-	-	-	-	-	-	-	9,046,468
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	2,851,357	249,118	11,651	-	-	-	5,057,181	-
Overtime - Group B	50,466	-	-	-	-	-	166,721	-
Overtime - Group C	-	-	-	-	-	-	-	253,146
Police & Fire Detail	30,004	-	-	-	-	-	1,161,795	-
Active Medical Insurance - Group A	1,354,784	160,625	25,274	-	-	-	4,093,539	5,123,924
Active Medical Insurance- Group B	23,978	-	-	-	-	-	98,937	464,935
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,791,294
Active Dental insurance- Group A	89,532	11,547	1,816	-	-	-	307,397	357,185
Active Dental Insurance- Group B	1,585	-	-	-	-	-	6,973	33,116
Active Dental Insurance- Group C	-	-	-	-	-	-	-	197,887
Payroll Taxes	179,813	35,034	17,806	-	-	-	1,257,469	1,485,902
Life Insurance	31,860	5,777	1,172	-	-	-	140,714	224,926
State Defined Contribution- Group A	-	6,251	1,692	-	-	-	94,100	965,973
State Defined Contribution - Group B	2,255	-	-	-	-	-	5,902	106,582
State Defined Contribution - Group C	-	-	-	-	-	-	-	86,294
Other Benefits- Group A	231,898	-	-	-	-	-	564,571	497,125
Other Benefits- Group B	-	-	-	-	-	-	-	76,700
Other Benefits- Group C	-	-	-	-	-	-	-	110,170
Local Defined Benefit Pension- Group A	5,866,621	-	-	-	-	-	7,758,184	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	132,661	35,906	-	-	-	2,172,464	5,238,335
State Defined Benefit Pension - Group B	47,852	-	-	-	-	-	125,237	643,383
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,822,828
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	222,426	5,491	16,059	-	-	-	2,001,881	20,107,793
Materials/Supplies	323,982	18,442	11,046	-	-	-	998,576	1,261,856
Software Licenses	-	-	-	-	-	-	126,223	309,545
Capital Outlays	-	-	-	-	-	-	524,124	1,369,495
Insurance	-	-	-	-	-	-	1,527,238	405,263
Maintenance	140,352	1,026	16,795	-	-	-	621,161	583,253
Vehicle Operations	158,003	-	-	-	-	-	577,774	54,039
Utilities	368,562	49,430	12,754	-	-	-	1,496,415	1,422,012
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	682,388	-
Revaluation	-	-	-	-	-	-	193,362	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	96,170	-
Trash Removal & Recycling	-	-	-	-	-	-	2,057,989	-
Claims & Settlements	-	-	-	-	-	-	97,506	205
Community Support	-	-	-	-	-	-	30,000	-
Other Operation Expenditures	2,800	6,041	50	-	-	-	191,240	212,376
Tipping Fees	-	-	-	-	-	-	4,989	-
Local Appropriation for Education	-	-	-	47,733,474	-	-	47,733,474	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,146,965	-	2,146,965	-
Municipal Debt- Interest	-	-	-	-	412,280	-	412,280	-
School Debt- Principal	-	-	-	-	1,526,000	-	1,526,000	-
School Debt- Interest	-	-	-	-	758,880	-	758,880	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	3,768,246	3,768,246	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 20,881,040</b>	<b>\$ 1,700,169</b>	<b>\$ 378,258</b>	<b>\$ 47,733,474</b>	<b>\$ 4,844,125</b>	<b>\$ 3,768,246</b>	<b>\$ 118,133,809</b>	<b>\$ 98,175,125</b>

Financing Uses: Transfer to Capital Funds	\$ 6,850,796	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 6,850,796</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>1,544,154</b>	<b>(3,387,961)</b>
<b>Fund Balance1- beginning of year</b>	<b>\$16,527,446</b>	<b>\$6,394,848</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>16,527,446</b>	<b>6,394,848</b>
Rounding	-	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 18,071,600</b>	<b>\$ 3,006,887</b>

