

**City of Pawtucket
Rhode Island**



**Basic Financial Statements
And Required Supplementary Information
Fiscal Year Ended June 30, 2012**

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

**Donald R. Grebien
Mayor**



**Joanna L'Heureux
Finance Director**

Prepared by Finance Department

**CITY OF PAWTUCKET, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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INTRODUCTORY SECTION

This Section Contains the Following Subsections

List of City Officials
Organizational Chart

CITY OF PAWTUCKET, RHODE ISLAND

LIST OF CITY OFFICIALS
JUNE 30, 2012

CITY COUNCIL

David P. Moran, President
Thomas E. Hodge
John J. Barry, III
Mark J. Wildenhain
James F. Chadwick, Jr.
Lorenzo Tetreault
Albert J. Vitali, Jr.
Jean Philippe Barros
Christopher O'Neill

MAYOR

Donald R. Grebien

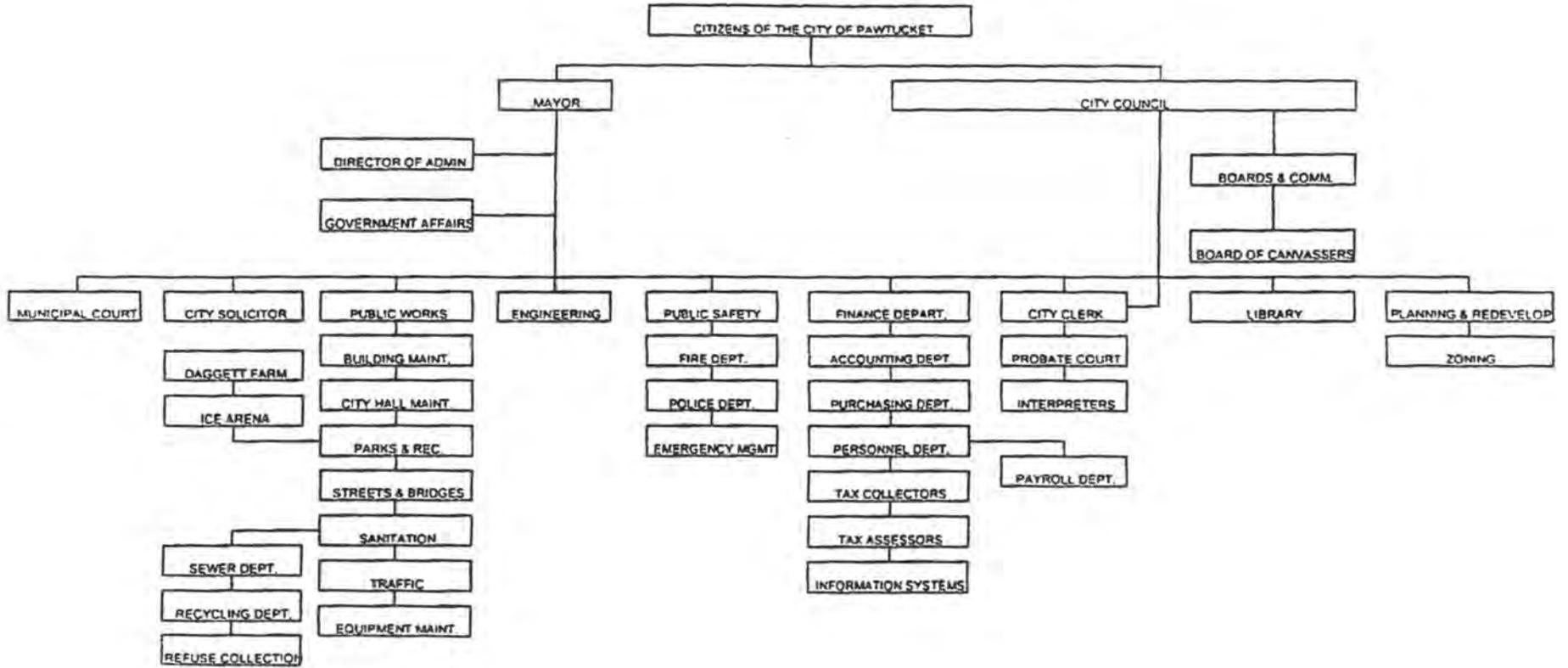
DIRECTOR OF ADMINISTRATION

Antonio J. Pires

FINANCE DEPARTMENT

Joanna L'Heureux, Finance Director
Jeannine Bourski, Deputy Finance Director
Diane Wyman, Acting Tax Collector
Robert W. Burns, Acting Tax Assessor
Darcy Viner, Information Systems Manager
David Clemente, Purchasing Director

CITY OF PAWTUCKET, RHODE ISLAND ORGANIZATIONAL CHART



11:

FINANCIAL SECTION

This Section Contains the Following Subsections:

- Report of Independent Auditors
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information
- Supplementary Information

REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Pawtucket, Rhode Island's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 31, 2013 on our consideration of the City of Pawtucket, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 16 and 65 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pawtucket, Rhode Island's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Brian P. C.

Providence, Rhode Island
January 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Our discussion and analysis of the City of Pawtucket, Rhode Island's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. This discussion and analysis should be read in conjunction with the City's financial statements that follow this section.

Financial Highlights

- ❖ The City's government-wide net assets decreased by \$5,284,526 as a result of this year's operation. On a government-wide basis the assets of the City of Pawtucket exceeded its liabilities at the close of the most recent fiscal year by \$25,037,495. Net assets of business activities increased by \$2,973,814, or 4.1%, while net assets of Governmental Activities decreased by \$8,258,340 or 19.9%. It should be noted the majority of this decrease is due to the current period increase in the amount of \$6,216,607 of the other post retirement benefits and the increase in the amount of \$2,770,778 in the net pension obligation.
- ❖ The City's Government-wide (governmental and business activities) operating expenses were \$260,019,281, a 2.6% decrease from the prior year, while revenues collected were \$254,734,755 a 0.3% increase from the prior year.
- ❖ As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$3,792,225.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$1,820,857, or 2.4% of the total general fund expenditures for the fiscal year. The current fiscal year's revenues and transfers exceeded expenditures and transfers by \$2,770,354. On a budgetary basis expenditures and transfers exceeded revenues and transfers by \$1,894,164.

Overview of the Financial Statements

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

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

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

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

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

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

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

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

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

The government-wide financial statements are reported on pages 17 through 18.

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

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

The governmental funds financial statements are presented on pages 19 through 20.

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

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

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

The basic proprietary fund financial statements are presented on pages 23 through 26.

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

The fiduciary fund financial statements can be found on pages 27 and 28.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 29 through 64.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the City's operations. Required Supplementary information is presented on pages 65 through 71.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 72 through 141.

The Agency funds are presented on page 142.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Government-wide Financial Analysis

Analysis of the City of Pawtucket's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City of Pawtucket, governmental activities liabilities exceeded assets by \$49,699,956 as of June 30, 2012. This is an increase of \$8,258,340 from the previous year.

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

	<i>City of Pawtucket</i>			<i>Statement of Net Assets</i>		
	<u>June 30, 2012</u>			<u>June 30, 2011 - As Restated</u>		
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Current and Other Assets	\$ 39,377,812	\$ 38,397,246	\$ 77,775,058	\$ 47,152,205	\$ 34,439,636	\$ 81,591,841
Capital assets (net)	144,495,814	146,065,979	290,561,793	147,603,983	142,316,911	289,920,894
Total Assets	<u>183,873,626</u>	<u>184,463,225</u>	<u>368,336,851</u>	<u>194,756,188</u>	<u>176,756,547</u>	<u>371,512,735</u>
Current and Other Liabilities	34,919,209	7,145,370	42,064,579	42,658,312	8,759,427	51,417,739
Long-Term Liabilities	198,654,373	102,580,404	301,234,777	193,539,492	96,233,483	289,772,975
Total Liabilities	<u>233,573,582</u>	<u>109,725,774</u>	<u>343,299,356</u>	<u>236,197,804</u>	<u>104,992,910</u>	<u>341,190,714</u>
Net Assets:						
Invested in Capital, Net of Related Debt	106,031,591	48,973,011	155,004,602	106,196,661	47,180,478	153,377,139
Restricted		24,013,169	24,013,169		21,293,047	21,293,047
Unrestricted	(155,731,547)	1,751,271	(153,980,276)	(147,638,277)	3,290,112	(144,348,165)
Total Net Assets	<u>\$ (49,699,956)</u>	<u>\$ 74,737,451</u>	<u>\$ 25,037,495</u>	<u>\$ (41,441,616)</u>	<u>\$ 71,763,637</u>	<u>\$ 30,322,021</u>

The largest portion of the City's net assets, \$155,004,602 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities. An additional portion of the City's net assets, \$24,013,169 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to its citizens and creditors. As of June 30, 2012 the City of Pawtucket reports positive balances in two of three categories of net assets for the government as a whole.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Analysis of the City of Pawtucket's Operations

The following analysis provides a summary of the City's operations for the year ended June 30, 2012. The City first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2002. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the City's net assets by \$8,258,340 for the current period, a 20% decrease in the City's governmental net assets, while business-type activities increased the City's net assets by \$2,973,814 for the current period, a 4% increase in the business-type growth in net assets. Overall the City's net assets decreased \$5,284,526 which is a 17% decrease over the prior year.

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures. See page 22 for the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities for a detailed explanation of these differences.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

The following schedule presents the Changes in Net Assets for the current and prior years' activity.

	<i>City of Pawtucket</i>					
	<i>Changes in Net Assets</i>					
	<u>June 30, 2012</u>			<u>June 30, 2011 - As Restated</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues						
Charges for Services	\$ 36,262,120	\$ 19,537,777	\$ 55,799,897	\$ 35,252,754	\$ 17,859,182	\$ 53,111,936
Operating Grants & Contributions	22,099,823	3,641,707	25,741,530	27,597,957	3,855,350	31,453,307
Capital Grants & Contributions	1,077,644	-	1,077,644	368,404	-	368,404
						-
General Revenues						
Property Taxes	95,326,772		95,326,772	91,581,435		91,581,435
State Aid, Unrestricted	69,595,009		69,595,009	72,105,183		72,105,183
Investment Earnings	1,055,639	224,017	1,279,656	944,848	226,518	1,171,366
Other Revenues	5,415,442	498,805	5,914,247	4,095,435	26,089	4,121,524
Total Revenues	<u>230,832,449</u>	<u>23,902,306</u>	<u>254,734,755</u>	<u>231,946,016</u>	<u>21,967,139</u>	<u>253,913,155</u>
Expenses						
Legislative	36,747,272		36,747,272	35,753,212		35,753,212
Executive			-			-
Finance	2,921,914		2,921,914	2,988,968		2,988,968
Planning	7,802,756		7,802,756	7,541,979		7,541,979
Public Safety	52,866,695		52,866,695	53,670,237		53,670,237
Public Works	13,838,042		13,838,042	17,824,850		17,824,850
Parks Recreation/Cultural Services			-			-
Education	108,340,320		108,340,320	113,132,377		113,132,377
Interest Expense	1,880,623		1,880,623	1,891,156		1,891,156
Other	10,515,660		10,515,660	10,422,697		10,422,697
On behalf pension contribution	4,177,507		4,177,507	3,543,554		3,543,554
Water Supply Board		16,005,165	16,005,165		15,717,923	15,717,923
175 Main Street		521,555	521,555		544,702	544,702
Nutrition Fund		4,401,772	4,401,772		3,938,960	3,938,960
Total Expenses	<u>239,090,789</u>	<u>20,928,492</u>	<u>260,019,281</u>	<u>246,769,030</u>	<u>20,201,585</u>	<u>266,970,615</u>
Change in Net Assets	(8,258,340)	2,973,814	(5,284,526)	(14,823,014)	1,765,554	(13,057,460)
Net Assets - Beginning	(41,441,616)	71,763,637	30,322,021	(26,618,602)	69,998,083	43,379,481
Net Assets - Ending	<u>\$ (49,699,956)</u>	<u>\$ 74,737,451</u>	<u>\$ 25,037,495</u>	<u>\$ (41,441,616)</u>	<u>\$ 71,763,637</u>	<u>\$ 30,322,021</u>

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Financial Analysis of the City of Pawtucket's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$3,792,225. Of this amount, (\$5,504,302) constitutes net unassigned fund balance (deficit). The remainder of the fund balance is classified as follows:

Non-Spendable:	
Perpetual Care and Endowment permanent funds	\$ 1,008,229
City special revenue funds	25,205
Total Non-Spendable fund balance	<u>\$ 1,033,434</u>
Restricted:	
Restricted for City special revenue funds	\$ 1,658,108
Restricted for HUD special revenue funds	1,260,483
Restricted for School special revenue funds	266,803
Restricted for Capital project funds	578,958
Total Restricted fund balance	<u>\$ 3,764,352</u>
Committed:	
Committed for medical reservation	\$ 396,645
Committed for Charter Reserve	700,000
Committed for Snow Removal	150,000
Committed for Revaluation	287,001
Committed for School's deficit reduction	1,822,353
Committed for City special revenue funds	1,117,527
Total Committed fund balance	<u>\$ 4,473,526</u>
Assigned:	
Assigned for City special revenue funds	\$ 25,215
Total Assigned fund balance	<u>\$ 25,215</u>

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

Unrestricted net assets of the respective proprietary funds are \$1,751,271.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

General Fund Budgeting Highlights for the Fiscal Year Ending June 30, 2012

REVENUE:

Real Estate, Tangible and Auto Taxes - exceeded the budget by \$135,785 due to prior year taxes coming in higher than budgeted. Real Estate tax was over budget by \$168,271 of the variance. Motor Vehicle tax was under budget by \$40,817. Tangible tax was over budget by \$8,331. In prior year comparison, we were over last year by \$4,006,284 due to a drop in the Motor Vehicle exemption from \$3,400 to \$500.

Current Other Revenues - were under budget by \$26,671 and over last year by \$35,556 primarily due to realty transfer taxes as the realty market declined with less activity during decreased market values and escalating foreclosures as a result of finance company demands on adjustable rate mortgages.

License and Permit Revenue - was under budget by \$24,172 and over last year by \$81,514. The variance for this year is mainly the result of a new inspection fee for the Fire Department that was not put into place at the beginning of the fiscal year. We were over last year mainly due to an increase in building permits.

Intergovernmental Revenue - exceeded the budget by \$132,690 and over last year by \$328,212. The variance for this year was mainly due to an increase in our public service corporation tax and reimbursement of school construction aid. The variance for last year is due to the revaluation that occurred in FY12 which resulted in a reimbursement from the State of \$230,163 which we did not have the year before.

Charges for Services - were under budget by \$24,641 and over last year by \$567,175. This year's variance was a combination of less real estate recording fees, lower rescue fees collected, bulky waste fees not coming to fruition, and alarm box fees for the Fire Department not being sent out on time for the first year. The variance for last year is due mainly because of higher rescue fees as we have hired a new company that is more aggressive in the collection of fees. We also implemented alarm box fees for the Fire Department for the first time in FY12.

Fines and Forfeitures - were under budget by \$56,802 and under last year by \$88,163. The variance for this year was mainly due to lower zoning fines, municipal PTE, and court cases. The variance for last year was mainly due to less tickets being paid for snow towing due to no snow in FY12. Also zoning fines were lower than what we collected last year and we also switched our street sweeping program to once a month versus each week.

Interest Revenue - exceeded the budget by \$314,408 and over last year by \$160,076. We saw an increase in interest charged for late payment of taxes.

Other Financing Sources - exceeded the budget by \$68,096 and under last year by \$2,908,666. The variance for last year is a result of a one-time scoop of special revenue funds that were used to offset the expected deficit. The variance for this year was mainly due to the Mayor increasing the Fire Department co pay to 25% and a transfer from our medical fund.

Total Revenue - exceeded the budget by \$518,693 mainly due to interest as explained above. We are over last year due to the drop in motor vehicle exemption as explained above.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

EXPENSES:

Legislative – The Legislative Department was under budget by \$154,929 and under last year \$414,971.

Library Division – was under budget by \$85,689 and under last year \$258,464. The variances are mostly due to a drop of 5 personnel in the current year.

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

Executive – The Executive Department was under budget by \$50,786 and under last year \$115,547. **There were no significant variance in the Executive Department, which includes the Mayor's Office, Law, and Municipal Court Divisions.**

Finance - The Finance Department was under budget by \$50,880 and under last year \$49,060.

Tax Assessors Division - was under budget by \$85,995 and over last year \$223,570. The variance this year is mostly due to retirements and a lag in hiring. The variance for last year is due to a mandated revaluation that took place during FY12.

Tax Collections Division – exceeded the budget by \$29,934 and under last year \$61,783. The variance for last year is due to a drop in personnel in the current year.

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

Planning - The Planning Department exceeded the budget by \$47,328 and under last year \$40,956. **There were no significant variances in the Zoning & Code Enforcement and Development Divisions.**

Planning Division – exceeded the budget by \$37,154 and under last year by \$78,422 because of no reimbursement from CDBG.

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

Police – The Police Department was under budget by \$842,548 and under last year \$103,954.

Uniform Police Division - was under budget by \$614,423 and over last year \$7,926. This year uniform salaries were under budget \$424,265 mainly due to lag time in replacement of retirees and terminations. Restoration was also under budget \$149,217 due to timing. In current year the medical costs for our injured on duty police officers was over budget by \$141,995. The difference between this year and last year is due to an increased contribution of \$296,500 to the pension plan which brings us to our annual required contribution.

Civilian Police Division - was under budget by \$179,116 and under last year \$75,063. The variances were mostly due to lag time in replacement of retirees and terminations.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Animal Control Division – was under budget by \$49,009 and under last year \$49,488. This was mostly due to a decrease in heating due to an adjustment to the radiant heating system and a warmer winter.

Fire –The Fire Department was under budget by \$299,672 and under last year \$115,320.

Uniform Fire Division – exceeded the budget by \$6,382 and over last year \$64,730. Uniform salaries were under last year \$202,822 mainly due to a drop in personnel. The difference between last year and this year is due to an increased contribution of \$296,500 to the pension plan which brings us to our annual required contribution. Also our overtime was over \$372,764 this year and over \$235,032 from last year. This year also saw a savings of \$248,943 in hydrant rental fees as we no longer have to pay them. Also, this year, we had a savings in Holiday Pay not paid of \$219,510 and yet the Uniform Fire is still over budget by \$11,466.

Civilian Fire Division – was under budget by \$285,210 and under last year \$42,107. This was mostly due to budgeting 16 part time positions for dispatchers which did not come to fruition this year.

Fire Prevention Division – was under budget by \$20,844 and under last year \$137,943. The variance was due to a reduction in personnel.

CIVIL DEFENSE – The Civil Defense Department was under budget by \$37,676 and under last year \$6,451. There were no material variances.

Public Works – The Public Works Department was under budget by \$1,426,939 and under last year \$1,514,913.

Public Works Director Division – was under budget by \$33,330 and under last year \$105,770. The variance is mainly due to a reduction in personnel.

Equipment Maintenance Division – was under budget by \$73,426 and under last year \$73,842. The variance is mainly due to a reduction in personnel.

Public Building Maintenance Division – was under budget by \$162,412 and under last year \$25,584. The variance is mostly due to the addition of a building improvements line in FY2012 of \$150,000 which was under budget \$75,745 and over last year \$74,255.

City Hall Maintenance Division – was under budget by \$32,232 and under last year \$150,753. The variance is mainly due to a reduction in personnel.

Sewer Maintenance Division – was under budget by \$104,511 and under last year \$81,807. The variance is mainly due to a reduction in personnel and a result of employees on leave without pay.

Refuse Collection Division – exceeded the budget by \$166,504 and over last year \$2,805. The largest variance was within salaries and temporary agency costs which combined to be over budget in the amount of \$122,632.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Transfer Station Division – was under budget by \$232,929 and under last year \$145,356. The largest under budget amounts were tipping fees \$168,351. We leased out our Transfer Station starting in May of FY2012 which resulted in some of the savings.

Streets and Bridges Division – was under budget by \$134,895 and under last year \$81,438. The variance is mainly due to a reduction in personnel and a result of employees on leave without pay.

Street Cleaning and Snow Removal Division – was under budget by \$507,970 and under last year \$590,366. The largest contributing expenses were snow storm salaries under budget \$116,749, outside vendors under budget \$196,727, and sand/salt supplies under budget \$110,357 due to a very mild winter with less snow storms this year than last year.

Parks Division – was under budget by \$125,168 and under last year \$125,201. Major variances were salaries under budget \$60,892 due to retirements and a lag in hiring.

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

Fixed Charges (Non-Departmental Costs) – The Fixed Charges Section exceeded the budget by \$1,431,331 and under last year by \$1,233,579.

Debt Service – exceeded the budget by \$26,248 and under last year \$353,241. The main reason for the difference from last year to this year is because the bond interest and principal payments were lower in FY2011 due to a refunding in the prior year. We also did not add any new leases in FY2012 and finished paying off another one.

Operating Insurance – was under budget by \$37,859 and under last year \$108,615. This year's variance is due to lower claims as we finished paying a lawsuit that we have had for the past 10 years.

Interdepartmental Contributions – were under budget by \$273,741 and over last year \$719,345. The main reason for the variance from last year are due to one of our school deficit correction plans ending so there was an increase in our maintenance of effort. The City and School adopted a new FY2010 deficit reduction plan in FY2012.

Other Employee Benefits – was under budget by \$176,802 and over last year \$310,471. The major variance was the workers compensation expense being under \$101,406. We also increased our budget for our retiree health care in FY12 by \$250,000, which is the major factor in the overage of last year of \$310,471.

Fixed Charges - exceeded the budget by \$1,893,485 and over last year \$665,619. Lag in hiring was budgeted at \$1,425,527 as a credit due to the fact that we didn't know how much would be in each department. The actual credit shows up in the various departments listed above. Accrued hours payoff was over budget \$432,260 as a result of more retirements in the current year. Also, street lighting was under budget \$146,372 and under last year \$163,483 due to a change in bulbs.

Total Expenses – were under budget by \$1,375,471 and under last year \$1,127,593. This year's variance is due to many retirements, a lag in hiring, a mild winter, and the non- payment of Fire Holiday pay along with overtime savings in the Fire Department by dropping minimum manning from 31 to 28 fire fighters.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

The City of Pawtucket's Capital Assets

The City of Pawtucket's investment in capital assets for its governmental and business-type activities amounts to \$290,561,793 net of accumulated depreciation at June 30, 2012. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the City of Pawtucket's capital assets is located in note 4 to the financial statements and can be found on page 40.

City of Pawtucket
Capital Assets (Net of Accumulated Depreciation)

	<u>June 30, 2012</u>			<u>June 30, 2011</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Land and improvements	\$ 21,867,850	\$ 5,768,212	\$ 27,636,062	\$ 21,867,850	\$ 5,618,212	\$ 27,486,062
Construction in progress	-	8,534,577	8,534,577	-	8,801,523	8,801,523
Buildings and improvements	43,959,166	2,388,176	46,347,342	44,146,532	2,524,028	46,670,560
Distribution and collection system	-	71,437,439	71,437,439	-	66,058,530	66,058,530
Motor vehicles	2,338,549	-	2,338,549	2,942,084	-	2,942,084
Machinery, equipment & furniture	1,569,676	572,979	2,142,655	2,072,378	716,613	2,788,991
Infrastructure	74,760,573	57,364,596	132,125,169	76,575,139	58,598,005	135,173,144
Total	<u>\$ 144,495,814</u>	<u>\$ 146,065,979</u>	<u>\$ 290,561,793</u>	<u>\$ 147,603,983</u>	<u>\$ 142,316,911</u>	<u>\$ 289,920,894</u>

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

The City of Pawtucket's Debt Administration

At the end of the current fiscal year, the City of Pawtucket's Governmental Activities had a total bonded debt of \$38,335,014. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the City's long-term debt:

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

	<i>City of Pawtucket</i>			<i>General Obligation Bonds and Notes Payable</i>		
	<u>June 30, 2012</u>			<u>June 30, 2011 (as restated)</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
General Obligations Bonds	\$ 38,335,014	\$ -	\$ 38,335,014	\$ 41,634,762	\$ -	\$ 41,634,762
Bond Premiums, Capital Leases & Deferred Loss on Refundings	5,143,511	7,750	5,151,261	6,171,857	(203,484)	5,968,373
Water & Clean Water Bonds	-	102,133,983	102,133,983	-	97,984,238	97,984,238
Notes and Loans Payable	18,600,000	901,851	19,501,851	14,950,000	1,007,604	15,957,604
Total	\$ 62,078,525	\$ 103,043,584	\$ 165,122,109	\$ 62,756,619	\$ 98,788,358	\$ 161,544,977

Additional information on the City's long-term debt can be found in note 7 of the Notes to the Financial Statements and on pages 44 and 45.

The City maintains an "Baa2" rating from Moody's for general obligation debt. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable City property on the general obligation debt that a municipality can issue. The City of Pawtucket's limit is \$130,120,430 at year-end. The City's outstanding general obligation debt is \$38,335,014 at year-end, which is \$91,785,416 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

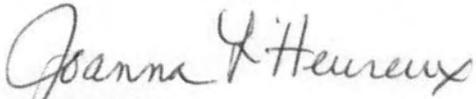
The City of Pawtucket's total general fund budget for fiscal year 2013 amounts to \$208,097,463, which reflects an increase of \$9,841,866, or 4.96% more than the fiscal 2012 budget of \$198,255,597. Of the City's 2013 budget \$98,793,800 or 47.4%, is budgeted for educational purposes and \$109,303,663 or 52.6% is budgeted for other purposes.

The City's tax rate for fiscal year 2013 is \$30.88 per thousand for commercial real property, \$23.06 per thousand for residential real property, \$53.30 per thousand for motor vehicles and \$52.09 per thousand for tangible personal property. Taxes for retail/wholesale inventory have been completely phased out.

CITY OF PAWTUCKET, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Request for Information

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



Joanna L'Heureux
Finance Director

BASIC FINANCIAL STATEMENTS

CITY OF PAWTUCKET, RHODE ISLAND
Statement of Net Assets
June 30, 2012

	Primary Government			Pawtucket Business Development Corporation
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 20,332,716	\$ 2,080,539	\$ 22,413,255	\$ 238,040
Investments	553,318	-	553,318	-
Real estate and personal property taxes receivable, net	6,668,912	-	6,668,912	-
Water and sewer assessments and user fees receivable, net	-	4,215,737	4,215,737	-
Due from federal and state government	6,395,738	291,658	6,687,396	-
Other receivables, net	4,732,583	1,047	4,733,630	1,391
Inventories	-	251,346	251,346	-
Loans receivable	350,000	-	350,000	360,710
Other assets	-	67,041	67,041	25,600
Total Current Assets	39,033,267	6,907,368	45,940,635	625,741
Noncurrent Assets:				
Restricted assets:				
Cash and equivalents	-	16,835,411	16,835,411	-
Investments	-	7,281,367	7,281,367	-
Intergovernmental receivable	-	5,166,047	5,166,047	-
Total restricted assets	-	29,282,825	29,282,825	-
Capital assets:				
Land	21,867,850	5,768,212	27,636,062	-
Non-depreciable assets	-	8,534,577	8,534,577	-
Depreciable assets, net	122,627,964	131,763,190	254,391,154	-
Other assets	344,545	2,207,053	2,551,598	-
Total Noncurrent Assets	144,840,359	148,273,032	293,113,391	-
TOTAL ASSETS	183,873,626	184,463,225	368,336,851	625,741
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	7,318,221	2,968,375	10,286,596	5,450
Unearned revenue	4,534,263	-	4,534,263	-
Tax anticipation note	12,600,000	-	12,600,000	-
Bond anticipation note	5,650,000	-	5,650,000	-
Other liabilities	5,408	18,902	24,310	-
Long-term debt due within one year	4,811,317	4,158,093	8,969,410	-
Total Current Liabilities	34,919,209	7,145,370	42,064,579	5,450
Noncurrent Liabilities:				
Other noncurrent liabilities	-	1,631,688	1,631,688	-
Long-term debt	198,654,373	100,948,716	299,603,089	-
Total Noncurrent Liabilities	198,654,373	102,580,404	301,234,777	-
TOTAL LIABILITIES	233,573,582	109,725,774	343,299,356	5,450
NET ASSETS				
Invested in capital assets, net of related debt	106,031,591	48,973,011	155,004,602	-
Restricted for:				
Trust agreements	-	18,784,911	18,784,911	-
Public Utilities Commission order	-	5,228,253	5,228,253	-
Other purposes	-	5	5	613,653
Unrestricted	(155,731,547)	1,751,271	(153,980,276)	6,638
TOTAL NET ASSETS	\$ (49,699,956)	\$ 74,737,451	\$ 25,037,495	\$ 620,291

See accompanying notes to the financial statements.

CITY OF PAWTUCKET, RHODE ISLAND
Statement of Activities
For the year ended June 30, 2012

<i>Functions/Programs</i>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Pawtucket Business Development Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
Legislative, judicial and general administrative	\$ 36,747,272	\$ 33,539,773	\$ 734,044	\$ -	\$ (2,473,455)	\$ -	\$ (2,473,455)	\$ -
Financial administration	2,921,914	206,388	-	-	(2,715,526)	-	(2,715,526)	-
Public safety	52,866,695	1,705,769	1,094,923	-	(50,066,003)	-	(50,066,003)	-
Public works	13,838,042	260,044	999,946	-	(12,578,052)	-	(12,578,052)	-
Planning, engineering and inspection	7,802,756	66,926	2,993,452	1,077,644	(3,664,734)	-	(3,664,734)	-
Other	10,515,660	50,219	-	-	(10,465,441)	-	(10,465,441)	-
Education	112,517,827	433,001	16,385,498	-	(95,699,328)	-	(95,699,328)	-
Interest on long-term debt	1,880,623	-	-	-	(1,880,623)	-	(1,880,623)	-
Total governmental activities	239,090,789	36,262,120	22,207,863	1,077,644	(179,543,162)	-	(179,543,162)	-
Business-type Activity:								
School lunch fund	4,401,772	415,386	3,641,707	-	-	(344,679)	(344,679)	-
Water Supply Board	16,005,165	18,609,361	-	-	-	2,604,196	2,604,196	-
175 Main Street	521,555	513,030	-	-	-	(8,525)	(8,525)	-
Total business-type activity	20,928,492	19,537,777	3,641,707	-	-	2,250,992	2,250,992	-
Total primary government	260,019,281	\$ 55,799,897	\$ 25,849,570	\$ 1,077,644	(179,543,162)	2,250,992	(177,292,170)	-
Component Unit								
Pawtucket Business Development Corp	\$ 6,204		\$ 4,000					(2,204)
General revenues:								
Taxes:								
Property taxes levied for general purposes					94,865,893		94,865,893	
State aid, unrestricted					69,595,009		69,595,009	
Investment and interest income					1,055,639	224,017	1,279,656	21,786
Other revenues					5,768,281	498,805	6,267,086	
Total general revenues					171,284,822	722,822	172,007,644	21,786
Change in Net Assets					(8,258,340)	2,973,814	(5,284,526)	19,582
Net Assets - beginning of year, as restated					(41,441,616)	71,763,637	30,322,021	600,709
Net Assets - ending of year					\$ (49,699,956)	\$ 74,737,451	\$ 25,037,495	\$ 620,291

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

CITY OF PAWTUCKET, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	School Special Revenue Unrestricted Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 11,208,498	\$ -	\$ 8,714,791	\$ 19,923,289
Investments		-	553,318	553,318
Real estate and personal property tax receivable (net)	6,668,912	-	-	6,668,912
Due from federal and state governments	884,613	845,467	4,665,658	6,395,738
Due from other funds	8,981,844	-	-	8,981,844
Other receivables	30,460	102,596	3,289,327	3,422,383
Notes receivable	-	-	350,000	350,000
TOTAL ASSETS	27,774,327	948,063	17,573,094	46,295,484
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable and accrued expenditures	2,766,521	1,051,711	1,502,394	5,320,626
Due to other funds	-	4,248,161	4,733,683	8,981,844
Deferred revenue	7,230,950	-	2,714,431	9,945,381
Tax anticipation note	12,600,000	-	-	12,600,000
Bond anticipation note	-	-	5,650,000	5,650,000
Other liabilities	-	-	5,408	5,408
TOTAL LIABILITIES	22,597,471	5,299,872	14,605,916	42,503,259
FUND BALANCES (DEFICITS):				
Non-spendable	-	-	1,033,434	1,033,434
Restricted	-	-	3,764,352	3,764,352
Committed	3,355,999	-	1,117,527	4,473,526
Assigned	-	-	25,215	25,215
Unassigned	1,820,857	(4,351,809)	(2,973,350)	(5,504,302)
TOTAL FUND BALANCES (DEFICITS)	5,176,856	(4,351,809)	2,967,178	3,792,225
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 27,774,327	\$ 948,063	\$ 17,573,094	\$ 46,295,484

(Continued)

See accompanying notes to the financial statements.

CITY OF PAWTUCKET
Reconciliation of the Balance Sheet
of Governmental Funds (B-1) to the Statement of Net Assets (A-1)
For the year ended June 30, 2012

Amounts reported for governmental activities in the statement of net assets differ because:

Total Net Assets (B-1)	\$ 3,792,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	144,495,814
Deferred charges, deferred bond issuance costs, and bond premium resulting from issuance of advanced refunding bonds.	344,545
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.	(51,134,833)
Deferred revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.	5,411,118
Accrual for OPEB liabilities (net)	(68,608,717)
Accrual for net pension liability	(83,722,140)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	<u>(277,968)</u>
Total Net Assets (A-1)	<u><u>\$ (49,699,956)</u></u>

(Concluded)

See accompanying notes to the financial statements.

CITY OF PAWTUCKET
Statement of Revenues, Other financing sources
Expenditures, Other financing uses and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012

	General Fund	School Special Revenue Unrestricted Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues				
General property taxes and payments in lieu of taxes	\$ 94,716,656	\$ -	\$ -	\$ 94,716,656
Intergovernmental and departmental	6,317,949	63,277,060	-	69,595,009
Licenses	236,407	-	-	236,407
Permits	511,638	-	-	511,638
Fines and forfeitures	411,718	-	-	411,718
Charges for service	3,753,837	433,001	50,219	4,237,057
Operating grants and contributions	-	-	18,030,356	18,030,356
Capital grants and contributions	-	-	1,077,644	1,077,644
Investment and interest income	1,029,408	-	26,231	1,055,639
On behalf pension contribution	-	4,177,507	-	4,177,507
Other revenues	460,879	-	4,384,656	4,845,535
Total revenues	<u>107,438,492</u>	<u>67,887,568</u>	<u>23,569,106</u>	<u>198,895,166</u>
Expenditures				
<i>Current:</i>				
Legislative, judicial and general administrative	2,428,001	-	679,821	3,107,822
Executive	770,537	-	-	770,537
Finance	2,887,542	-	-	2,887,542
Planning	1,698,239	-	7,030,821	8,729,060
Public safety	41,495,254	-	519,350	42,014,604
Public works	9,225,173	-	2,590,058	11,815,231
Other fixed and general charges	10,509,969	-	-	10,509,969
Education	-	94,948,458	14,709,902	109,658,360
Debt service principal	4,047,832	-	-	4,047,832
Debt service interest	1,880,623	-	-	1,880,623
On behalf pension contribution	-	4,177,507	-	4,177,507
Total expenditures	<u>74,943,170</u>	<u>99,125,965</u>	<u>25,529,952</u>	<u>199,599,087</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>32,495,322</u>	<u>(31,238,397)</u>	<u>(1,960,846)</u>	<u>(703,921)</u>
Other financing sources (uses)				
Transfers from other funds	68,095	29,623,349	973,062	30,664,506
Transfers to other funds	(29,793,063)	-	(803,348)	(30,596,411)
Total other financing sources (uses)	<u>(29,724,968)</u>	<u>29,623,349</u>	<u>169,714</u>	<u>68,095</u>
Net change in fund balances	2,770,354	(1,615,048)	(1,791,132)	(635,826)
Fund balances (deficits) - beginning of the year, as restated	2,406,502	(2,736,761)	4,758,310	4,428,051
Fund balances (deficits) - end of the year	<u>\$ 5,176,856</u>	<u>\$ (4,351,809)</u>	<u>\$ 2,967,178</u>	<u>\$ 3,792,225</u>

See accompanying notes to the financial statements.

CITY OF PAWTUCKET

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds (B-2) to the Statement of Activities (A-2)
For the year ended June 30, 2012**

Net change in fund balances - total governmental funds (B-2)	\$	(635,826)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(3,108,169)
Deferred charges, bond premium, cost of issuance and change in accrued interest		(27,427)
Decrease (increase) in liability for compensated absences		(32,395)
Deferred revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Assets.		149,237
Principal payments made on long-term debt		4,275,373
Accrual for OPEB liabilities (net)		(6,108,355)
Accrual for net pension liability		<u>(2,770,778)</u>
Change in net assets of Governmental Activities (A-2)	\$	<u>(8,258,340)</u>

See accompanying notes to the financial statements.

CITY OF PAWTUCKET

Statement of Net Assets

Proprietary Funds

June 30, 2012

	Business-Type Activities Enterprise Funds				Governmental Activities
	School Lunch Fund	Water Supply Board	175 Main Street	Total	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 502,316	\$ 1,219,897	\$ 358,326	\$ 2,080,539	\$ 409,427
Water user fees receivable	-	4,215,737	-	4,215,737	-
Due from other governments	285,650	6,008	-	291,658	-
Inventory	-	251,346	-	251,346	-
Other receivables	-	-	1,047	1,047	1,310,200
Prepaid expenses	-	882	66,159	67,041	-
Total current assets	787,966	5,693,870	425,532	6,907,368	1,719,627
Non-current assets:					
Restricted cash and equivalents	-	16,835,411	-	16,835,411	-
Investments	-	7,177,752	103,615	7,281,367	-
Intergovernmental receivable	-	5,166,047	-	5,166,047	-
Capital assets:					
Land	-	5,768,212	-	5,768,212	-
Non-depreciable assets	-	8,534,577	-	8,534,577	-
Depreciable assets, net	-	129,375,014	2,388,176	131,763,190	-
Other assets	-	2,207,053	-	2,207,053	-
Total non-current assets	-	175,064,066	2,491,791	177,555,857	-
TOTAL ASSETS	787,966	180,757,936	2,917,323	184,463,225	1,719,627
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	750,392	922,662	16,953	1,690,007	1,719,627
Accrued interest payable	-	1,278,368	-	1,278,368	-
Deposits	-	18,902	-	18,902	-
Current portion of long term debt	-	4,052,340	105,753	4,158,093	-
Total current liabilities	750,392	6,272,272	122,706	7,145,370	1,719,627
Non-current liabilities:					
Accounts payable from restricted assets	-	1,422,484	-	1,422,484	-
Accrued expenses	-	209,204	-	209,204	-
Net OPEB obligation	-	1,245,537	-	1,245,537	-
Accrued compensated absences and vacation	-	735,919	-	735,919	-
Bonds, loans and notes payable	-	98,171,161	796,099	98,967,260	-
Total non-current liabilities	-	101,784,305	796,099	102,580,404	-
TOTAL LIABILITIES	750,392	108,056,577	918,805	109,725,774	1,719,627
NET ASSETS					
Invested in capital assets, net of related debt	-	47,486,687	1,486,324	48,973,011	-
Restricted for:					
Trust agreement	-	18,784,911	-	18,784,911	-
Public utilities commission order	-	5,228,253	-	5,228,253	-
Other purposes	-	5	-	5	-
Unrestricted	37,574	1,201,503	512,194	1,751,271	-
TOTAL NET ASSETS	\$ 37,574	\$ 72,701,359	\$ 1,998,518	\$ 74,737,451	\$ -

See accompanying notes to the financial statements.

CITY OF PAWTUCKET

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2012

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	School Lunch Fund	Water Supply Board	175 Main Street		Internal Service Fund
Operating revenues:					
Charges for services	\$ 415,386	\$ 18,255,881	\$ 512,730	\$ 19,183,997	\$ 30,865,300
Other income	-	327,700	300	328,000	922,746
Total operating revenues	<u>415,386</u>	<u>18,583,581</u>	<u>513,030</u>	<u>19,511,997</u>	<u>31,788,046</u>
Operating expenses:					
General and administrative	-	2,855,174	354,531	3,209,705	31,719,951
Customer service	-	473,351	-	473,351	-
Source of supply	-	1,109,880	-	1,109,880	-
Pumping	-	-	-	-	-
Purification	-	2,615,653	-	2,615,653	-
Transmission and distribution	-	1,910,321	-	1,910,321	-
Engineering	-	365,261	-	365,261	-
Meters	-	530,220	-	530,220	-
Depreciation and amortization	-	2,537,080	135,852	2,672,932	-
School lunch program	4,401,772	-	-	4,401,772	-
Total operating expenses	<u>4,401,772</u>	<u>12,396,940</u>	<u>490,383</u>	<u>17,289,095</u>	<u>31,719,951</u>
Income (loss) from operations	<u>(3,986,386)</u>	<u>6,186,641</u>	<u>22,647</u>	<u>2,222,902</u>	<u>68,095</u>
Non-operating revenues (expenses):					
Amortization of deferred charge	-	(128,147)	-	(128,147)	-
Rental income, net	-	25,780	-	25,780	-
Intergovernmental income	-	83,916	-	83,916	-
Federal grants	3,567,012	-	-	3,567,012	-
State matching funds	74,695	-	-	74,695	-
Miscellaneous non-operating income	-	543,036	-	543,036	-
Interest income	-	221,153	2,864	224,017	-
Interest expense	-	(3,608,225)	(31,172)	(3,639,397)	-
Total non-operating revenues (expenses)	<u>3,641,707</u>	<u>(2,862,487)</u>	<u>(28,308)</u>	<u>750,912</u>	<u>-</u>
Transfers					
Transfers in (out)	-	-	-	-	(68,095)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,095)</u>
Change in net assets	<u>(344,679)</u>	<u>3,324,154</u>	<u>(5,661)</u>	<u>2,973,814</u>	<u>-</u>
Net assets - beginning of the year, as restated	<u>382,253</u>	<u>69,377,205</u>	<u>2,004,179</u>	<u>71,763,637</u>	<u>-</u>
Net assets - end of the year	<u>\$ 37,574</u>	<u>\$ 72,701,359</u>	<u>\$ 1,998,518</u>	<u>\$ 74,737,451</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF PAWTUCKET

Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2012

	Business-Type Activities Enterprise Funds				Government Activities
	School Lunch Fund	Water Supply Board	175 Main St	Total	Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 674,658	\$ 19,186,088	\$ 511,983	\$ 20,372,729	\$ 31,747,896
Cash payments to suppliers for goods and services	(4,651,383)	(6,433,622)	(337,981)	(11,422,986)	-
Cash payments to employees for services	(104,412)	(2,629,993)	-	(2,734,405)	-
Payment of administrative expenses	-	-	-	-	(31,619,032)
Net cash provided (used) by operating activities	<u>(4,081,137)</u>	<u>10,122,473</u>	<u>174,002</u>	<u>6,215,338</u>	<u>128,864</u>
Cash flows from non-capital financing activities:					
Changes in due to/from State/City	-	(6,008)	-	(6,008)	-
Transfers out to City	-	-	-	-	(68,095)
Rental income received	-	27,850	-	27,850	-
Intergovernmental revenue	3,641,707	83,916	-	3,725,623	-
Miscellaneous non-operating revenue received	-	286,507	-	286,507	-
Net cash provided (used) by non-capital financing activities	<u>3,641,707</u>	<u>392,265</u>	<u>-</u>	<u>4,033,972</u>	<u>(68,095)</u>
Cash flows from capital and related financing activities:					
Principal paid on bonds, notes and loans	-	(5,079,021)	-	(5,079,021)	-
Principal paid on capital leases	-	-	(105,752)	(105,752)	-
Proceeds from bond issuance	-	9,440,000	-	9,440,000	-
Net additions to capital assets	-	(6,422,012)	-	(6,422,012)	-
Changes in accrued interest	-	22,504	-	22,504	-
Changes in due from Clean Water	-	(3,226,015)	-	(3,226,015)	-
Interest paid on bonds, notes and loans	-	(3,764,402)	(31,172)	(3,795,574)	-
Net cash used for capital-related financing activities	<u>-</u>	<u>(9,028,946)</u>	<u>(136,924)</u>	<u>(9,165,870)</u>	<u>-</u>
Cash flows from investing activities:					
Purchase/sale of investments, net	-	34,068	(2,433)	31,635	-
Investment income	-	221,153	2,864	224,017	-
Net cash provided by investing activities	<u>-</u>	<u>255,221</u>	<u>431</u>	<u>255,652</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents (including restricted cash and equivalents)	<u>(439,430)</u>	<u>1,741,013</u>	<u>37,509</u>	<u>1,339,092</u>	<u>60,769</u>
Cash and cash equivalents at beginning of year (including restricted cash and equivalents)	<u>941,746</u>	<u>16,314,295</u>	<u>320,817</u>	<u>17,576,858</u>	<u>348,658</u>
Cash and cash equivalents at end of year (including restricted cash and equivalents)	<u>\$ 502,316</u>	<u>\$ 18,055,308</u>	<u>\$ 358,326</u>	<u>\$ 18,915,950</u>	<u>\$ 409,427</u>

(Continued)

See accompanying notes to the financial statements.