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

City of East Providence  
Annual Supplemental Transparency Report (MTP2)  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Municipal  
Fiscal Year Ended October 31, 2019

EXHIBIT D-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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at October 31, 2018</b>						\$ 16,527,446	-	\$ 16,527,446	
<i>No funds removed from RGS for fiscal 2019</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2019</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2019</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at October 31, 2018 adjusted</b>						<u>\$ 16,527,446</u>	<u>-</u>	<u>\$ 16,527,446</u>	
General Fund	\$ 122,055,025	\$ 1,939,233	\$ 69,636,949	\$ 54,584,270	\$ (226,961)	\$ 16,110,876	\$ -	\$ 16,110,876	\$ 15,883,915
Byrne/Jag	12,535	-	13,493	-	\$ (958)	21,861	-	21,861	20,903
DOJ Equitable Sharing	2,168,277	-	561,514	-	\$ 1,606,763	464,586	-	464,586	2,071,349
Fire Decon Grant	75,187	-	4,805	-	\$ 70,382	25,053	-	25,053	95,435
NEIWPC	94,930	-	-	-	\$ 94,930	(94,930)	-	(94,930)	-
CDBG	820,619	-	899,164	-	\$ (78,545)	401,606	-	401,606	323,061
<b>Totals per audited financial statements</b>	<u>\$ 125,226,573</u>	<u>\$ 1,939,233</u>	<u>\$ 71,115,925</u>	<u>\$ 54,584,270</u>	<u>\$ 1,465,611</u>	<u>\$ 16,929,052</u>	<u>\$ -</u>	<u>\$ 16,929,052</u>	<u>\$ 18,394,663</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Program activity in CDBG Funds that are not reported on the MTP2 because they are for program revenues & expenses and not for administration	\$ (637,047.00)	\$ -	\$ (715,590.00)	\$ -	\$ 78,543.00	\$ (401,606.00)	\$ -	\$ (401,606.00)	\$ (323,063.00)
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	-	-	47,733,474.00	(47,733,474.00)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 124,589,526</u>	<u>\$ 1,939,233</u>	<u>\$ 118,133,809</u>	<u>\$ 6,850,796</u>	<u>\$ 1,544,154</u>	<u>\$ 16,527,446</u>	<u>\$ -</u>	<u>\$ 16,527,446</u>	<u>\$ 18,071,600</u>

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

City of East Providence  
Annual Supplemental Transparency Report (MTP2)  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Education Department  
Fiscal Year Ended October 31, 2019

EXHIBIT D-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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at October 31, 2018</b> <i>No misc. adjustments made for fiscal 2019</i>						\$ 6,394,848	-	\$ 6,394,848	
<b>Fund Balance<sup>1</sup> - per MTP-2 at October 31, 2018 adjusted</b>						<u>\$ 6,394,848</u>	-	<u>\$ 6,394,848</u>	
School Unrestricted Fund	\$ 41,898,332	\$ 47,733,474	\$ 92,616,206	\$ -	\$ (2,984,400)	\$ 5,111,095	\$ -	\$ 5,111,095	\$ 2,126,695
School Special Revenue Funds	9,124,572	-	9,528,133	-	(403,561)	1,283,753	-	1,283,753	880,192
<b>Totals per audited financial statements</b>	<u>\$ 51,022,904</u>	<u>\$ 47,733,474</u>	<u>\$ 102,144,339</u>	<u>\$ -</u>	<u>\$ (3,387,961)</u>	<u>\$ 6,394,848</u>	<u>\$ -</u>	<u>\$ 6,394,848</u>	<u>\$ 3,006,887</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 47,733,474	\$ (47,733,474)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,969,214)	-	(3,969,214)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 94,787,164</u>	<u>\$ -</u>	<u>\$ 98,175,125</u>	<u>\$ -</u>	<u>\$ (3,387,961)</u>	<u>\$ 6,394,848</u>	<u>\$ -</u>	<u>\$ 6,394,848</u>	<u>\$ 3,006,887</u>

<sup>1</sup> 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/>.*