CITY OF PAWTUCKET

Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2012

	Business-Type Activities Enterprise Funds			Government Activities	
	School Lunch Fund	Water Supply Board	175 Main St	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (3,986,386)	\$ 6,186,641	\$ 22,647	\$ 2,222,902	\$ 68,095
	(3,986,386)	6,186,641	22,647	2,222,902	68,095
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	-	2,537,080	135,852	2,672,932	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable and accrued revenue	(26,378)	602,508	(1,047)	575,083	-
(Increase) decrease in inventory	-	(76,160)	-	(76,160)	-
(Increase) decrease in prepaid expense	-	98,533	12,444	110,977	1,270,050
(Increase) decrease in user charges receivable	-	-	-	-	(1,310,200)
(Increase) decrease in deferred hydrant fees receivable	-	-	-	-	-
Increase (decrease) in accounts payable and accrued expenses	(68,373)	587,174	4,106	522,907	100,919
Increase (decrease) in accrued compensated absences and vacation	-	88,820	-	88,820	-
Increase (decrease) in post employment benefits	-	108,252	-	108,252	-
Increase (decrease) in deposits	-	(10,375)	-	(10,375)	-
Increase (decrease) in deferred revenue	-	-	-	-	-
Total adjustments	(94,751)	3,935,832	151,355	3,992,436	60,769
Net cash provided (used) by operating activities	\$ (4,081,137)	\$ 10,122,473	\$ 174,002	\$ 6,215,338	\$ 128,864

See accompanying notes to the financial statements.

(Concluded)

CITY OF PAWTUCKET

Statement of Net Assets
Fiduciary Funds
June 30, 2012

	Pension Trust Funds	Agency Funds
ASSETS		
Cash equivalents	\$ 3,344,890	\$ 320,923
Investments, at fair value:		
Common Stock	48,802,501	
U.S. Government obligations	9,997,607	
U.S. Government agency obligations	8,440,078	
Domestic corporate bonds	4,234,420	
Total investments	<u>71,474,606</u>	<u>-</u>
Receivables (net)		
Interest and dividends	265,351	
Other	315,336	
Total receivables (net)	<u>580,687</u>	<u>-</u>
TOTAL ASSETS	<u>75,400,183</u>	<u>320,923</u>
LIABILITIES		
Amounts held for the benefit of others		320,923
Accounts payable and accrued expenses	515,627	
Total liabilities	<u>515,627</u>	<u>320,923</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 74,884,556</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

CITY OF PAWTUCKET
Statement of Changes in Net Assets
Fiduciary Funds
For the year ended June 30, 2012

	Pension Trust Fund
<i>Additions:</i>	
Contributions:	
Employer and plan members	\$ 11,528,709
Total contributions	11,528,709
<i>Investment income:</i>	
Net increase (decrease) in fair value of investments	(452,115)
Interest and dividends	1,802,691
Other	515,514
Net investment earnings	1,866,090
<i>Total additions</i>	13,394,799
<i>Deductions:</i>	
Benefits paid	11,378,747
Administrative and other expenses	567,019
<i>Total deductions</i>	11,945,766
<i>Changes in net assets</i>	1,449,033
<i>Net assets - beginning of year</i>	73,435,523
<i>Net assets - end of the year</i>	\$ 74,884,556

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The City complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Enterprise funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 39. Under GASB Statement No. 39, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

Test 1 - The primary government appoints the voting majority of the board of the potential component unit and

- * Is able to impose its will on the potential component unit and/or
- * Is in a relationship of financial benefit or burden with the potential component unit;

Test 2 - The potential component unit is fiscally dependent upon the primary government; or

Test 3 - The financial statements would be misleading if data from the potential component unit were not included.

The following entities were considered for classification as component units for fiscal year 2012:

- * Pawtucket School System
- * Pawtucket's Business Development Corporation

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Although the Pawtucket School Systems meets certain criteria of the tests listed above, it is not deemed to have separate legal statues apart from the City. As a result, the financial data of these entities have been included as Special Revenue Funds within the City's financial statements.

The Pawtucket Business Development Corporation is a nonprofit corporation whose purpose is to promote the growth of business and industry in Pawtucket through loans to local businesses. It is discretely presented as a component unit. Complete financial statements for the Pawtucket's Business Development Corporation may be obtained at their administrative office at 175 Main Street, Pawtucket, RI 02860.

Recently Issued Accounting Standards

The City has implemented the following new accounting pronouncements:

- ✓ GASB Statement No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53, effective for the District's fiscal year ending June 30, 2012.

The City will adopt the following new accounting pronouncement in future years:

- ✓ GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangement, effective for the District's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 61 – The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, effective for the District's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the District's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the District's fiscal year ending June 30, 2013.
- ✓ GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities, effective for the Corporation's fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 66 – Technical Corrections – an amendment of GASB Statements No. 10 and No 62, effective for the Corporation's fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 67 – Financial Reporting of Pension Plans – and amendment of GASB Statement No. 25, effective for the Corporation's fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, effective for the Corporation's fiscal year ending June 30, 2015.

The impact of these pronouncements on the City's financial statements has not been determined.

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

Government-Wide Financial Statements

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

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

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

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

Governmental Funds

General Fund

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

Special Revenue Funds

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes for the City and School.
- HUD Funds are used to account for resources restricted for the acquisition or assistance with urban development projects or other related items.

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

Capital Project Funds

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

Permanent Funds

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

Proprietary Funds

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

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

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

Pension Trust Fund

The Pension Trust Fund is used to account for funds that are to be used for the payment of retirement benefits to former employees.

Major and Non-Major Funds

The funds are further classified as major are as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i> General Fund:	See above for description
School Unrestricted Fund	This fund is used to report all financial transactions of the Pawtucket School Department, which are not legally required to be accounted for separately.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The City considers property taxes as available if they are collected within 60 days after year end.
- (b) All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

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

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

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

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

Investments

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value. Investments are disclosed in accordance with GASB No. 40, *Deposits and Investment Risk Disclosures*.

Accounts Receivable

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible taxes receivable accounts amounted to \$3,800,000 at June 30, 2012. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables 37% and 36%, respectively, of total governmental receivables. Business-type activities report service fees as its major receivables.

Inventory

Proprietary fund inventory is stated at cost (first-in, first-out). Inventory consists primarily of materials and supplies. Inventory maintained in governmental funds is recorded as expenditures at the time of purchase.

Property, Plant and Equipment

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Library collections, capital assets that are not being depreciated, are placed into service using the replacement method of cost for any new assets and the expense is charged to depreciation expense in the year of acquisition.

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Plant and Equipment (Continued)

As of June 30, 2012, the City's infrastructure assets have been capitalized and reported within the financial statements.

The City defines capital assets as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical costs (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

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

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

Property Taxes

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

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

The City's fiscal 2012 property taxes were levied in July of 2011 on assessed valuation as of December 31, 2010. Upon levy, taxes are billed quarterly and are due on July 15, October 15, January 15, and April 15. Failure to mail payments by due dates will result in lien on taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles. The most recent assessment of all real estate was completed as of December 31, 2011.

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

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

Compensated Absences

Under the terms of various contracts and agreements, City employees are granted vacation and sick leave in the varying amounts based on length of service. The City's policy is to recognize the cost of the vacation and sick leave in governmental funds when paid, and on the accrual basis in proprietary funds. For Governmental Fund Types accrued compensated absences are presented as a current liability for those amounts expected to be paid with current financial resources. In governmental funds compensated absence expenditures are only reported when matured. For those compensated absences not to be paid with current financial resources the liability is recorded in the Statement of Net Assets of the Government- Wide Financial Statements. See Note 7 for amounts due and payable at June 30, 2012. For Proprietary Fund Types accrued compensated absences are recorded as a liability within those funds. In past years and in future fiscal years the general fund has been used to liquidate the liability for compensated absences in governmental funds other than those which are liabilities on proprietary funds.

Judgments and Claims

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

Bond Issuance Costs

Bond issuance costs are amortized on a straight-line basis over 20 years. The total bond issuance costs, net of accumulated amortization as of June 30, 2012 were \$43,471.

Deferred Revenues

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

Self-Insurance

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

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

Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

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

Fund Financial Statements

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

- **Non-Spendable** – the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. At the end of each fiscal year, the Finance Director will report the portion of the fund balance that is not in spendable form as Non-Spendable on the annual financial statements.

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

- Restricted – the amount of fund balance that can only be spent on specific expenses due to constraints on the spending because of legal restrictions, outside party creditors, and grantor/donor requirements. The City's restricted fund balance amounts are considered to have been spent when an expenditure has been incurred satisfying such restriction. At the end of each fiscal year, the Finance Director will report restricted fund balance amounts that have applicable legal restrictions per GASB 54.
- Committed – the City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year end, but the specific amount may be determined at a later date. At the end of each fiscal year, the Finance Director will report committed fund balances that have been committed by self-imposed actions by the City of Pawtucket's City Council.
- Assigned – the amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The City does not maintain a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* for therefore any remaining positive portion of unassigned fund balance cannot be considered assigned.
- Unassigned – the amount of fund balance that remains from residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, not subject to any constraints or intended use, no external or self-imposed limitations, no set spending plan and are available for any purposes. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received. At the end of each fiscal year, the Finance Director will report the portion of the unassigned fund balance.

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

Reclassifications

Some of the 2011 balances have been reclassified to conform to the 2012 presentation.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures." However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this \$(3,108,169) difference are as follows:

Capital Outlays (net of disposals)	\$	2,456,182
Depreciation expense		(5,564,351)
Net Adjustment	\$	<u>(3,108,169)</u>

Another element of that reconciliation explains a reconciliation of "Deferred charges, bond premium, cost of issuance, and change in accrued interest". However, in the statement of activities the increase in accrued interest, amortization of the bond premium, and cost of issuance are reported as interest expense and amortization expense. The details of this \$(27,427) difference are as follows:

Increase in accrued interest	\$	(20,778)
Amortization on gain on refunding		(37,634)
Amortization of bond issuance costs		(21,736)
Amortization of bond premium		52,721
	\$	<u>(27,427)</u>

2. BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Debt Margin

The City's legal debt margin as set forth by State Statute is limited to three percent of total assessed value which approximates \$4,337,347,661 based on the December 31, 2011 assessment. As of June 30, 2012, the City's debt is under the debt limit by \$91,785,416, subject to the Maximum Aggregate Indebtedness provision (3% Debt Limit) of the Rhode Island General Laws 45-12-2. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Donor Restricted Endowments

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Primary Government			Ending Balance
	Beginning Balance (as restated)	Increases	Decreases	
Governmental activities				
Non-depreciable assets:				
Land	\$ 21,867,850	\$ -	\$ -	\$ 21,867,850
Total capital assets not being depreciated	<u>21,867,850</u>	<u>-</u>	<u>-</u>	<u>21,867,850</u>
Depreciable assets:				
Buildings and improvements	77,533,977	2,028,047	-	79,562,024
Motor vehicles	15,868,632	304,927	236,740	15,936,819
Machinery, equipment and furniture	7,356,620	123,208	-	7,479,828
Infrastructure	121,999,193	-	-	121,999,193
Total Depreciable Assets	<u>222,758,422</u>	<u>2,456,182</u>	<u>236,740</u>	<u>224,977,864</u>
Total Capital Assets	<u>244,626,272</u>	<u>2,456,182</u>	<u>236,740</u>	<u>246,845,714</u>
Less accumulated depreciation for:				
Buildings and improvements	33,387,445	2,215,413	-	35,602,858
Motor vehicles	12,926,548	908,462	236,740	13,598,270
Machinery, equipment and furniture	5,284,242	625,910	-	5,910,152
Infrastructure	45,424,054	1,814,566	-	47,238,620
Total Accumulated Depreciation	<u>97,022,289</u>	<u>5,564,351</u>	<u>236,740</u>	<u>102,349,900</u>
Governmental Activities Capital Assets, Net	<u>\$ 147,603,983</u>	<u>\$ (3,108,169)</u>	<u>\$ -</u>	<u>\$ 144,495,814</u>

Depreciation expense was charged to functions as follows:

<i>Governmental Activities:</i>	
Legislative	\$ 124,153
Finance	34,372
Public Safety	946,928
Public Works	2,683,949
Planning	82,249
Education	1,692,700
Total Governmental activities depreciation expense	<u>\$ 5,564,351</u>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

4. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2012 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business type activities:				
Non depreciable assets:				
Land	\$ 5,618,212	\$ 150,000	\$ -	\$ 5,768,212
Construction in progress	8,801,523	6,283,528	6,550,474	8,534,577
Total non depreciable assets	<u>14,419,735</u>	<u>6,433,528</u>	<u>6,550,474</u>	<u>14,302,789</u>
Depreciable assets:				
Structures and improvements	68,005,403	-	-	68,005,403
Transmission and distribution	80,211,334	6,538,946	-	86,750,280
Equipment	5,321,658	-	-	5,321,658
Buildings	625,000	-	-	625,000
Building improvements	3,447,919	-	-	3,447,919
Total depreciable assets	<u>157,611,314</u>	<u>6,538,946</u>	<u>-</u>	<u>164,150,260</u>
Total Capital Assets	<u>172,031,049</u>	<u>12,972,474</u>	<u>6,550,474</u>	<u>178,453,049</u>
Less accumulated depreciation for:				
Structures and improvements	9,407,398	1,233,409	-	10,640,807
Transmission and distribution	14,152,804	1,160,037	-	15,312,841
Equipment	4,605,045	143,634	-	4,748,679
Buildings	107,957	-	-	107,957
Building improvements	1,440,934	135,852	-	1,576,786
Total Accumulated Depreciation	<u>29,714,138</u>	<u>2,672,932</u>	<u>-</u>	<u>32,387,070</u>
Business Type Capital Assets, Net	<u>\$ 142,316,911</u>	<u>\$ 10,299,542</u>	<u>\$ 6,550,474</u>	<u>\$ 146,065,979</u>
<i>Business activities depreciation expense:</i>				
Water Supply Board		\$ 2,537,080		
175 Main Street		135,852		
Total business activities depreciation expense		<u>\$ 2,672,932</u>		

The PWSB has the following commitments related to the construction project contracts at June 30, 2012:

Main Replacement Contract MR-5	\$ 41,260
Main Replacement Contract MR-6	102,976
Main Replacement Contract MR-7	3,044,615
Robin Hollow Dam Rehab Engineering Contract	75,852
Robin Hollow Dam Rehab Construction Contract	804,812
Residual Water Discharge Engineering Contract	24,150
Residual Water Discharge Engineering Contract	313,650
Hydraulic Modeling Engineering Services Contract	9,489
Total Commitments	<u>\$ 4,416,804</u>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

5. CASH AND INVESTMENTS

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

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

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

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

Cash and Cash Equivalents

Deposits with financial institutions \$ 42,914,479

Investments

Government and agency obligations 22,479,095
U.S. Treasuries 3,136,342
Corporate bonds 4,234,420
Common stocks 49,355,819
Certificate of Deposit 103,615
Total Investments 79,309,291

Total Cash and Investments \$ 122,223,770

Custodial Credit Risk

At June 30, 2012, the carrying amount of the City's deposits was \$42,914,479, while the bank balance was \$52,443,559, all of which was covered by federal depository insurance or collateralized by the financial institutions and /or third parties in the name of the City.

Reconciliation to Government-wide Statement of Net Assets:

Unrestricted cash, including time deposits \$ 26,079,068
Restricted cash, including time deposits 16,835,411
Total cash 42,914,479
Less: Fiduciary funds cash, including time deposits (not included in the
government-wide statements) (3,665,813)
Total cash and cash equivalents on A-1 \$ 39,248,666

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

5. CASH AND INVESTMENTS (Continued)

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

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

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

Type of Investment	Moody's Rating	Less Than 1 Year	1-10 Years	Over 10 Years
U.S. Government and Agency Obligations	Not Available		\$ 18,123,561	\$ 4,355,534
U.S. Treasuries	Aaa	\$ 3,136,342		
Domestic corporate bonds	Not Available		3,079,222	1,155,198
Total		<u>\$ 3,136,342</u>	<u>\$ 21,202,783</u>	<u>\$ 5,510,732</u>

6. PROPERTY TAXES

The City is permitted by state law to levy property taxes. Current tax collections for the City were approximately 94% of the total December 31, 2010 levy.

For year ended June 30, 2012, the City used a tax rate of \$24.54 per thousand for commercial real property, \$17.78 per thousand for residential real property, \$53.30 per thousand for motor vehicles, and \$52.09 per thousand for tangible personal property.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

7. LONG-TERM LIABILITIES

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011 (as restated)	Additions	Retirements	Balance June 30, 2012	Amounts Due within One Year
Governmental Activities					
Bonds and loans payable					
Bonds Payable	\$ 41,634,762	\$ -	\$ 3,299,748	\$ 38,335,014	\$ 3,402,429
Loans payable	350,000	-	-	350,000	35,000
Total bonds and loans payable	41,984,762	-	3,299,748	38,685,014	3,437,429
Bonds Premium	176,475	-	52,721	123,754	-
	<u>42,161,237</u>	<u>-</u>	<u>3,352,469</u>	<u>38,808,768</u>	<u>3,437,429</u>
Other Liabilities:					
Capital Leases	5,995,382	-	975,625	5,019,757	643,257
Compensated Absences	7,273,913	522,673	490,278	7,306,308	730,631
Net OPEB obligation	62,500,362	6,108,355	-	68,608,717	-
Net pension Obligation	80,951,362	2,770,778	-	83,722,140	-
Total Other Liabilities	156,721,019	9,401,806	1,465,903	164,656,922	1,373,888
Governmental Activities Long Term Liabilities	\$ 198,882,256	\$ 9,401,806	\$ 4,818,372	\$ 203,465,690	\$ 4,811,317
Business Type Activities:					
Bonds, notes and loans payable					
Bonds and loans payable	\$ 97,984,238	\$ 9,440,000	\$ 5,290,255	\$ 102,133,983	\$ 3,970,571
Notes Payable-175 Main Street	1,007,604	-	105,753	901,851	105,753
Total bonds, notes and loans payable	98,991,842	9,440,000	5,396,008	103,035,834	4,076,324
Less: deferred loss refundings	(548,962)	-	(225,052)	(323,910)	-
Bond premiums	345,478	-	13,818	331,660	-
	<u>98,788,358</u>	<u>9,440,000</u>	<u>5,184,774</u>	<u>103,043,584</u>	<u>4,076,324</u>
Other Liabilities:					
Compensated Absences	728,868	101,000	12,180	817,688	81,769
Net OPEB obligation	1,137,285	108,252	-	1,245,537	-
Total Other Liabilities	1,866,153	209,252	12,180	2,063,225	81,769
Business Type Activities Long-Term Liabilities	\$ 100,654,511	\$ 9,649,252	\$ 5,196,954	\$ 105,106,809	\$ 4,158,093

Payments on all long-term debt and other long-term liabilities that pertain to the City's governmental activities are made by the Debt Service Fund and General Fund. The General Fund typically has been used in prior years to liquidate the liability for compensated absences.

On June 23, 2011, the City Council approved an ordinance authorizing the City to use accumulated fund money for the deficit reduction plan in fiscal year 2011. This ordinance allowed the City to transfer accumulated fund balances in various funds to the City's General Fund. The Cemetary Perpetual Care permanent fund, transferred \$500,000 to the General Fund, in which \$350,000 was deemed a loan that shall be repaid to the permanent fund in equal payments in the amount of \$35,000 per year for a period of ten years beginning in fiscal year 2013. This \$350,000 loan payable is included as a prior period restatement of the governmental fund balance for the Cemetary Perpetual Care permanent fund and the government-wide long term debt obligations for the fiscal year 2012. See Note 15.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

7. LONG-TERM LIABILITIES (Continued)

The debt service through maturity for the above Governmental bonds and notes are as follows:

Year Ended June 30	Principal	Interest	Total
2013	\$ 3,437,429	\$ 1,601,636	\$ 5,039,065
2014	3,540,475	1,474,084	5,014,559
2015	2,745,400	1,335,577	4,080,977
2016	2,731,734	1,227,055	3,958,789
2017	2,820,438	1,115,431	3,935,869
2018-2022	12,304,538	3,926,028	16,230,566
2023-2027	8,465,000	1,618,344	10,083,344
2028-2030	2,640,000	198,137	2,838,137
TOTALS	\$ 38,685,014	\$ 12,496,292	\$ 51,181,306

The debt service through maturity for the above Enterprise bonds and notes are as follows:

Year Ended June 30	Principal	Interest	Total
2013	\$ 4,076,324	\$ 3,473,722	\$ 7,550,046
2014	4,257,278	3,438,187	7,695,465
2015	4,344,353	3,342,114	7,686,467
2016	4,463,019	3,234,625	7,697,644
2017	4,593,315	3,119,390	7,712,705
2018-2022	24,917,552	13,600,383	38,517,935
2023-2027	26,390,000	9,586,190	35,976,190
2028-2032	18,191,000	5,085,986	23,276,986
2033-2036	11,802,993	1,278,478	13,081,471
TOTALS	\$ 103,035,834	\$ 46,159,075	\$ 149,194,909

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

8. TAX & BOND ANTICIPATION NOTES

At June 30, 2011, the City had a bond anticipation note (BAN) payable dated August 26, 2010 in the amount of \$3,000,000. The note was due and paid on approximately August 25, 2011 with interest at an annual rate of 2.0%.

<u>Balance</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2012</u>
<u>\$3,000,000</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$0</u>

At June 30, 2011, the City had a tax anticipation note (TAN) payable dated April 6, 2011 in the amount of \$11,600,000. The note was due and paid on approximately July 28, 2011 with interest at an annual rate of 2.75%.

<u>Balance</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2012</u>
<u>\$11,600,000</u>	<u>\$0</u>	<u>\$11,600,000</u>	<u>\$0</u>

At June 30, 2012, the City had a bond anticipation note (BAN) payable dated August 25, 2011 in the amount of \$5,650,000. The note was due and paid on approximately August 23, 2012 with interest at an annual rate of 2.15%. The note payable is listed as a current liability in the Government wide Statement of Net Assets and Governmental Funds Balance sheet as of June 30, 2012. Interest is not accrued or expensed in the financial statements until it is paid with current measurable and available resources. Activity of the City's BAN obligations was as follows for the fiscal year ended June 30, 2012.

<u>Balance</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2012</u>
<u>\$0</u>	<u>\$5,650,000</u>	<u>\$0</u>	<u>\$5,650,000</u>

At June 30, 2012, the City had a tax anticipation note (TAN) payable dated February 7, 2012 in the amount of \$12,600,000. The note was due and paid on approximately July 30, 2012 with interest at an annual rate of 2.150%. The note payable is listed as a current liability in the Government wide Statement of Net Assets and Governmental Funds Balance sheet as of June 30, 2012. Interest is not accrued or expensed in the financial statements until it is paid with current measurable and available resources. Activity of the City's TAN obligations was as follows for the fiscal year ended June 30, 2012.

<u>Balance</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2012</u>
<u>\$0</u>	<u>\$12,600,000</u>	<u>\$0</u>	<u>\$12,600,000</u>

The City issued a Bond Anticipation Note, dated August 23, 2012, in the amount of \$8,300,000 with an interest rate of 2.85%. The notes maturity date is August 23, 2013.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

9. FUND EQUITY

(a) *Fund Balance Classifications*

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town has classified governmental fund balances at June 30, 2012 as follows:

Non-Spendable:

Perpetual Care and Endowment permanent funds	\$	1,008,229
City special revenue funds		25,205
Total Non-Spendable fund balance	\$	1,033,434

Restricted:

Restricted for City special revenue funds	\$	1,658,108
Restricted for HUD special revenue funds		1,260,483
Restricted for School special revenue funds		266,803
Restricted for Capital project funds		578,958
Total Restricted fund balance	\$	3,764,352

Committed:

Committed for medical reservation	\$	396,645
Committed for Charter Reserve		700,000
Committed for Snow Removal		150,000
Committed for Revaluation		287,001
Committed for School's deficit reduction		1,822,353
Committed for City special revenue funds		1,117,527
Total Committed fund balance	\$	4,473,526

Assigned:

Assigned for City special revenue funds	\$	25,215
Total Assigned fund balance	\$	25,215

(b) *Transfers In and Out*

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Fund/Department</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 68,095	\$ 29,793,063
School Unrestricted Fund	29,623,349	
Special Revenue Funds	208,496	11,533
HUD Special Revenue Funds	764,566	764,566
Capital Project Funds		27,249
Permanent funds		
Internal Service funds		68,095
Totals	<u>\$ 30,664,506</u>	<u>\$ 30,664,506</u>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

9. FUND EQUITY (Continued)

(c) Disclosure of Individual Fund Deficits

Funds with deficit fund balances as of June 30, 2012 were as follows:

<u>Fund Name</u>	<u>Balance</u>
School Unrestricted	\$ 4,351,809
City Special Revenue Funds:	
State Grant In Aid	18
T.S Irene	23,804
School Special Revenue Funds:	
Adult Visiting Program	3
RI Arts Association	531
JMW Kennedy Grant	28,236
Capital Project Funds:	
CH 2008 Streets	499,082
Ban Street Sidewalks 2012	124,114
Public Building	170,331
CH 35 PL10 Sewer	14,790
C42 PL53 Sewer	150,000
C38 L06 School Building	146,695
C270 PL246 School Building	1,347,310
C235 PL45 2008 Bridges	49,466
Healthy Places by Design	15,151
State Pier Town Landing	11,108
Preserve America	81
Energy Efficiency	196,560
Friendships Garden Improvements	4,139
ST-Pier Brownfields	13,563
Leap 1 Federal and State	150,939
Leap 2 State	27,429
Total	<u>\$ 7,325,159</u>

Deficit for major and non-major governmental fund activities will be funded through the General Fund, a major governmental activities fund, and bond issuance.

10. BONDS AUTHORIZED BUT UNISSUED

Bonds authorized but unissued at June 30, 2012 were \$8,300,500 to be used for School Building Improvements, Public Buildings, Recreation, Sewer and Sanitation, Streets and Sidewalks, and Highway and Bridges.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS

(a) General Municipal Employees' Pension Plan

The City of Pawtucket participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. All full-time City and non-certified School Department general employees participate in the System.

The payroll for employees covered by the System for the year ended June 30, 2012 was approximately \$8,925,400 and the City payroll was approximately \$92,370,000.

Plan Description

The following eligibility and benefit provisions are established by State Statute. The System generally provides retirement benefits equal to 2 percent of final average salary per year of service with a maximum benefit of 75 percent of final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses or severance pay. Such benefits are available to members at least age 58 with 10 years of service or after 30 years regardless of age. The plan also provides non-occupational disability benefits after 5 years of service, occupational disability benefits with no minimum service requirement, survivors' benefits, and certain lump sum death benefits. Employees are vested in their retirement benefits on completion of 10 years of service. Benefits are established by State Statute.

Contributions Required and Contributions Made

General employees were required by State Statute to contribute 7% of their annual earnings until the maximum benefit (75 percent of final average salary) is accrued. The City is required to contribute based on an actuarially computed amount and as provided by State Statute for each participating municipality. The actuarial method used is the entry age normal cost with part of each municipality's unfunded actuarial liability funded over a closed thirty year amortization period and the balance funded over the projected future payroll of active members. Due to large fluctuations in the contribution rates of certain municipalities, the plan has adopted a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2 percent or one eighth of the increase in contribution rate plus the cost of any benefit improvements. The actuarially determined contribution amount for the City was determined as described above and was based on an actuarial valuation as of June 30, 2009.

The annual required contribution for the City which equals the annual pension cost for the year ended June 30, 2012 was \$1,118,044 for general employees. This contribution represents 11.81% of covered payroll. General municipal employees were required to contribute \$624,778. This contribution represents 7.0% of covered payroll.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

Trend Information

There were no current year changes in actuarial assumptions, benefit provisions, or actuarial funding method that would significantly affect the contribution requirement. Significant actuarial assumptions and other actuarial information are presented in the following required supplemental information.

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$1,094,082	100%	\$0
2011	\$ 965,471	100%	\$0
2012	\$1,118,044	100%	\$0

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2011 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island. This report is the most recent report available from the State who administers the Plan.

Funded Status of Plan

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the General Municipal Employees' Pension Plan with a valuation date of June 30, 2011 which is the most recent report available from the State who administers this plan.

- Actuarial value of assets - \$87,571,418
- Actuarial accrued liability - \$111,366,277
- Unfunded actuarial accrued liability (UAAL) - \$23,794,859
- Funded Ratio - 79%
- Annual covered payroll - \$20,251,458
- UAAL as percentage of payroll - 118%

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

11. DEFINED BENEFIT PENSION PLANS (Continued)

(a) *General Municipal Employees' Pension Plan*

Funded Status of Plan

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

	<u>General Municipal Employees Pension Plan</u>	
Valuation Date	6/30/11	
Actuarial Cost Method	Entry Age Normal Cost	
Amortization Method.....	Level Percent Closed	
Remaining Amortization Period	24 years	
Asset Valuation Method.....	5-year Smoothed Market Value	
Actuarial assumptions:		
Investment rate of return.....	7.50%, compounded annually	
Projected Salary Increases.....	1.25% general employees; 1.5% police/fire employees	
Payroll Growth Rate.....	3.75% per year	
Inflation Adjustments.....	2.75%	
Participant Information.....	Active Employees	552
	Retirees and beneficiaries	<u>507</u>
		<u>1,059</u>
Note:	COLA C was put into place for General Municipal Employees.	

(Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

(a) General Municipal Employees' Pension Plan

Legislative changes

In November 2011, the State enacted The Rhode Island Retirement Security Act of 2011 (the Act), as described in S1111A and H6319A. The Act makes broad changes to ERSRI effective July 1, 2012. The most significant changes include:

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels. This is applied by individual MERS unit.
- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Public Safety personnel not covered by Social Security will participate in additional defined contribution allocations equal to 3% member plus 3% employer.

Included within the significant changes noted above, there are certain rules for transitioning from the prior defined benefit structure to the smaller defined benefit plan going forward. Most notably:

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.
- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.
- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current municipal employees who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no circumstance will the retirement age of the member reduce from the retirement age prior to the Act.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

(a) General Municipal Employees' Pension Plan

- Current Public Safety personnel who are age 45 with ten years of service as of June 30, 2012, and had a retirement age prior to the Act based on continued service prior to age 52, will have unreduced retirement eligibility at age 52.
- A plan that has had four consecutive benefit adjustments suspended due to the 80% funding criteria will be eligible to receive an adjustment in the fifth year regardless of the funding level.

(b) Municipal Police and Fire Pension Plans

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

The City of Pawtucket maintains two pension plans for Police and Fire Employees. The "old plan" is for employees eligible prior to June 30, 1973. The "new plan" is for all subsequent employees. The "old plan" is non-funded while the "new plan" is partially funded.

Plan Description

This plan covers all police officers and firefighters of the City of Pawtucket who were eligible to receive pension benefits prior to June 30, 1973. The plan does not issue stand alone financial reports.

Summary of Significant Accounting Policies

Basis of Accounting

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

Benefit Provisions

The pension plan provides pension benefits, death and disability benefits. A member may retire upon completion of 20 years of credited service at the amount equal to 50% of the average of the member's three highest years' salary. Each member of the plan who does not retire upon the completion of 20 years of credited service shall be entitled to an additional retirement benefit of 2% for each year of service over 20 years, but not to exceed an additional 5 years, with a maximum retirement benefit of 60% after completion of 25 years of credited service. The 2% shall be based upon the average of the member's highest three years' salary.

Any member withdrawing from service prior to retirement shall be entitled to a refund in a single sum of the amount of contribution made to the System with interest at 4%. The payment of a refund under the provisions shall automatically affect a waiver and forfeiture of all accrued rights and benefits in the System on the part of the member.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

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

The pension plan provides disability benefits whereby any member who becomes totally and permanently disabled shall receive a benefit equal to 2/3 of the member's pay at the time the member's disability occurs, an additional 10% shall be paid for each dependent child of the member until the child reaches the age of 21, with a maximum total disability benefit not to exceed 80% of the member's pay at the time of the occurrence of the disability. The disability benefit will continue until the member reaches normal retirement date, at which time the member will receive the normal retirement benefit.

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

Funding Policy

Each fiscal year, the City pays into the pension plan a sum equal to the actual benefit payout of the retirement system for the year. Contributions made by the City for the fiscal years ending June 30, 2012, 2011 and 2010 were \$561,549, \$608,519, and \$629,170, respectively.

As the plan matures, the amounts payable each year, in general, will decrease until paid in full. The City at present is not intending to create a pool of assets to cover these projected costs but rather will allow this plan to run its course. Because there are no active employees in this plan and because of the diminishing contributions and because the funds for payment are built into the taxpayer's rate and budget, the plan will not add any additional burden to future taxpayers and, thus, will continue as is until completion. The City Council adopted a new cost of living adjustment ("COLA") provision for those participants who were not currently receiving cola provision.

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

Plan Description

All policemen and firemen, who are not covered under the City's pension plan described above, are members of the successor pension plan which became effective July 1, 1973. The plan does not issue stand alone financial reports.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

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

Valuation of Investments

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

Classes of Employees Covered

At July 1, 2011, the date of its latest full actuarial evaluation, plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	350
Active plan members	<u>280</u>
Total	<u>630</u>

Benefit Provisions

The plan covers all police and firefighters. In order to be eligible for the plan, the employee must complete one year of service and attain a minimum age of eighteen. Normal retirement date is at age sixty-five. Benefits are paid in monthly payments over fifteen years. The annual benefit is based upon years of service. The plan contains no provision for early retirement. The death benefit for the plan is equal to the participant's accrued benefit at the date of death. Participants are fully vested after fifteen years of service.

Funding Policy

Contribution requirements of the plan members and the City are established and may be amended by the City Council. Plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate. Administration costs of the plan are financed through investment earnings of the plan's assets.

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed	Net Pension Obligation
2009	\$ 8,907,828	\$ 5,505,382	62%	\$ 75,863,457
2010	\$ 10,154,357	\$ 9,735,460	96%	\$ 78,058,564
2011	\$ 11,238,282	\$ 10,169,519	90%	\$ 80,951,362
2012	\$ 11,607,902	\$ 10,732,452	92%	\$ 83,722,140

The annual required contribution for the current year was determined as part of the July 1, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include:

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

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

Valuation Date	July 1, 2011
Actuarial Cost Method	Projected Unit Cost Method
Amortization Method	Open
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value

Actuarial Assumptions

Investment rate of return	7.875%	
Projected salary increases	4.00%	
Cost of living adjustment	3.00%	(1)

(1) Compounded annually

The City's pension cost and net pension obligation for year ended June 30, 2012 were:

Annual Required Contribution (ARC)	\$	11,607,902
Interest on Net Pension Obligation		6,374,920
Adjustment to ARC		(4,479,592)
Annual Pension Cost		<u>13,503,230</u>
Contributions Made		<u>(10,732,452)</u>
Increase in Net Pension Obligation		2,770,778
Net Pension Obligation beginning July 1, 2011		80,951,362
Net Pension obligation June 30, 2012	\$	<u><u>83,722,140</u></u>

Funded Status of Plan

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the Policeman and Firefighters Pension Plan with a valuation date of July 1, 2011 which is the most recent report available from the State who administers this plan.

- Actuarial value of assets - \$73,435,524
- Actuarial accrued liability - \$218,309,558
- Unfunded actuarial accrued liability (UAAL) - \$144,874,034
- Funded Ratio - 33.6%
- Annual covered payroll - \$18,519,001
- UAAL as percentage of payroll - 782%

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan

All Pawtucket School Department certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer defined benefit plan. The payroll for School Department employees covered by the System for the year ended June 30, 2012 was \$53,594,968, which consisted of \$6,368,601 for employees charged to federal programs and \$47,226,367 for all other employees.

Plan Description

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws. The plan provides a two tier benefit structure referred to as schedules A and B as follows:

Schedule A Benefits: Schedule A benefits are available to members who possess 10 years or more of contributory service on or before July 1, 2005. Schedule A provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years of service; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. The reduced amount is equal to the benefit before age 62, including cost-of-living increases, minus the member's estimated social security benefit payable at age 62. The maximum benefit is 80% of "final average" (FAC) earnings after 35 years of service. Final average earnings are the three highest consecutive years of earned salary excluding overtime, bonuses, or severance pays. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided independent of actual changes in the consumer price index. The plan also provides nonservice-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirements; vested benefits after ten years of service; survivor's benefits for service connected death; and certain lump sum death benefits. For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A for services through September 30, 2009 and on Schedule B for services after September 30, 2009. Maximum benefit is 80% of FAC.

Schedule B Benefits: Schedule B benefits are provided to members who have less than 10 years of contributory service on or before July 1, 2005. For Schedule B members, the plan provides unreduced benefits of 1.6% of earnings for each of the first ten years of service; 1.8% for each of the next ten years; 2.0% per year for years 21 through 25 inclusive; 2.25% per year for years 26 through 30 inclusive; 2.5% per year for years 31 through 37 inclusive and 2.25% for the 38th year. Only single life, and joint and survivor options are available. The maximum benefit is 75% of his or her average highest three years of compensation after 38 years of service. Such benefits are available to members at least age 65 with 10 years of service, or after 29 years of service and age 59. Actuarially reduced retirement is available at age 55 and 20 years of service, the benefit is reduced actuarially for each month that the age of the member is less than sixty-five years.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Funding Policy

Rhode Island general laws set the contribution rates for participating plan employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The School Department was required to contribute 13.23%, 11.25%, and 11.25% for all full-time employees for fiscal years 2012, 2011, and 2010, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1985 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability.

A variety of significant actuarial assumptions are used for the actuarial valuation of June 30, 2009 and these assumptions are summarized below:

- (a) **Mortality** – RP-2000 Combined Mortality Tables
- (b) **Investment return** – 7.5 percent, compounded annually.
- (c) **Salary increase** - Salaries will increase at a rate of 4.0 – 12.75 percent, compounded annually.
- (d) **Retirement age** – 75% of Schedule B members who reach the age of 59 with 29 years of service before age 65 are assumed to retire when first eligible. 75% of other members are expected to retire when first eligible, at age 65 with 10 years of service. Because of enactment of Article 7 in 2009, the retirement assumption was modified for members not eligible for retirement by October 1, 2009. Members who would have been assumed to retire prior to age 62 under the rules in effect before the enactment of Article 7 are assumed to retire when first eligible for an unreduced benefit under Article 7.
- (e) **Cost of living adjustments** –2.0%.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. For fiscal year 2012, actuarial required contributions were 22.32% of the participant's salary. This resulted in a contribution rates paid by the State on behalf of the School Department of 9.09% of non-federally reimbursable payrolls totaling \$4,177,507 for the fiscal year ended June 30, 2012. The School Department does not have any investments or related party investments with the State Plan. The School Department's contribution represented 13.23% of the required 22.32%.

The amounts contributed to the plan are as follows:

<u>Years Ending June 30,</u>	<u>Employee</u>	<u>City's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2012	\$4,486,505	\$6,248,048	100%
2011	\$4,092,220	\$4,846,050	100%
2010	\$4,338,113	\$5,137,240	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School Department has determined that there is no net pension obligation relating to the funding requirements of the plan.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the State of Rhode Island's Employee Retirement System's June 30, 2011 annual financial report, which may be obtained from the administrative offices of the State of Rhode Island Retirement Board, 50 Service Avenue, Warwick, Rhode Island. This report is the most recent report available from the State who administers the Plan.

Legislative changes

In November 2011, the State enacted The Rhode Island Retirement Security Act of 2011 (the Act), as described in S1111A and H6319A. The Act makes broad changes to ERSRI effective July 1, 2012. The most significant changes include:

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA from a CPI related formula to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels. State employees, teachers, BHDDH nurses, correctional officers, judges (including pay as you go), and state police (including pay as you go) will be aggregated to determine if the 80% requirement has been reached.
- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Teachers and Public Safety personnel not covered by Social Security (except State Police) will participate in additional defined contribution allocations equal to 2% member plus 2% employer for Teachers and 3% member plus 3% employer for Public Safety.

Included within the significant changes noted above, there are certain rules for transitioning from the prior defined benefit structure to the smaller defined benefit plan going forward. Most notably:

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.
- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

11. DEFINED BENEFIT PENSION PLANS (Continued)

(c) Teacher's Pension Plan (Continued)

- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current State Employees and Teachers who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no circumstance will the retirement age of the member reduce from the retirement age prior to the Act.
- Current Public Safety personnel who are age 45 with ten years of service as of June 30, 2012, and had a retirement age prior to the Act based on continued service prior to age 52, will have unreduced retirement eligibility at age 52.
- A plan that has had four consecutive benefit adjustments suspended due to the 80% funding criteria will be eligible to receive an adjustment in the fifth year regardless of the funding level.

12. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB)

Plan Description

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

Valuation

An actuarial valuation study was performed by Stone Consulting, Inc. as of July 1, 2011 of the Other Post-Employment Benefits of the City. The results of the July 1, 2011 actuarial valuation used a discount of 4.0%.

Membership

At July 1, 2011, membership consisted of:

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

Funding Policy

The City pays for the other post-employment benefits on a pay-as-you-go basis. The annual medical benefits premium cost for fiscal year ended June 30, 2012 was \$6,402,353 and \$271,905 for dental benefits.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (Continued)

Annual OPEB Cost and net OPEB Obligation

The following chart projects the Actuarial Required Contribution (ARC), pay-as-you-go, annual OPEB cost and the Net OPEB Obligation for the next 3 years under an unfunded (pay-as-you-go) scenario.

Year Ended June 30	Annual Required Contribution (ARC)	Pay- As-You- Go	Annual OPEB Cost	Net OPEB Obligation End of Year
2013	\$ 20,257,675	\$ 12,953,770	\$ 20,008,292	\$ 76,908,777
2014	\$ 21,319,455	\$ 13,160,960	\$ 20,917,503	\$ 84,665,319
2015	\$ 22,473,806	\$ 13,485,986	\$ 21,878,858	\$ 93,058,191

Funding Status and Funding Progress

Currently, post employment benefits are paid for on a pay-as-you-go basis (an unfunded scenario). The City's pay-as-you-go cost for fiscal year 2012 is projected to be \$12,939,217. The normal cost for fiscal year 2012 under the unfunded scenario with a 4.00% discount rate is \$6,200,000. If the plan were 100% funded, and the fund earned an assumed 7.5% rate of return, then the cost for fiscal year 2011 would be the normal cost, projected to be \$6,739,217.

The City has not yet set aside any money to pre-fund the post employment benefits. Therefore, there is a large unfunded actuarial accrued liability for benefits already earned by employees and retirees. This amount is \$311,500,000 as of July 1, 2011 under a 4.00% discount rate. This would lead to a \$13,100,000 amortization payment required for fiscal year 2011 under a 28-year increasing funding schedule (the remainder of a 30-year closed amortization period).

	4.00% Discount
(Rounded to the nearest hundred thousand)	
Actuarial Accrued Liability (AAL)	
Active employers	\$ 95,400,000
Current retirees	216,100,000
Total	<u>\$ 311,500,000</u>
Normal Cost	\$ 6,200,000
Unfunded Actuarial Accrued Liability (UAAL)	\$ 311,500,000
Thirty-Year Funding Schedule:	
Thirty-Year Amortization of UAAL	\$ 13,100,000
Normal Cost	6,200,000
Total	<u>\$ 19,300,000</u>

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (Continued)

Actuarial Methods and Assumptions

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

- Actuarial Cost Method – Costs are attributed between past and future service using the projected Unit Credit Cost method. For attribution purposes, benefits are assumed to be accrued over all employee service until decrement.
- Interest Rate/Discount Rate – 4.5% per year of investment expenses.
- Mortality Actives: 65% of Post-Retirement Mortality (based on the Employee's Retirement System of Rhode Island report).
- Retirees: Non-Teachers: 1994 Group Annuity Table set forward one year (based on the Employee's Retirement System of Rhode Island report).
- Disabled: All but police and fire: Males: 65% of PBGC Tab Va; Females: 100% of PBGC Table Via (based on the Employee's Retirement System of Rhode Island report); police and fire: PBGC Table 11 for males and PBGC Table 12 for females.
- Eligibility for Vested Post-Retirement Medical benefits upon Withdrawal – Employees who withdraw from employment and do not retire are ineligible for post-retirement benefits even if they are vested in their retirement benefits.
- Medical Eligibility – Employees: 100%; Spouses: 100%.
- Participation Rates: Current employees and spouses are assumed to continue the same coverage they have as of the valuation date. No future election of coverage is assumed for those retirees and spouses who currently have not elected coverage.
- Expenses – Administrative expenses are included in the per capita medical cost assumption.
- Eligibility for Benefits – Current retirees, beneficiaries and spouses of the City are eligible for benefits. Current employees who retire with a benefit from the Pawtucket Retirement Board. Current spouses are only covered for police, fire and teachers. Survivors of City employees and retirees are also eligible for medical benefits.
- Medical Benefits – Various medical and dental plans offered by the City to its employees.
- Retiree Contributions – Based on date provided by the City. Applicable to teachers only.

Annual OPEB Cost and Net OPEB Obligation Calculation

Annual required contribution	\$ 19,285,740
Interest on OPEB	2,545,505
Adjustment to annual required contribution	(2,675,421)
Annual OPEB cost	19,155,824
Contributions made	(12,939,217)
Increase (decrease) in net OPEB obligation	6,216,607
Net OPEB obligation beginning of year	63,637,647
Net OPEB obligation end of year	<u>\$ 69,854,254</u>

City contributions to the plan for the year ended June 30, 2012 represented 68% of annual OPEB expense. The difference represents the City's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

12. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (OPEB) (Continued)

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the OPEB obligation with a valuation date of July 1, 2011, which is the most recent report available from the actuary who values this plan.

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

13. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Litigation

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

Grants

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

14. RISK MANAGEMENT

The City of Pawtucket is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded the City's coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage from the prior year. The City maintains an internal service fund for Health/Dental (medical) insurance, which is a cost plus health and dental plan that has a self-insurance mechanism with a stop gap maximum claim amount at \$200,000.

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

14. RISK MANAGEMENT (Continued)

The claims liability reported in the internal service fund at June 30, 2012 is based on the requirements of GASB Statement No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses. Billings from the Internal Service Fund to City funds for the fiscal year ended June 30, 2012 were approximately \$31,720,000 which represented approximately \$15,980,000 and \$15,740,000 for City and School Department personnel, respectively. At June 30, 2012 and 2011 the City has estimated a liability for incurred but not reported claims (IBNR) based on actual claims paid subsequent to year end but related to claims incurred prior to June 30, 2012 and 2011 as follows:

	<u>2012</u>
IBNR at beginning of year.....	\$ 832,356
Claims incurred during the year.....	31,719,952
Claims paid during the year	<u>(30,832,681)</u>
IBNR at June 30, 2012	<u>\$ 1,719,627</u>

	<u>2011</u>
IBNR at beginning of year.....	\$ 595,646
Claims incurred during the year.....	29,598,974
Claims paid during the year	<u>(29,362,264)</u>
IBNR at June 30, 2011	<u>\$ 832,356</u>

15. RESTATEMENT

Net assets at June 30, 2011 have been restated as follows:

Government-wide Financial Statements – Governmental Activities

Net assets at June 30, 2011, as originally stated	\$(41,419,433)
Understatement of transfers from internal service fund	(82,669)
Understatement of revenue	<u>60,486</u>
Net assets at June 30, 2011, as restated	<u>\$(41,441,616)</u>

**Governmental Fund Financial Statements –
Other Non-Major Governmental Funds**

Fund Balance at June 30, 2011, as originally stated.....	\$ 4,347,824
Understatement of loan receivable	350,000
Understatement of revenue	<u>60,486</u>
Fund Balance at June 30, 2011, as restated	<u>\$ 4,758,310</u>

(Concluded)

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PAWTUCKET, RHODE ISLAND

E-1

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012**

SCHEDULE OF FUNDING PROGRESS

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>AAL (UAAL) Funding Excess (deficit)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>AAL (UAAL) Funding Excess (deficit) Percentage of Covered Payroll</u>
General municipal employees pension plan	6/30/2008	\$ 85,712,099	\$ 102,071,377	\$ (16,359,278)	84.0%	\$ 21,302,805	-76.79%
	6/30/2009	\$ 92,326,512	\$ 110,065,250	\$ (17,738,738)	83.9%	\$ 21,468,606	-82.63%
	6/30/2010	\$ 89,452,255	\$ 126,042,332	\$ (36,590,077)	71.0%	\$ 20,645,488	-177.23%
	6/30/2011	\$ 87,571,418	\$ 111,366,277	\$ (23,794,859)	78.6%	\$ 20,251,458	-117.50%
Municipal police and fire pension plan	7/1/2008	\$ 68,844,727	\$ 177,376,163	\$ (108,531,436)	38.8%	\$ 17,461,156	-621.56%
	7/1/2009	\$ 54,729,846	\$ 185,122,805	\$ (130,392,959)	29.6%	\$ 17,731,200	-735.39%
	7/1/2010	\$ 60,989,068	\$ 201,065,830	\$ (140,076,762)	30.3%	\$ 18,858,528	-742.78%
	7/1/2011	\$ 73,435,524	\$ 218,309,558	\$ (144,874,034)	33.6%	\$ 18,519,001	-782.30%
Other Post Employment Benefit Obligations	7/1/2007	\$ -	\$ 414,578,000	\$ (414,578,000)	0.0%	n/a	n/a
	7/1/2009	\$ -	\$ 378,184,421	\$ (378,184,421)	0.0%	n/a	n/a
	7/1/2011	\$ -	\$ 311,500,000	\$ (311,500,000)	0.0%	n/a	n/a

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2012

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property taxes and in lieu of taxes	\$ 95,068,421	\$ 95,068,421	\$ 95,177,535	\$ 109,114
Intergovernmental and departmental	6,185,259	6,185,259	6,317,949	132,690
Licenses	238,205	238,205	236,407	(1,798)
Permits	534,012	534,012	511,638	(22,374)
Fines & forfeitures	468,520	468,520	411,718	(56,802)
Charges for services	3,778,478	3,778,478	3,753,837	(24,641)
Investment and interest income	715,000	715,000	1,029,408	314,408
Total revenues	<u>106,987,895</u>	<u>106,987,895</u>	<u>107,438,492</u>	<u>450,597</u>
Expenditures				
Current:				
Legislative, judicial and general administrative	2,582,930	2,582,930	2,428,001	154,929
Executive	821,323	821,323	770,537	50,786
Finance	2,938,422	2,938,422	2,887,542	50,880
Planning	1,650,911	1,650,911	1,698,239	(47,328)
Public safety	42,660,216	42,660,216	41,495,254	1,164,962
Public works	10,652,112	10,652,112	9,225,173	1,426,939
Operating insurance	952,600	952,600	914,741	37,859
Contribution support	126,841	126,841	121,207	5,634
Employee benefits	7,476,948	7,476,948	7,300,146	176,802
Other fixed and general charges	280,390	280,390	2,173,875	(1,893,485)
Debt services	5,902,207	5,902,207	5,928,455	(26,248)
Total expenditures	<u>76,044,900</u>	<u>76,044,900</u>	<u>74,943,170</u>	<u>1,101,730</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>30,942,995</u>	<u>30,942,995</u>	<u>32,495,322</u>	<u>1,552,327</u>
Other financing sources (uses)				
Appropriation of fund balance	(876,193)	(876,193)	(876,193)	-
Transfers in			68,096	68,096
Transfers out - other	(164,628)	(164,628)	(169,712)	(5,084)
Transfers out - School unrestricted fund - appropriation	(28,905,674)	(28,905,674)	(28,905,674)	-
Transfers out - School unrestricted fund - consent order deficit reduction	(996,500)	(996,500)	(717,675)	278,825
Net other financing sources (uses)	<u>(30,942,995)</u>	<u>(30,942,995)</u>	<u>(30,601,158)</u>	<u>341,837</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,894,164</u>	<u>\$ 1,894,164</u>

CITY OF PAWTUCKET, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED JUNE 30, 2012**

	<u>Original Budgeted Revenues</u>	<u>Revised Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes:				
Real estate, tangible and motor vehicle	\$ 94,580,871	\$ 94,580,871	\$ 94,716,656	\$ 135,785
Current other taxes	487,550	487,550	460,879	(26,671)
Total general property taxes	<u>95,068,421</u>	<u>95,068,421</u>	<u>95,177,535</u>	<u>109,114</u>
Intergovernmental and departmental:				
State	6,185,259	6,185,259	6,317,949	132,690
Total intergovernmental and departmental	<u>6,185,259</u>	<u>6,185,259</u>	<u>6,317,949</u>	<u>132,690</u>
Licenses:				
Liquor	138,000	138,000	136,330	(1,670)
Taverns & victualling	35,000	35,000	34,720	(280)
Other	65,205	65,205	65,357	152
Total licenses	<u>238,205</u>	<u>238,205</u>	<u>236,407</u>	<u>(1,798)</u>
Permits:				
Electrical	77,671	77,671	96,918	19,247
Plumbing	35,000	35,000	42,153	7,153
Other	421,341	421,341	372,567	(48,774)
Total permits	<u>534,012</u>	<u>534,012</u>	<u>511,638</u>	<u>(22,374)</u>
Fines and forfeitures:				
Municipal and Police P.T.E.	194,000	194,000	189,747	(4,253)
Other	274,520	274,520	221,971	(52,549)
Total fines and forfeiture	<u>468,520</u>	<u>468,520</u>	<u>411,718</u>	<u>(56,802)</u>
Charges for service:				
Legal instrument fees	504,000	504,000	452,191	(51,809)
Commercial dumping fee	215,000	215,000	230,739	15,739
VIN inspection fees	50,000	50,000	35,545	(14,455)
Rescue service	1,550,000	1,550,000	1,515,116	(34,884)
Other	1,459,478	1,459,478	1,520,246	60,768
Total charges for services	<u>3,778,478</u>	<u>3,778,478</u>	<u>3,753,837</u>	<u>(24,641)</u>
Interest:				
Real estate overdue taxes	685,000	685,000	1,000,924	315,924
Bank accounts	30,000	30,000	28,484	(1,516)
Total interest	<u>715,000</u>	<u>715,000</u>	<u>1,029,408</u>	<u>314,408</u>
Total Revenues	106,987,895	106,987,895	107,438,492	450,597
Other financing sources:				
Transfers in	-	-	68,096	68,096
Total other financing sources	<u>-</u>	<u>-</u>	<u>68,096</u>	<u>68,096</u>
Total revenue and other financing sources	<u>\$ 106,987,895</u>	<u>\$ 106,987,895</u>	<u>\$ 107,506,588</u>	<u>\$ 518,693</u>

CITY OF PAWTUCKET, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative				
City Council	\$ 230,606	\$ 230,606	\$ 227,702	\$ 2,904
City Clerk	545,125	545,125	508,523	36,602
Probate Court	38,002	38,002	37,210	792
Board of Canvassers	287,784	287,784	258,842	28,942
Library	1,481,413	1,481,413	1,395,724	85,689
Total legislative	2,582,930	2,582,930	2,428,001	154,929
Executive				
Mayor	392,283	392,283	361,856	30,427
Law Department	359,611	359,611	344,036	15,575
Municipal Court	69,429	69,429	64,645	4,784
Total executive	821,323	821,323	770,537	50,786
Finance department				
Finance Director	316,108	316,108	335,093	(18,985)
Accounting	282,440	282,440	282,938	(498)
Tax Assessors	757,495	757,495	671,500	85,995
Collections-disbursement	459,602	459,602	489,536	(29,934)
Information Technology	500,420	500,420	514,738	(14,318)
Personnel	286,059	286,059	269,162	16,897
Purchasing	198,072	198,072	183,040	15,032
Payroll	138,226	138,226	141,535	(3,309)
Total Finance department	2,938,422	2,938,422	2,887,542	50,880
Planning department				
Planning Department	545,874	545,874	583,028	(37,154)
Development	73,090	73,090	89,653	(16,563)
Zoning & Code Enforcement	1,031,947	1,031,947	1,025,558	6,389
Total planning department	1,650,911	1,650,911	1,698,239	(47,328)
Public Safety				
Uniform Police	19,341,158	19,341,158	18,726,735	614,423
Civilian Police	1,836,788	1,836,788	1,657,872	179,116
Animal Shelter	491,088	491,088	442,079	49,009
Police Crossing Guards	402,763	402,763	417,697	(14,934)
Uniform Fire	19,797,495	19,797,495	19,803,877	(6,382)
Civilian Fire	360,628	360,628	75,418	285,210
Fire Prevention	325,720	325,720	304,876	20,844
Emergency Management Systems	104,576	104,576	66,900	37,676
Total public safety	\$ 42,660,216	\$ 42,660,216	\$ 41,495,254	\$ 1,164,962

(Continued)

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Original Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Public works				
Public Works Director	\$ 172,885	\$ 172,885	\$ 139,555	\$ 33,330
Engineering	128,723	128,723	121,927	6,796
Equipment Maintenance	906,565	906,565	833,139	73,426
Building Maintenance	723,132	723,132	560,720	162,412
City Hall Maintenance	479,071	479,071	446,839	32,232
Sewer Maintenance	649,643	649,643	545,132	104,511
Refuse Collections	1,233,547	1,233,547	1,400,051	(166,504)
Transfer Station	1,473,017	1,473,017	1,240,088	232,929
Recycling	451,454	451,454	404,079	47,375
Streets, bridges, & cemetery	1,077,213	1,077,213	942,318	134,895
Street cleaning/ snow removal	1,075,265	1,075,265	567,295	507,970
Traffic	456,591	456,591	396,012	60,579
Parks Division	1,220,142	1,220,142	1,094,974	125,168
Recreation	516,280	516,280	443,008	73,272
Daggett Farm	88,584	88,584	90,036	(1,452)
Total public works	<u>10,652,112</u>	<u>10,652,112</u>	<u>9,225,173</u>	<u>1,426,939</u>
Operating insurance	<u>952,600</u>	<u>952,600</u>	<u>914,741</u>	<u>37,859</u>
Contribution support	<u>128,841</u>	<u>128,841</u>	<u>121,207</u>	<u>5,634</u>
Employee benefits	<u>7,476,948</u>	<u>7,476,948</u>	<u>7,300,146</u>	<u>176,802</u>
Fixed charges	<u>280,390</u>	<u>280,390</u>	<u>2,173,875</u>	<u>(1,893,485)</u>
Debt service				
Debt service-principal	4,047,832	4,047,832	4,047,832	-
Debt service-interest & other charges	1,854,375	1,854,375	1,880,623	(26,248)
Total debt service	<u>5,902,207</u>	<u>5,902,207</u>	<u>5,928,455</u>	<u>(26,248)</u>
Total expenditures	<u>76,044,900</u>	<u>76,044,900</u>	<u>74,943,170</u>	<u>1,101,730</u>
Transfers to other funds:				
School unrestricted fund- appropriation	28,905,674	28,905,674	28,905,674	-
School unrestricted fund-consent order deficit reduction	996,500	996,500	717,675	278,825
Other transfers	164,628	164,628	169,712	(5,084)
Total transfers	<u>30,066,802</u>	<u>30,066,802</u>	<u>29,793,061</u>	<u>273,741</u>
Provision to reserve fund balance	<u>876,193</u>	<u>876,193</u>	<u>876,193</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 106,987,895</u>	<u>\$ 106,987,895</u>	<u>\$ 105,612,424</u>	<u>\$ 1,375,471</u>

(Concluded)

CITY OF PAWTUCKET, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND
YEAR ENDED JUNE 30, 2012

	Original Budget	Revised Budget	Actual	Variance
Revenues				
State aid	\$ 60,548,936	\$ 61,765,014	\$ 61,747,693	\$ (17,321)
Fees, services and miscellaneous revenue	1,813,092	2,024,781	1,878,468	(146,313)
Total revenues	62,362,028	63,789,795	63,626,161	(163,634)
Expenditures				
Salaries	55,041,797	53,645,169	54,531,179	(886,010)
Fringe and fixed charges	25,527,121	25,005,479	26,040,160	(1,034,681)
Purchased services	9,720,288	11,310,440	11,681,417	(370,977)
Supplies and materials	2,743,064	2,195,934	2,092,675	103,259
Equipment/capital improvement	572,951	502,499	464,430	38,069
Other	1,957	35,948	54,697	(18,749)
Total expenditures	93,607,178	92,695,469	94,864,558	(2,169,089)
Excess of revenues over (under) expenditures before other financing sources (uses)	(31,245,150)	(28,905,674)	(31,238,397)	(2,332,723)
Other financing sources (uses):				
Operating transfer from general fund -				
City appropriation	28,905,674	28,905,674	28,905,674	-
City additional appropriation	-	-	717,675	717,675
Total other financing sources (uses)	28,905,674	28,905,674	29,623,349	717,675
Excess revenues and other sources over (under) expenditures and other sources	(2,339,476)	-	(1,615,048)	(1,615,048)
Consent order transfer from general fund for deficit reduction				
Excess revenues and other sources over (under) expenditure and other sources after consent order transfer from general fund for deficit reduction	(2,339,476)	-	(1,615,048)	(1,615,048)

CITY OF PAWTUCKET, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

The accompanying Statement of Revenues, Expenditures/Expenses (GAAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditure/expenses and other uses of financial resources for the year ended June 30, 2012 is presented below:

(a) *Budgetary to GAAP Basis Reconciliation*

The following reconciliation summarizes the difference for the City's General Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2012:

Excess revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 1,894,164
Use of accumulated fund balance	<u>876,190</u>
Excess of revenues and other sources over expenditures (GAAP)	<u>\$ 2,770,354</u>

The following reconciliation summarizes the difference for the School's Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2012:

Excess expenditures and other uses over revenues and other sources (Non-GAAP Budgetary Basis)	\$ (1,615,048)
Prior year encumbrances	-
Current year encumbrances	-
Use of accumulated fund balance	<u>-</u>
Excess of expenditures and other uses over revenues (GAAP)	<u>\$ (1,615,048)</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF PAWTUCKET
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	City Special Revenue Fund	HUD Special Revenue Fund	School Special Revenue Fund	Capital Project Fund	Permanent Fund	Total All Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,035,370	\$ 1,365,356	\$ 310,181	\$ 3,894,638	\$ 109,246	\$ 8,714,791
Investments	-	-	-	-	553,318	553,318
Due from federal and state governments	554,264	203,432	3,907,962	-	-	4,665,658
Accounts receivable	371,409	2,752,735	13,942	151,241	-	3,289,327
Notes receivable	-	-	-	-	350,000	350,000
Total assets	3,961,043	4,321,523	4,232,085	4,045,879	1,012,564	17,573,094
LIABILITIES						
Accounts payable and accrued expenditures	360,384	380,311	463,703	297,996	-	1,502,394
Due to other funds	797,961	-	3,496,848	438,874	-	4,733,683
Deferred revenue	465	2,680,465	33,501	-	-	2,714,431
Notes payable	-	-	-	5,650,000	-	5,650,000
Other liabilities	-	264	-	809	4,335	5,408
Total liabilities	1,158,810	3,061,040	3,994,052	6,387,679	4,335	14,605,916
FUND BALANCE						
Non-spendable	25,205	-	-	-	1,008,229	1,033,434
Restricted	1,658,108	1,260,483	266,803	578,958	-	3,764,352
Committed	1,117,527	-	-	-	-	1,117,527
Assigned	25,215	-	-	-	-	25,215
Unassigned	(23,822)	-	(28,770)	(2,920,758)	-	(2,973,350)
Total fund balance	2,802,233	1,260,483	238,033	(2,341,800)	1,008,229	2,967,178
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,961,043	\$ 4,321,523	\$ 4,232,085	\$ 4,045,879	\$ 1,012,564	\$ 17,573,094

CITY OF PAWTUCKET
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2012

	City Special Revenue Fund	HUD Special Revenue Fund	School Special Revenue Fund	Capital Project Fund	Permanent Fund	Total All Non-major Governmental Funds
REVENUES:						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 50,219	\$ 50,219
Operating grants and contributions	2,869,753	2,952,612	12,207,991	-	-	18,030,356
Investment and interest income	-	-	-	-	26,231	26,231
Capital grants and contributions	-	-	-	1,077,644	-	1,077,644
Other revenue	3,665,391	719,265	-	-	-	4,384,656
Total revenues	6,535,144	3,671,877	12,207,991	1,077,644	76,450	23,569,106
EXPENDITURES:						
Current:						
Legislative	582,265	-	-	79,473	18,083	679,821
Planning	2,039,673	3,494,615	-	1,496,533	-	7,030,821
Public safety	430,632	-	-	88,718	-	519,350
Public works	2,199,037	-	-	387,996	3,025	2,590,058
Education	1,105,172	-	13,323,155	281,575	-	14,709,902
Total expenditures	6,356,779	3,494,615	13,323,155	2,334,295	21,108	25,529,952
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	178,365	177,262	(1,115,164)	(1,256,651)	55,342	(1,960,846)
Other financing sources (uses):						
Operating transfers from other funds	208,496	764,566	-	-	-	973,062
Operating transfers to other funds	(11,533)	(764,566)	-	(27,249)	-	(803,348)
Total other financing sources (uses)	196,963	-	-	(27,249)	-	169,714
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	375,328	177,262	(1,115,164)	(1,283,900)	55,342	(1,791,132)
Fund balance, beginning of year, as restated	2,426,905	1,083,221	1,353,197	(1,057,900)	952,887	4,758,310
Fund balance, end of year	\$ 2,802,233	\$ 1,260,483	\$ 238,033	\$ (2,341,800)	\$ 1,008,229	\$ 2,967,178

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Comp Cancer Control Prog 105	Public Fund 106	Convergence Fund 108	Polling Place Dis. Act. 109	Substance Abuse 113	EM Dept Training Education 122	EMA Systems & Equipments 124	EMA Special Operations 125	Slater Park Permits 129	Dog Park 130
ASSETS										
Cash and cash equivalents	\$ 400	\$ -	\$ 47,448	\$ 148	\$ 71,935	\$ 9,028	\$ 6,150	\$ 13,063	\$ 28,468	\$ 684
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	16,972	2,000	-	-	-	-
Total assets	400	-	47,448	148	88,907	11,028	6,150	13,063	28,468	684
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	200	-	5,335	-	33,039	-	-	-	25	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	200	-	5,335	-	33,039	-	-	-	25	-
FUND BALANCE										
Non-spendable										
Restricted	200	-		148	55,868	11,028	6,150	13,063		684
Committed			42,113						28,443	
Assigned										
Unassigned										
Total fund balance	200	-	42,113	148	55,868	11,028	6,150	13,063	28,443	684
Total liabilities and fund balance	\$ 400	\$ -	\$ 47,448	\$ 148	\$ 88,907	\$ 11,028	\$ 6,150	\$ 13,063	\$ 28,468	\$ 684

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Recreation Trips 131	Daggert Farm 132	Carousel Enterprise 134	Tennis Single League 136	Summer Camp 137	Instructor Program 138	Arts in The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141	Arts Support Initiative 145
ASSETS										
Cash and cash equivalents	\$ 4,697	\$ 14,442	\$ 10,599	\$ 19,535	\$ 8,393	\$ 11,082	\$ 500	\$ 32,278	\$ 32,790	\$ 2,570
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	68	-	-	-	-	-	-	-	399	-
Total assets	4,765	14,442	10,599	19,535	8,393	11,082	500	32,278	33,189	2,570
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	490	922	1,671	217	198	-	6,165	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	402	-
Total liabilities	-	490	922	1,671	217	198	-	6,165	402	-
FUND BALANCE										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	2,570
Committed	4,765	13,952	9,677	17,864	8,176	10,884	500	26,113	32,787	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	4,765	13,952	9,677	17,864	8,176	10,884	500	26,113	32,787	2,570
Total liabilities and fund balance	\$ 4,765	\$ 14,442	\$ 10,599	\$ 19,535	\$ 8,393	\$ 11,082	\$ 500	\$ 32,278	\$ 33,189	\$ 2,570

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Pawtucket Arts Funding 146	Youth Sports League 147	AED Fund 150	PRA Redevelopment 152	175 Main Street 154	Have a Heart Dinner 155	Vital Statistics Restoration 158	Animal Control 161	Land Records Restoration 162	Alcohol Prevention 163
ASSETS										
Cash and cash equivalents	\$ 3,622	\$ 24,253	\$ 9,993	\$ -	\$ -	\$ 5,684	\$ 22,786	\$ 31,494	\$ 116,354	\$ 7,604
Due from federal and state governments	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	52,660	8,120	-	-	-	-	-
Total assets	3,622	24,253	9,993	52,660	8,120	5,684	22,786	31,494	116,354	7,604
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	-	-	14,087	2,532	-	-	-	2,620	-
Due to other funds	-	-	-	33,442	2,714	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	47,529	5,246	-	-	-	2,620	-
FUND BALANCE										
Non-spendable										
Restricted				5,131	2,874	5,684			113,734	
Committed	3,622	24,253	9,993				22,786	31,494		7,604
Assigned										
Unassigned										
Total fund balance	3,622	24,253	9,993	5,131	2,874	5,684	22,786	31,494	113,734	7,604
Total liabilities and fund balance	\$ 3,622	\$ 24,253	\$ 9,993	\$ 52,660	\$ 8,120	\$ 5,684	\$ 22,786	\$ 31,494	\$ 116,354	\$ 7,604

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Clerk's Remote Access 164	Recruitment Testing Fund 165	Document Preservation 166	Family Literacy Initiative 175	Mabel Anderson Fund 176	Goddard Rel Study 179	Children's Library Renovation 182	Pawtucket Hands on Laptop 183	State Grant In Aid 184	Library Donations 185
ASSETS										
Cash and cash equivalents	\$ 1,050	\$ 7,508	\$ 296,010	\$ -	\$ 10,030	\$ 11,931	\$ 1,691	\$ -	\$ 17,466	\$ 180,619
Due from federal and state governments	-	-	-	11,873	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Total assets	1,050	7,508	296,010	11,873	10,030	11,931	1,691	-	17,466	180,619
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	-	-	722	-	-	425	-	17,484	2,997
Due to other funds	-	-	-	10,180	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	10,902	-	-	425	-	17,484	2,997
FUND BALANCE										
Non-spendable										
Restricted				971	10,030	11,931	1,266	-		
Committed	1,050	7,508	296,010							177,622
Assigned										
Unassigned									(18)	
Total fund balance	1,050	7,508	296,010	971	10,030	11,931	1,266	-	(18)	177,622
Total liabilities and fund balance	\$ 1,050	\$ 7,508	\$ 296,010	\$ 11,873	\$ 10,030	\$ 11,931	\$ 1,691	\$ -	\$ 17,466	\$ 180,619

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Champlin Grant 186	Mayor's Business Summit 190	Holiday Basket Drive 191	Foundation Contribution Fund 193	Insurance Deductible Reserve 501	Fire Equipment Fund 510	MCI Grant 530	Fire Prevention 550	Fire Apparatus 551
ASSETS									
Cash and cash equivalents	\$ 30,474	\$ 600	\$ 7,278	\$ 17,337	\$ 191,562	\$ 15,892	\$ 6,201	\$ 81,152	\$ 5,111
Due from federal and state governments	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	63	-	-	-
Total assets	30,474	600	7,278	17,337	191,562	15,955	6,201	81,152	5,111
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable and accrued expenditures	-	-	-	-	-	-	-	3,580	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	63	-	-	-
Total liabilities	-	-	-	-	-	63	-	3,580	-
FUND BALANCE									
Non-spendable									
Restricted	30,474						6,201	77,572	
Committed					191,562	15,892			5,111
Assigned		600	7,278	17,337					
Unassigned									
Total fund balance	30,474	600	7,278	17,337	191,562	15,892	6,201	77,572	5,111
Total liabilities and fund balance	\$ 30,474	\$ 600	\$ 7,278	\$ 17,337	\$ 191,562	\$ 15,955	\$ 6,201	\$ 81,152	\$ 5,111

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	FEMA Operations Safety 552	Federal Forfeited Property 603	State Share Drugs 604	Reim O/T Special Squad 607	RI Traffic Tribunal 609	JAG 615	Cops 616	Kennedy 617	Renew Stimulus 619	Bike Patrol 625
ASSETS										
Cash and cash equivalents	\$ 9,213	\$ 452,080	\$ 288,857	\$ -	\$ 236,761	\$ -	\$ -	\$ -	\$ -	\$ 3,614
Due from federal and state governments	-	-	-	-	-	4,610	-	-	-	-
Accounts receivable	-	-	-	7,482	1,500	-	189,816	-	-	-
Total assets	9,213	452,080	288,857	7,482	238,261	4,610	189,816	-	-	3,614
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	84	5,737	460	176,680	780	10,826	-	-	-
Due to other funds	-	-	-	7,022	-	3,830	174,190	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	84	5,737	7,482	176,680	4,610	185,016	-	-	-
FUND BALANCE										
Non-spendable										
Restricted	9,213	451,996	283,120	-	61,581	-	4,800	-	-	3,614
Committed										
Assigned										
Unassigned										
Total fund balance	9,213	451,996	283,120	-	61,581	-	4,800	-	-	3,614
Total liabilities and fund balance	\$ 9,213	\$ 452,080	\$ 288,857	\$ 7,482	\$ 238,261	\$ 4,610	\$ 189,816	\$ -	\$ -	\$ 3,614

(Continued)

CITY OF PAWTUCKET
 Non-Major Governmental - Special Revenue Funds
 Combining Balance Sheet
 June 30, 2012

	SRT Team 626	RAD KIDS 627	Juvenile Board 633	RI Foundation Sound Proof 637	D.A.R.E. 638	PTE Overtime 641	Police Equipment 643	BJA 2010 DJ-BX-1172 645	JAG 2009 646	Highway Safety 650
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 5,053	\$ 20,000	\$ 27,904	\$ 4,824	\$ 57,766	\$ -	\$ -	\$ -
Due from federal and state governments	-	-	-	-	-	-	-	8,475	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	5,053	20,000	27,904	4,824	57,766	8,475	-	-
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	-	-	-	2	4,824	1,925	-	-	-
Due to other funds	-	-	-	-	-	-	-	8,475	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	2	4,824	1,925	8,475	-	-
FUND BALANCE										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	5,053	20,000	-	-	-	-	-	-
Committed	-	-	-	-	27,902	-	55,841	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	-	-	5,053	20,000	27,902	-	55,841	-	-	-
Total liabilities and fund balance	\$ -	\$ -	\$ 5,053	\$ 20,000	\$ 27,904	\$ 4,824	\$ 57,766	\$ 8,475	\$ -	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Asst 653	Spay & Neuter Pound Fund 654	Highway Safety 655	NHTSA 164 AL 2012 657	Community Underage Drinking 658	Community Works 4/12-10/12 659	Community Works 10JJDP-11 661	Seized Vehicles (State) 662
ASSETS										
Cash and cash equivalents	\$ 44,014	\$ 31,346	\$ 3,336	\$ 3,336	\$ -	\$ 1,436	\$ -	\$ -	\$ -	\$ 58,918
Due from federal and state governments	-	-	-	-	-	12,767	11,294	2,114	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Total assets	44,014	31,346	3,336	3,336	-	14,203	11,294	2,114	-	58,918
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	695	4,600	-	-	-	747	1,159	341	-	-
Due to other funds	-	-	-	-	-	-	10,135	1,773	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	695	4,600	-	-	-	747	11,294	2,114	-	-
FUND BALANCE										
Non-spendable										
Restricted		26,746	3,336	3,336	-	13,456	-	-	-	58,918
Committed	43,319									
Assigned										
Unassigned										
Total fund balance	43,319	26,746	3,336	3,336	-	13,456	-	-	-	58,918
Total liabilities and fund balance	\$ 44,014	\$ 31,346	\$ 3,336	\$ 3,336	\$ -	\$ 14,203	\$ 11,294	\$ 2,114	\$ -	\$ 58,918

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Pending Forfeiture (Cambell) 664	Safe Street 670	OJJDP FY 2010 675	Sex Offenders 677	Safe Streets 2010 686	Community Works Summer Program 687	P.C.U.U. Resource Program 688	Details Private Company Reimbursements 690	Detail Private Company Reimb 694	Evidence Money 697
ASSETS										
Cash and cash equivalents	\$ 128,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,440	\$ 26,648
Due from federal and state governments	-	-	171	2,593	-	-	-	-	-	-
Accounts receivable	-	497	-	-	-	-	-	91,832	-	-
Total assets	128,183	497	171	2,593	-	-	-	91,832	82,440	26,648
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	497	-	723	-	-	-	23,911	-	1,443
Due to other funds	-	-	171	1,870	-	-	-	67,921	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	497	171	2,593	-	-	-	91,832	-	1,443
FUND BALANCE										
Non-spendable	-	-	-	-	-	-	-	-	-	25,205
Restricted	128,183	-	-	-	-	-	-	-	82,440	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	128,183	-	-	-	-	-	-	-	82,440	25,205
Total liabilities and fund balance	\$ 128,183	\$ 497	\$ 171	\$ 2,593	\$ -	\$ -	\$ -	\$ 91,832	\$ 82,440	\$ 26,648

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Small Grants Police 698	Municipal Waste Reduction 706	FY 05 Homeland Security 725	Blackstone Wall Repair 728	Buffer Zone Protection 729	T.S. Irene 2011 EMA 730	Summer Youth Initiative 745	Pleasant View Weed & Seed Year 5 754	WDL United Way 755	Woodlawn Weed & Seed Year 3 762
ASSETS										
Cash and cash equivalents	\$ -	\$ 101,812	\$ 16,098	\$ -	\$ -	\$ -	\$ -	\$ 1,002	\$ 2,283	\$ 65
Due from federal and state governments	-	-	-	-	114,630	333,249	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Total assets	-	101,812	16,098	-	114,630	333,249	-	1,002	2,283	65
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	-	-	-	6,658	5,430	-	-	-	-
Due to other funds	-	-	-	-	107,972	351,623	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	114,630	357,053	-	-	-	-
FUND BALANCE										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	101,812	16,098	-	-	-	-	1,002	2,283	65
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(23,804)	-	-	-	-
Total fund balance	-	101,812	16,098	-	-	(23,804)	-	1,002	2,283	65
Total liabilities and fund balance	\$ -	\$ 101,812	\$ 16,098	\$ -	\$ 114,630	\$ 333,249	\$ -	\$ 1,002	\$ 2,283	\$ 65

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Woodlawn Weed & Seed Year 5 764	Senior Center 817	Senior Center II 818	Medicare Outreach Program 819	Cronic Disease Self Mang 820	Senate Grant Senior Suttle 822	Senior Center City 824	Information Spaecialist 825	Senior Center Title III 828	Special Revenue Funds-City TOTALS
ASSETS										
Cash and cash equivalents	\$ 585	\$ -	\$ 1,883	\$ 388	\$ -	\$ -	\$ 7,613	\$ -	\$ -	\$ 3,035,370
Due from federal and state governments	-	24,155	-	-	-	-	-	13,333	15,000	554,264
Accounts receivable	-	-	-	-	-	-	-	-	-	371,409
Total assets	585	24,155	1,883	388	-	-	7,613	13,333	15,000	3,961,043
LIABILITIES AND FUND BALANCE										
Liabilities										
Accounts payable and accrued expenditures	-	7,578	1,883	388	-	-	7,613	2,074	617	360,384
Due to other funds	-	5,333	-	-	-	-	-	11,259	51	797,961
Deferred revenue	-	-	-	-	-	-	-	-	-	465
Total liabilities	-	12,911	1,883	388	-	-	7,613	13,333	668	1,158,810
FUND BALANCE										
Non-spendable										25,205
Restricted	585	11,244	-	-	-	-	-	-	14,332	1,658,108
Committed										1,117,527
Assigned										25,215
Unassigned										(23,822)
Total fund balance	585	11,244	-	-	-	-	-	-	14,332	2,802,233
Total liabilities and fund balance	\$ 585	\$ 24,155	\$ 1,883	\$ 388	\$ -	\$ -	\$ 7,613	\$ 13,333	\$ 15,000	\$ 3,961,043

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Comp Cancer Control Prog 105	Public Fund 106	Convergence Fund 108	Polling Place Dis. Act. 109	Substance Abuse 113	EMA Dept Training Education 122	EMA Systems & Equipments 124	EMA Special Operations 125	Slater Park Permits 129	Dog Park 130
REVENUES:										
Operating grants and contributions	\$ 200	\$ -	\$ 10,700	\$ -	\$ 133,318	\$ 2,500	\$ -	\$ -	\$ -	\$ -
Other revenue	-	1,565,281	155,968	-	2,650	-	-	-	23,576	1,161
Total revenues	200	1,565,281	166,668	-	135,968	2,500	-	-	23,576	1,161
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	200	1,565,281	-	-	-	-	-	-	-	-
Planning	-	-	154,590	-	-	-	-	-	-	-
Public safety	-	-	-	-	165,487	100	-	-	-	-
Public works	-	-	-	-	-	-	-	-	5,649	477
Total expenditures	200	1,565,281	154,590	-	165,487	100	-	-	5,649	477
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	-	12,078	-	(29,519)	2,400	-	-	17,927	684
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	12,078	-	(29,519)	2,400	-	-	17,927	684
Fund balance, beginning of year	200	-	30,035	148	85,387	8,628	6,150	13,063	10,516	-
Fund balance, end of year	\$ 200	\$ -	\$ 42,113	\$ 148	\$ 55,868	\$ 11,028	\$ 6,150	\$ 13,063	\$ 28,443	\$ 684

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Recreation Trips 131	Daggert Farm 132	Carousel Enterprise 134	Tennis Single League 136	Summer Camp 137	Instructor Program 138	Arts in The Park 139	Field Use Maintenance 140	Council's Substance Abuse 141	Arts Support Initiative 145
REVENUES:										
Operating grants and contributions	\$ -	\$ 16,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	7,251	-	30,172	17,518	4,363	32,266	-	40,480	19,637	-
Total revenues	7,251	16,042	30,172	17,518	4,363	32,266	-	40,480	19,637	-
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	21,054
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	6,773	8,645	35,969	14,128	517	29,751	4,450	33,731	-	-
Total expenditures	6,773	8,645	35,969	14,128	517	29,751	4,450	33,731	-	21,054
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	478	7,397	(5,797)	3,390	3,846	2,515	(4,450)	6,749	19,637	(21,054)
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	23,621
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	23,621
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	478	7,397	(5,797)	3,390	3,846	2,515	(4,450)	6,749	19,637	2,567
Fund balance, beginning of year	4,287	6,555	15,474	14,474	4,330	8,369	4,950	19,364	13,150	3
Fund balance, end of year	\$ 4,765	\$ 13,952	\$ 9,677	\$ 17,864	\$ 8,176	\$ 10,884	\$ 500	\$ 26,113	\$ 32,787	\$ 2,570

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Pawtucket Arts Funding 146	Youth Sports League 147	Clerks Remote Access Fee 150	PRA Redevelopment 152	175 Main Street 154	Have a Heart Dinner 155	Vital Statistics Restoration 158	Animal Control 161	Land Records Restoration 162	Alcohol Prevention 163
REVENUES:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	-	198,850	80,066	1,300	12,486	18,151	7,222	3,200
Total revenues	-	-	-	198,850	80,066	1,300	12,486	18,151	7,222	3,200
EXPENDITURES:										
Current:										
Legislative	11,910	-	-	-	-	-	-	-	245	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	198,850	77,192	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	772	-	-	682	-	-	-	-
Total expenditures	11,910	-	772	198,850	77,192	682	-	-	245	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(11,910)	-	(772)	-	2,874	618	12,486	18,151	6,977	3,200
Other financing sources (uses):										
Operating transfers from other funds	10,107	10,900	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	10,107	10,900	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,803)	10,900	(772)	-	2,874	618	12,486	18,151	6,977	3,200
Fund balance, beginning of year	5,425	13,353	10,765	5,131	-	5,066	10,300	13,343	106,757	4,404
Fund balance, end of year	\$ 3,622	\$ 24,253	\$ 9,993	\$ 5,131	\$ 2,874	\$ 5,684	\$ 22,786	\$ 31,494	\$ 113,734	\$ 7,604

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Clerk's Remote Access 164	Recruitment Testing Fund 165	Document Preservation 166	Family Literacy Initiative 175	Mabel Anderson Fund 176	Goddard Rel Study 179	Children's Library Renovation 182	Pawtucket Hands on Laptop 183	State Grant In Aid 184	Library Donations 185
REVENUES:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ 45,757	\$ -	\$ -	\$ 104,113	\$ 560	\$ 365,297	\$ -
Other revenue	100	4,650	43,868	-	75	536	-	-	-	38,543
Total revenues	100	4,650	43,868	45,757	75	536	104,113	560	365,297	38,543
EXPENDITURES:										
Current:										
Legislative	-	4,137	33,733	46,769	40	-	-	-	365,315	66,551
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	102,847	560	-	-
Total expenditures	-	4,137	33,733	46,769	40	-	102,847	560	365,315	66,551
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	100	513	10,135	(1,012)	35	536	1,266	-	(18)	(28,008)
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	100	513	10,135	(1,012)	35	536	1,266	-	(18)	(28,008)
Fund balance, beginning of year	950	6,995	285,875	1,983	9,995	11,395	-	-	-	205,630
Fund balance, end of year	\$ 1,050	\$ 7,508	\$ 296,010	\$ 971	\$ 10,030	\$ 11,931	\$ 1,266	\$ -	\$ (18)	\$ 177,622

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Champlin Grant 186	Mayor's Busines Summit 190	Holiday Basket Drive 191	Foundation Contribution Fund 193	Insurance Deductible Reserve 501	Fire Equipment Fund 510	MCI Grant 530	Fire Prevention 550	Fire Apparatus 551
REVENUES:									
Operating grants and contributions	\$ 30,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	78	600	10,730	20,000	40,691	1,830	-	70,890	12
Total revenues	30,218	600	10,730	20,000	40,691	1,830	-	70,890	12
EXPENDITURES:									
Current:									
Legislative	32,511	-	-	-	-	-	-	-	-
Executive	-	-	3,452	2,663	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	34,854	-
Public works	-	-	-	-	-	-	-	-	-
Total expenditures	32,511	-	3,452	2,663	-	-	-	34,854	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(2,293)	600	7,278	17,337	40,691	1,830	-	36,036	12
Other financing sources (uses):									
Operating transfers from other funds	-	-	-	-	-	-	-	-	5,084
Operating transfers to other funds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	5,084
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,293)	600	7,278	17,337	40,691	1,830	-	36,036	5,096
Fund balance, beginning of year	32,767	-	-	-	150,871	14,062	6,201	41,536	15
Fund balance, end of year	\$ 30,474	\$ 600	\$ 7,278	\$ 17,337	\$ 191,562	\$ 15,892	\$ 6,201	\$ 77,572	\$ 5,111

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	FEMA Operations Safety 552	Federal Forfeited Property 603	State Share Drugs 604	Reim O/T Special Squad 607	RI Traffic Tribunal 609	JAG 615	Cops 616	Kennedy 617	Renew Stimulus 619	Bike Patrol 625
REVENUES:										
Operating grants and contributions	\$ -	\$ 160,962	\$ 40,241	\$ -	\$ 37,730	\$ 9,155	\$ 491,052	\$ 4,949	\$ 28,856	\$ -
Other revenues	-	513	50	27,008	2,882	-	-	-	-	-
Total revenues	-	161,475	40,291	27,008	40,612	9,155	491,052	4,949	28,856	-
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	38,092	37,000	27,008	24,879	42,918	486,252	4,949	28,856	-
Public works	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	38,092	37,000	27,008	24,879	42,918	486,252	4,949	28,856	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	123,383	3,291	-	15,733	(33,763)	4,800	-	-	-
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	123,383	3,291	-	15,733	(33,763)	4,800	-	-	-
Fund balance, beginning of year	9,213	328,613	279,829	-	45,848	33,763	-	-	-	3,614
Fund balance, end of year	\$ 9,213	\$ 451,996	\$ 283,120	\$ -	\$ 61,581	\$ -	\$ 4,800	\$ -	\$ -	\$ 3,614

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	SRT Team 626	RAD KIDS 627	Juvenile Board 633	RI Foundation Sound Proof 637	D.A.R.E. 638	PTE Overtime 641	Police Equipment 643	BJA 2010 DJ-BX-1172 645	JAG 2009 646	Highway Safety 650
REVENUES:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 41,825	\$ -	\$ -
Other revenue	-	-	-	-	17,593	241,191	67,896	-	-	-
Total revenues	-	-	-	20,000	17,593	241,191	67,896	41,825	-	-
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	652	3,922	-	5,652	241,191	43,662	47,540	83	50
Public works	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	652	3,922	-	5,652	241,191	43,662	47,540	83	50
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(652)	(3,922)	20,000	11,941	-	24,234	(5,715)	(83)	(50)
Other financing sources (uses):										
Operating transfers from other funds	-	652	7,500	-	-	-	875	-	83	50
Operating transfers to other funds	(1,371)	-	-	-	-	-	(9,288)	-	-	-
Total other financing sources (uses)	(1,371)	652	7,500	-	-	-	(8,413)	-	83	50
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,371)	-	3,578	20,000	11,941	-	15,821	(5,715)	-	-
Fund balance, beginning of year	1,371	-	1,475	-	15,961	-	40,020	5,715	-	-
Fund balance, end of year	\$ -	\$ -	\$ 5,053	\$ 20,000	\$ 27,902	\$ -	\$ 55,841	\$ -	\$ -	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Spay & Neuter Fund 651	Vet Care Private Donation 652	Spay & Neuter Public Asst 653	Spay & Neuter Pound Fund 654	Highway Safety 655	NHTSA 164 AL 2012 657	Community Underage Drinking 658	Community Works 4/12-10/12 659	Community Works 10JJDP-11 661	Seized Vehicles (State) 662
REVENUES:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 19,832	\$ 61,599	\$ 11,294	\$ 2,114	\$ 14,056	\$ -
Other revenue	7,298	5,509	609	609	-	-	-	-	-	20,793
Total revenues	7,298	5,509	609	609	19,832	61,599	11,294	2,114	14,056	20,793
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	7,795	8,320	-	-	22,706	48,143	11,294	2,114	14,056	37,558
Public works	-	-	-	-	-	-	-	-	-	-
Total expenditures	7,795	8,320	-	-	22,706	48,143	11,294	2,114	14,056	37,558
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(497)	(2,811)	609	609	(2,874)	13,456	-	-	-	(16,765)
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	-	-	-	1,371
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,371
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(497)	(2,811)	609	609	(2,874)	13,456	-	-	-	(15,394)
Fund balance, beginning of year	43,816	29,557	2,727	2,727	2,874	-	-	-	-	74,312
Fund balance, end of year	\$ 43,319	\$ 26,746	\$ 3,336	\$ 3,336	\$ -	\$ 13,456	\$ -	\$ -	\$ -	\$ 58,918

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CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Pending Forfeiture (Cambell) 664	Safe Street 670	OJJDP FY 2010 675	Sex Offenders 677	Safe Streets 2010 686	Community Works Summer Program 687	P.C.U.U. Resource Program 688	Details Private Company Reimbursements 690	Detail Private Company Reimb 694	Evidence Money 697
REVENUES:										
Operating grants and contributions	\$ -	\$ -	\$ 2,056	\$ 13,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	122,180	-	-	-	-	-	-	597,464	85,690	12,370
Total revenues	122,180	-	2,056	13,384	-	-	-	597,464	85,690	12,370
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	85,423	497	2,056	13,753	138	-	-	702,237	3,250	5,015
Public works	-	-	-	-	-	-	-	-	-	-
Total expenditures	85,423	497	2,056	13,753	138	-	-	702,237	3,250	5,015
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	36,757	(497)	-	(369)	(138)	-	-	(104,773)	82,440	7,355
Other financing sources (uses):										
Operating transfers from other funds	-	497	-	369	138	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	(805)	(69)	-	-	-
Total other financing sources (uses)	-	497	-	369	138	(805)	(69)	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	36,757	-	-	-	-	(805)	(69)	(104,773)	82,440	7,355
Fund balance, beginning of year	91,426	-	-	-	-	805	69	104,773	-	17,850
Fund balance, end of year	\$ 128,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,440	\$ 25,205

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Small Grants Police 698	Municipal Waste Reduction 706	FY 05 Homeland Security 725	Blackstone Wall Repair 728	Buffer Zone Protection 729	T.S. Irene 2011 EMA 730	Summer Youth Initiative 745	Pleasant View Weed & Seed Year 5 754	WDL United Way 755	Woodlawn Weed & Seed Year 3 762
REVENUES:										
Operating grants and contributions	\$ -	\$ 99,816	\$ -	\$ 263,404	\$ 114,630	\$ 398,381	\$ 3,000	\$ -	\$ -	\$ -
Other revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	-	99,816	-	263,404	114,630	398,381	3,000	-	-	-
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	-
Executive	-	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	21,343	-	290,653	114,630	422,185	11,410	-	-	-
Total expenditures	-	21,343	-	290,653	114,630	422,185	11,410	-	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	78,473	-	(27,249)	-	(23,804)	(8,410)	-	-	-
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	27,249	-	-	-	-	-	-
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	27,249	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	78,473	-	-	-	(23,804)	(8,410)	-	-	-
Fund balance, beginning of year	-	23,339	16,098	-	-	-	8,410	1,002	2,283	65
Fund balance, end of year	\$ -	\$ 101,812	\$ 16,098	\$ -	\$ -	\$ (23,804)	\$ -	\$ 1,002	\$ 2,283	\$ 65

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Special Revenue Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Woodlawn Weed & Seed Year 5 764	Senior Center 817	Senior Center II 818	Medicare Outreach Program 819	Cronic Disease Self Mang 820	Senate Grant Senior Suttle 822	Senior Center City 824	Information Specialist 825	Senior Center Title III 828	Special Revenue Funds-City TOTALS
REVENUES:										
Operating grants and contributions	\$ -	\$ 188,000	\$ 29,790	\$ -	\$ -	\$ 2,000	\$ -	\$ 40,000	\$ 63,000	\$ 2,869,753
Other revenue	-	-	-	-	-	-	-	-	-	3,665,391
Total revenues	-	188,000	29,790	-	-	2,000	-	40,000	63,000	6,535,144
EXPENDITURES:										
Current:										
Legislative	-	-	-	-	-	-	-	-	-	582,265
Executive	-	205,881	29,790	9,199	-	2,000	120,000	40,000	61,207	2,039,673
Planning	-	-	-	-	-	-	-	-	-	430,632
Public safety	-	-	-	-	-	-	-	-	-	2,199,037
Public works	-	-	-	-	-	-	-	-	-	1,105,172
Total expenditures	-	205,881	29,790	9,199	-	2,000	120,000	40,000	61,207	6,356,779
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(17,881)	-	(9,199)	-	-	(120,000)	-	1,793	178,365
Other financing sources (uses):										
Operating transfers from other funds	-	-	-	-	-	-	120,000	-	-	208,496
Operating transfers to other funds	-	-	-	-	-	-	-	-	-	(11,533)
Total other financing sources (uses)	-	-	-	-	-	-	120,000	-	-	196,963
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(17,881)	-	(9,199)	-	-	-	-	1,793	375,328
Fund balance, beginning of year	585	29,125	-	9,199	-	-	-	-	12,539	2,426,905
Fund balance, end of year	\$ 585	\$ 11,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,332	\$ 2,802,233

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - HUD Restricted Funds
Combining Balance Sheet
June 30, 2012

	Planning Department					
	CDBG Community Development 01	Home Program 02	Emergency Shelter 03	CDBG Public Service 04	Plaza Shops City 06	Visitors Center City 07
ASSETS						
Cash	\$ -	\$ 181,649	\$ 25	\$ -	\$ 1,141	\$ 7,354
Intergovernmental receivables	101,769	8,800	49,627	43,236	-	-
Other receivables	-	-	-	-	-	3,288
Total assets	101,769	190,449	49,652	43,236	1,141	10,642
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	101,769	115,899	49,627	43,236	57	9,819
Unearned revenue	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	101,769	115,899	49,627	43,236	57	9,819
Fund balance						
Non-Spendable						
Restricted	-	74,550	25	-	1,084	823
Committed						
Assigned						
Unassigned						
Total fund balance	-	74,550	25	-	1,084	823
Total liabilities and fund balance	\$ 101,769	\$ 190,449	\$ 49,652	\$ 43,236	\$ 1,141	\$ 10,642

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - HUD Restricted Funds
Combining Balance Sheet
June 30, 2012

	<u>Redevelopment Agency</u>				<u>HUD Restricted Funds TOTALS</u>
	<u>UDAG City 05</u>	<u>Lead Hazard 08</u>	<u>CDBG Community Development 09</u>	<u>Cash Escrow 11</u>	
ASSETS					
Cash	\$ 458,975	\$ -	\$ 584,595	\$ 131,617	\$ 1,365,356
Intergovernmental receivables	-	-		-	203,432
Other receivables	-	-	2,749,447	-	2,752,735
Total assets	<u>458,975</u>	<u>-</u>	<u>3,334,042</u>	<u>131,617</u>	<u>4,321,523</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	-	-	59,904	-	380,311
Unearned revenue	-	-	2,680,465	-	2,680,465
Other liabilities	-	-		264	264
Total liabilities	<u>-</u>	<u>-</u>	<u>2,740,369</u>	<u>264</u>	<u>3,061,040</u>
Fund balance					
Non-Spendable					
Restricted	458,975	-	593,673	131,353	1,260,483
Committed					-
Assigned					-
Unassigned					-
Total fund balance	<u>458,975</u>	<u>-</u>	<u>593,673</u>	<u>131,353</u>	<u>1,260,483</u>
Total liabilities and fund balance	<u>\$ 458,975</u>	<u>\$ -</u>	<u>\$ 3,334,042</u>	<u>\$ 131,617</u>	<u>\$ 4,321,523</u>

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - HUD Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Planning Department					
	CDBG Community Development 01	Home Program 02	Emergency Shelter 03	CDBG Public Service 04	Plaza Shops City 06	Visitors Center City 07
REVENUES:						
Intergovernmental	\$ 1,639,612	\$ 881,963	\$ 311,987	\$ -	\$ -	\$ 20,250
Other	-	261,359	-	-	11,342	7,456
Total revenues	<u>1,639,612</u>	<u>1,143,322</u>	<u>311,987</u>	<u>-</u>	<u>11,342</u>	<u>27,706</u>
EXPENDITURES:						
Current:						
Legislative	-	-	-	-	-	-
Planning	985,135	1,068,772	311,987	407,251	11,201	31,677
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>985,135</u>	<u>1,068,772</u>	<u>311,987</u>	<u>407,251</u>	<u>11,201</u>	<u>31,677</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	654,477	74,550	-	(407,251)	141	(3,971)
Other financing sources (uses):						
Transfers from other funds	-	-	-	407,251	-	-
Transfers to other funds	(654,477)	-	-	-	-	-
Total other financing sources (uses)	<u>(654,477)</u>	<u>-</u>	<u>-</u>	<u>407,251</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>74,550</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>(3,971)</u>
Fund balances - unreserved beginning of year		-	25	-	943	4,794
Fund balances - unreserved end of year	<u>\$ -</u>	<u>\$ 74,550</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 1,084</u>	<u>\$ 823</u>

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - HUD Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Redevelopment Agency				HUD Restricted Funds TOTALS
	UDAG City 05	Lead Hazard 08	CDBG Community Development 09	Cash Escrow 11	
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 98,800	\$ -	\$ 2,952,612
Other	58,714	-	324,502	55,892	719,265
Total revenues	<u>58,714</u>	<u>-</u>	<u>423,302</u>	<u>55,892</u>	<u>3,671,877</u>
EXPENDITURES:					
Current:					
Legislative	-	-	-	-	-
Planning	114,376	-	429,688	134,528	3,494,615
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	<u>114,376</u>	<u>-</u>	<u>429,688</u>	<u>134,528</u>	<u>3,494,615</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(55,662)	-	(6,386)	(78,636)	177,262
Other financing sources (uses):					
Transfers from other funds	-	-	257,315	100,000	764,566
Transfers to other funds	-	(10,089)	(100,000)	-	(764,566)
Total other financing sources (uses)	<u>-</u>	<u>(10,089)</u>	<u>157,315</u>	<u>100,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(55,662)</u>	<u>(10,089)</u>	<u>150,929</u>	<u>21,364</u>	<u>177,262</u>
Fund balances - unreserved beginning of year	514,637	10,089	442,744	109,989	1,083,221
Fund balances - unreserved end of year	<u>\$ 458,975</u>	<u>\$ -</u>	<u>\$ 593,673</u>	<u>\$ 131,353</u>	<u>\$ 1,260,483</u>

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	RI Literacy & Drop Out Prevention 202	VSA Art Potter 203	21st Century Learning 204	Title I School Improvement 205	Riter Miscellaneous	Fresh Fruit & Veg. Program 207	Laura Bush Fdn 208
ASSETS							
Cash	\$ 12,828	\$ 5,917	\$ -	\$ -	\$ 7,552	\$ -	\$ 202
Due from Federal and State Governments	-	-	29,833	-	-	59,525	-
Accounts receivable	-	-	-	-	-	-	-
Total assets	12,828	5,917	29,833	-	7,552	59,525	202
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	10,835	-	-	-	-	-	-
Due to other funds	-	-	29,833	-	-	11,566	-
Unearned revenues	-	-	-	-	-	32,897	-
Accrued salaries	1,993	-	-	-	-	-	-
Total liabilities	12,828	-	29,833	-	-	44,463	-
Fund balances (deficit)							
Non-Spendable							
Restricted	-	5,917	-	-	7,552	15,062	202
Committed							
Assigned							
Unassigned							
Total fund balance (deficit)	-	5,917	-	-	7,552	15,062	202
Total liabilities and fund balances	\$ 12,828	\$ 5,917	\$ 29,833	\$ -	\$ 7,552	\$ 59,525	\$ 202

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	RI School Improve - Baldwin 209	Dental Program Medical Reimb. 211	Title III Immigrant Assistance 212	Tital IV Drug Free School 214	Luke Charitable FDN 215
ASSETS					
Cash	\$ -	\$ 82,750	\$ 6,233	\$ 5,000	\$ 500
Due from Federal and State Governments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	-	82,750	6,233	5,000	500
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	-	-	-	4,248	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Accrued salaries	-	-	-	-	-
Total liabilities	-	-	-	4,248	-
Fund balances (deficit)					
Non-Spendable					
Restricted	-	82,750	6,233	752	500
Committed					
Assigned					
Unassigned					
Total fund balance (deficit)	-	82,750	6,233	752	500
Total liabilities and fund balances	\$ -	\$ 82,750	\$ 6,233	\$ 5,000	\$ 500

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Legis After School Fallon 216	UCOA Implementation 217	NE Dairy 218	General Assembly Baldwin 220	Bristol County 229	Perkins Grants Various	Title III LEP 222
ASSETS							
Cash	\$ 1,375	\$ -	\$ 450	\$ 1,250	\$ 17,245	\$ 9,038	\$ -
Due from Federal and State Governments	-	-	-	-	-	-	133,196
Accounts receivable	-	-	-	-	-	-	-
Total assets	1,375	-	450	1,250	17,245	9,038	133,196
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	-	-	-	1,110	55	-	16,234
Due to other funds	-	-	-	-	-	-	116,962
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
Total liabilities	-	-	-	1,110	55	-	133,196
Fund balances (deficit)							
Non-Spendable							
Restricted	1,375	-	450	140	17,190	9,038	-
Committed							
Assigned							
Unassigned							
Total fund balance (deficit)	1,375	-	450	140	17,190	9,038	-
Total liabilities and fund balances	\$ 1,375	\$ -	\$ 450	\$ 1,250	\$ 17,245	\$ 9,038	\$ 133,196

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Perkins Travel & Tourism 223	Title I - Part A 224 & 225	Legislative After School - Varieur 226	IDEA Part B 227	Learn & Serve 228	Child Opportunity Zones 230
ASSETS						
Cash	\$ -	\$ -	\$ 3,811	\$ -	\$ -	\$ -
Due from Federal and State Governments	-	1,432,756	-	1,005,892	-	13,866
Accounts receivable	-	-	-	-	-	-
Total assets	-	1,432,756	3,811	1,005,892	-	13,866
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	-	83,233	2,951	149,188	-	2,129
Due to other funds	-	1,349,523	-	844,740	-	11,737
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	11,964	-	-
Total liabilities	-	1,432,756	2,951	1,005,892	-	13,866
Fund balances (deficit)						
Non-Spendable						
Restricted	-	-	860	-	-	-
Committed						
Assigned						
Unassigned					-	
Total fund balance (deficit)	-	-	860	-	-	-
Total liabilities and fund balances	\$ -	\$ 1,432,756	\$ 3,811	\$ 1,005,892	\$ -	\$ 13,866

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Adult Ed/ Event Start 231	Title II - Professional Dev. 232	URI Ritter #4 Mentor 233	Phi Delta Kappa - Curvin 234	Goff Community School - United Way 235
ASSETS					
Cash	\$ -	\$ -	\$ 850	\$ 1,561	\$ 1,320
Due from Federal and State Governments	108,692	313,488	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	108,692	313,488	850	1,561	1,320
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	1,910	14,257	-	-	1,320
Due to other funds	104,190	298,627	-	-	-
Unearned revenues	-	604	-	-	-
Accrued salaries	2,592	-	-	-	-
Total liabilities	108,692	313,488	-	-	1,320
Fund balances (deficit)					
Non-Spendable					
Restricted	-	-	850	1,561	-
Committed					
Assigned					
Unassigned					
Total fund balance (deficit)	-	-	850	1,561	-
Total liabilities and fund balances	\$ 108,692	\$ 313,488	\$ 850	\$ 1,561	\$ 1,320

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Home School Incentive 237	Friends of Varieur 241	Kitchen Equipment Stimulus 242	RISCA JMW 243	Tolman High Team Planning 245
ASSETS					
Cash	\$ -	\$ 1,600	\$ 2,835	\$ -	\$ -
Due from Federal and State Governments	-	-	-	-	76,950
Accounts receivable	-	-	-	-	-
Total assets	-	1,600	2,835	-	76,950
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	-	-	2,835	-	13,755
Due to other funds	-	-	-	-	63,195
Unearned revenues	-	-	-	-	-
Accrued salaries	-	-	-	-	-
Total liabilities	-	-	2,835	-	76,950
Fund balances (deficit)					
Non-Spendable					
Restricted	-	1,600	-	-	-
Committed					
Assigned					
Unassigned					
Total fund balance (deficit)	-	1,600	-	-	-
Total liabilities and fund balances	\$ -	\$ 1,600	\$ 2,835	\$ -	\$ 76,950

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	RI Council on Arts - Tolman 246	Title I School Improv. 247	PSA Mott Study 248	Curtis Care After School Prog.- 249	RI Foundation JMW 250	Carl D. Perkins 252
ASSETS						
Cash	\$ 4,491	\$ -	\$ 62,216	\$ -	\$ -	\$ -
Due from Federal and State Governments	-	226,340	2,600	19,435	-	119,475
Accounts receivable	-	-	-	-	-	-
Total assets	4,491	226,340	64,816	19,435	-	119,475
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	4,491	12,277	25,863	-	-	26,568
Due to other funds	-	214,063	-	19,435	-	88,507
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	582	-	-	-
Total liabilities	4,491	226,340	26,445	19,435	-	115,075
Fund balances (deficit)						
Non-Spendable						
Restricted	-	-	38,371	-	-	4,400
Committed						
Assigned						
Unassigned						
Total fund balance (deficit)	-	-	38,371	-	-	4,400
Total liabilities and fund balances	\$ 4,491	\$ 226,340	\$ 64,816	\$ 19,435	\$ -	\$ 119,475

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Project Opportunity 253	Johnson and Johnson 254	ARRA PL94-142 IDEA - Part B 255	RISCA 256	Work Wonders Math - Curvin 257	JMW General Assembly Grant 258
ASSETS						
Cash	\$ -	\$ 1,119	\$ -	\$ -	\$ 149	
Due from Federal and State Governments	-	-	-	-	-	
Accounts receivable	-	-	-	-	-	603
Total assets	-	1,119	-	-	149	603
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	-	-	-	-	149	-
Due to other funds	-	-	-	-	-	603
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
Total liabilities	-	-	-	-	149	603
Fund balances (deficit)						
Non-Spendable						
Restricted	-	1,119	-	-	-	-
Committed						
Assigned						
Unassigned						
Total fund balance (deficit)	-	1,119	-	-	-	-
Total liabilities and fund balances	\$ -	\$ 1,119	\$ -	\$ -	\$ 149	\$ 603

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Reading Program - Fallon 260	Jenks Get Up & Go Program 261	URI-Riter #2 Tech- 9/08 262	RIF - Ready to Work 263	Risca Baldwin Art Grant 264
ASSETS					
Cash	\$ 25,449	\$ 3,087	\$ -	\$ 681	\$ 2,023
Due from Federal and State Governments		-	-	-	-
Accounts receivable	-	-	9,619	-	-
Total assets	25,449	3,087	9,619	681	2,023
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	25,449	-	2,755	-	2,023
Due to other funds	-	-	5,865	-	-
Unearned revenues	-	-	-	-	-
Accrued salaries	-	-	-	-	-
Total liabilities	25,449	-	8,620	-	2,023
Fund balances (deficit)					
Non-Spendable					
Restricted	-	3,087	999	681	-
Committed					
Assigned					
Unassigned					
Total fund balance (deficit)	-	3,087	999	681	-
Total liabilities and fund balances	\$ 25,449	\$ 3,087	\$ 9,619	\$ 681	\$ 2,023

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Verizon Foundation Think 265	Nickelodeon Potter Burns 266	RISCA Project Play 267	Goff Comm. School Cox Charity 268	Nellie Mae Foundation - COZ 269	VSA Arts Curvin 270
ASSETS						
Cash	\$ 51	\$ 620	\$ 45	\$ 972	\$ -	\$ 801
Due from Federal and State Governments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Total assets	51	620	45	972	-	801
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	-	-	-	286	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
Total liabilities	-	-	-	286	-	-
Fund balances (deficit)						
Non-Spendable						
Restricted	51	620	45	686	-	801
Committed						
Assigned						
Unassigned						
Total fund balance (deficit)	51	620	45	686	-	801
Total liabilities and fund balances	\$ 51	\$ 620	\$ 45	\$ 972	\$ -	\$ 801

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Adult Visiting Program 271	RI Arts Association 272	21st Century Learning 273	Enhan Educ- Tech E2T2 FY06 275	21st Century Learning - Expansion 276	JMW Art Schl Legis Grant 277
ASSETS						
Cash	\$ 497	\$ -	\$ -	\$ 26	\$ -	\$ 250
Due from Federal and State Governments	-	-	21,967	-	24,138	-
Accounts receivable	-	-	-	-	-	-
Total assets	497	-	21,967	26	24,138	250
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	500	-	1,107	26	-	-
Due to other funds	-	531	20,860	-	24,138	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-
Total liabilities	500	531	21,967	26	24,138	-
Fund balances (deficit)						
Non-Spendable						
Restricted			-	-	-	250
Committed						
Assigned						
Unassigned	(3)	(531)				
Total fund balance (deficit)	(3)	(531)	-	-	-	250
Total liabilities and fund balances	\$ 497	\$ -	\$ 21,967	\$ 26	\$ 24,138	\$ 250

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	RIDE Project Recruit 278	IDEA Sec. 619 279	ARRA Title I Part A 280	Music Drives Us - Jenks 281	Evaluations of Safe Dates 282	Title IV 21st Century COH 283	Junior High Sports 284
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ 4	\$ 3,000	\$ -	\$ 7,078
Due from Federal and State Governments	14,615	15,232	-	-	-	83,691	-
Accounts receivable	-	-	-	-	-	-	-
Total assets	14,615	15,232	-	4	3,000	83,691	7,078
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	1,815	-	-	-	2,500	3,613	-
Due to other funds	99	15,232	-	-	-	80,078	-
Unearned revenues	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
Total liabilities	1,914	15,232	-	-	2,500	83,691	-
Fund balances (deficit)							
Non-Spendable							
Restricted	12,701	-	-	4	500	-	7,078
Committed							
Assigned							
Unassigned							
Total fund balance (deficit)	12,701	-	-	4	500	-	7,078
Total liabilities and fund balances	\$ 14,615	\$ 15,232	\$ -	\$ 4	\$ 3,000	\$ 83,691	\$ 7,078

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	Walmart Teacher of the Year - Goff 285	JMW Kennedy Grant 288	Adult Ed - COZ 289	Legislative Start w/Arts 290	Homeland Security Grant 291	Cunningham Yellow Bus 292
ASSETS						
Cash	\$ -	\$ -	\$ 12,760	\$ 5,428	\$ -	\$ 3,744
Due from Federal and State Governments	37,864	118,521	-	-	27,340	-
Accounts receivable	-	-	3,720	-	-	-
Total assets	37,864	118,521	16,480	5,428	27,340	3,744
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	-	2,168	3,376	-	-	2,205
Due to other funds	37,864	144,589	-	-	14,611	-
Unearned revenues	-	-	-	-	-	-
Accrued salaries	-	-	592	-	-	-
Total liabilities	37,864	146,757	3,968	-	14,611	2,205
Fund balances (deficit)						
Non-Spendable						
Restricted	-		12,512	5,428	12,729	1,539
Committed						
Assigned						
Unassigned		(28,236)				
Total fund balance (deficit)	-	(28,236)	12,512	5,428	12,729	1,539
Total liabilities and fund balances	\$ 37,864	\$ 118,521	\$ 16,480	\$ 5,428	\$ 27,340	\$ 3,744

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Balance Sheet
June 30, 2012

	ARRA Idea Preschool 293	PEASPS 294	Title I School Improvement 295	Pepsi Scholarship Fund 296	RI Council on Arts - Tolman 297	Legislative Grant Slater 298	Special Revenue Funds - School TOTAL
ASSETS							
Cash	\$ -	\$ 410	\$ -	\$ 10,500	\$ 260	\$ 1,958	\$ 310,181
Due from Federal and State Governments	-	-	-	-	-	-	3,907,962
Accounts receivable	-	-	-	-	-	-	13,942
Total assets	-	410	-	10,500	260	1,958	4,232,085
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	-	-	-	-	-	1,958	445,980
Due to other funds	-	-	-	-	-	-	3,496,848
Unearned revenues	-	-	-	-	-	-	33,501
Accrued salaries	-	-	-	-	-	-	17,723
Total liabilities	-	-	-	-	-	1,958	3,994,052
Fund balances (deficit)							
Non-Spendable							-
Restricted	-	410	-	10,500	260	-	266,803
Committed							-
Assigned							-
Unassigned							(28,770)
Total fund balance (deficit)	-	410	-	10,500	260	-	238,033
Total liabilities and fund balances	\$ -	\$ 410	\$ -	\$ 10,500	\$ 260	\$ 1,958	\$ 4,232,085

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	RI Literacy & Drop Out Prevention 202	VSA Art Potter 203	21st Century Learning 204	Title I School Improvement 205	Riter Miscellaneous	Fresh Fruit & Veg. Program 207	Laura Bush Fdn 208
Revenues							
Operating grants and contributions	\$ -	\$ -	\$ 160,542	\$ 27,500	\$ -	\$ 259,675	\$ -
Total Revenues	-	-	160,542	27,500	-	259,675	-
Expenditures							
Education	787,963	1,321	160,542	27,500	1,655	259,675	-
Total expenditures	787,963	1,321	160,542	27,500	1,655	259,675	-
Excess (deficiency) of revenues over (under) expenditures	(787,963)	(1,321)	-	-	(1,655)	-	-
Fund balances - unreserved beginning of year	787,963	7,238	-	-	9,207	15,062	202
Fund balances - unreserved end of year	\$ -	\$ 5,917	\$ -	\$ -	\$ 7,552	\$ 15,062	\$ 202

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	RI School Improve - Baldwin 209	Dental Program Medical Reimb. 211	Title III Immigrant Assistance 212	Tital IV Drug Free School 214	Luke Charitable FDN 215
Revenues					
Operating grants and contributions	\$ 2,000	\$ -	\$ 5,000	\$ 5,000	\$ -
Total Revenues	2,000	-	5,000	5,000	-
Expenditures					
Education	2,000	-	3,287	4,248	-
Total expenditures	2,000	-	3,287	4,248	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,713	752	-
Fund balances - unreserved beginning of year	-	82,750	4,520	-	500
Fund balances - unreserved end of year	\$ -	\$ 82,750	\$ 6,233	\$ 752	\$ 500

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Legis After School Fallon 216	UCOA Implementation 217	NE Dairy 218	General Assembly Baldwin 220	Bristol County 229	Perkins Grants Various	Title III LEP 222
Revenues							
Operating grants and contributions	\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ 88,018	\$ 305,268
Total Revenues	-	-	-	1,250	-	88,018	305,268
Expenditures							
Education	-	69	-	1,110	4,810	12,339	305,268
Total expenditures	-	69	-	1,110	4,810	12,339	305,268
Excess (deficiency) of revenues over (under) expenditures	-	(69)	-	140	(4,810)	75,679	-
Fund balances - unreserved beginning of year	1,375	69	450	-	22,000	(66,641)	-
Fund balances - unreserved end of year	\$ 1,375	\$ -	\$ 450	\$ 140	\$ 17,190	\$ 9,038	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Perkins Travel & Tourism 223	Title I - Part A 224 & 225	Legislative After School - Varieur 226	IDEA Part B 227	Learn & Serve 228	Child Opportunity Zones 230
Revenues						
Operating grants and contributions	\$ 19,500	\$ 4,913,017	\$ 3,500	\$ 3,050,966	\$ 5,546	\$ 21,200
Total Revenues	19,500	4,913,017	3,500	3,050,966	5,546	21,200
Expenditures						
Education	19,500	4,913,017	3,331	3,050,966	-	21,200
Total expenditures	19,500	4,913,017	3,331	3,050,966	-	21,200
Excess (deficiency) of revenues over (under) expenditures	-	-	169	-	5,546	-
Fund balances - unreserved beginning of year	-	-	691	-	(5,546)	-
Fund balances - unreserved end of year	\$ -	\$ -	\$ 860	\$ -	\$ -	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Adult Ed/ Event Start 231	Title II - Professional Dev. 232	URI Ritter #4 Mentor 233	Phi Delta Kappa - Curvin 234	Goff Community School - United Way 235
Revenues					
Operating grants and contributions	\$ 341,148	\$ 1,155,513	\$ -	\$ -	\$ 2,280
Total Revenues	341,148	1,155,513	-	-	2,280
Expenditures					
Education	341,148	1,155,513	-	-	2,280
Total expenditures	341,148	1,155,513	-	-	2,280
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balances - unreserved beginning of year	-	-	850	1,561	-
Fund balances - unreserved end of year	\$ -	\$ -	\$ 850	\$ 1,561	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Home School Incentive 237	Friends of Varieur 241	Kitchen Equipment Stimulus 242	RISCA JMW 243	Tolman High Team Planning 245
Revenues					
Operating grants and contributions	\$ 6,700	\$ 3,750	\$ -	\$ -	\$ 76,950
Total Revenues	6,700	3,750	-	-	76,950
Expenditures					
Education	6,700	3,172	2,951	755	76,950
Total expenditures	6,700	3,172	2,951	755	76,950
Excess (deficiency) of revenues over (under) expenditures	-	578	(2,951)	(755)	-
Fund balances - unreserved beginning of year	-	1,022	2,951	755	-
Fund balances - unreserved end of year	\$ -	\$ 1,600	\$ -	\$ -	-

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	RI Council on Arts - Tolman 246	Title I School Improv. 247	PSA Mott Study 248	Curtis Care After School Prog.- 249	RI Foundation JMW 250	Carl D. Perkins 252
Revenues						
Operating grants and contributions	\$ -	\$ 312,182	\$ 132,305	\$ 38,863	\$ -	\$ 141,728
Total Revenues	-	312,182	132,305	38,863	-	141,728
Expenditures						
Education	-	312,182	145,431	38,863	903	141,728
Total expenditures	-	312,182	145,431	38,863	903	141,728
Excess (deficiency) of revenues over (under) expenditures	-	-	(13,126)	-	(903)	-
Fund balances - unreserved beginning of year	-	-	51,497	-	903	4,400
Fund balances - unreserved end of year	\$ -	\$ -	\$ 38,371	\$ -	\$ -	\$ 4,400

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Project Opportunity 253	Johnson and Johnson 254	ARRA PL94-142 IDEA - Part B 255	RISCA 256	Work Wonders Math - Curvin 257	JMW General Assembly Grant 258
Revenues						
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -
Total Revenues	-	-	-	-	3,500	-
Expenditures						
Education	2,402	-	208,057	659	3,500	-
Total expenditures	2,402	-	208,057	659	3,500	-
Excess (deficiency) of revenues over (under) expenditures	(2,402)	-	(208,057)	(659)	-	-
Fund balances - unreserved beginning of year	2,402	1,119	208,057	659	-	-
Fund balances - unreserved end of year	\$ -	\$ 1,119	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Reading Program - Fallon 260	Jenks Get Up & Go Program 261	URI-Riter #2 Tech- 9/08 262	RIF - Ready to Work 263	Risca Baldwin Art Grant 264
Revenues					
Operating grants and contributions	\$ 250	\$ 2,500	\$ 9,619	\$ 1,995	\$ 2,500
Total Revenues	250	2,500	9,619	1,995	2,500
Expenditures					
Education	250	4,193	9,619	1,314	2,501
Total expenditures	250	4,193	9,619	1,314	2,501
Excess (deficiency) of revenues over (under) expenditures	-	(1,693)	-	681	(1)
Fund balances - unreserved beginning of year	-	4,780	999	-	1
Fund balances - unreserved end of year	\$ -	\$ 3,087	\$ 999	\$ 681	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Verizon Foundation Think 265	Nickelodeon Potter Burns 266	RISCA Project Play 267	Goff Comm. School Cox Charity 268	Nellie Mae Foundation - COZ 269	VSA Arts Curvin 270
Revenues						
Operating grants and contributions	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -
Total Revenues	-	-	6,000	-	-	-
Expenditures						
Education	-	-	5,955	9,155	4,600	-
Total expenditures	-	-	5,955	9,155	4,600	-
Excess (deficiency) of revenues over (under) expenditures	-	-	45	(9,155)	(4,600)	-
Fund balances - unreserved beginning of year	51	620	-	9,841	4,600	801
Fund balances - unreserved end of year	\$ 51	\$ 620	\$ 45	\$ 686	\$ -	\$ 801

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Adult Visiting Program 271	RI Arts Association 272	21st Century Learning 273	Enhan Educ- Tech E2T2 FY06 275	21st Century Learning - Expansion 276	JMW Art Schi Legis Grant 277
Revenues						
Operating grants and contributions	\$ 5,500	\$ -	\$ 122,354	\$ 164,000	\$ 164,905	\$ -
Total Revenues	5,500	-	122,354	164,000	164,905	-
Expenditures						
Education	5,503	-	122,354	164,000	164,905	-
Total expenditures	5,503	-	122,354	164,000	164,905	-
Excess (deficiency) of revenues over (under) expenditures	(3)	-	-	-	-	-
Fund balances - unreserved beginning of year	-	(531)	-	-	-	250
Fund balances - unreserved end of year	\$ (3)	\$ (531)	\$ -	\$ -	\$ -	\$ 250

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	RIDE Project Recruit 278	IDEA Sec. 619 279	ARRA Title I Part A 280	Music Drives Us - Jenks 281	Evaluations of Safe Dates 282	Title IV 21st Century COH 283	Junior High Sports 284
Revenues							
Operating grants and contributions	\$ -	\$ 84,747	\$ -	\$ -	\$ -	\$ 307,147	\$ 15,000
Total Revenues	-	84,747	-	-	-	307,147	15,000
Expenditures							
Education	-	84,747	98,204	-	2,500	307,147	8,000
Total expenditures	-	84,747	98,204	-	2,500	307,147	8,000
Excess (deficiency) of revenues over (under) expenditures	-	-	(98,204)	-	(2,500)	-	7,000
Fund balances - unreserved beginning of year	12,701	-	98,204	4	3,000	-	78
Fund balances - unreserved end of year	\$ 12,701	\$ -	\$ -	\$ 4	\$ 500	\$ -	\$ 7,078

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	Walmart Teacher of the Year - Goff 285	JMW Kennedy Grant 288	Adult Ed - COZ 289	Legislative Start w/Arts 290	Homeland Security Grant 291	Cunningham Yellow Bus 292
Revenues						
Operating grants and contributions	\$ 42,526	\$ 1,790	\$ 10,960	\$ -	\$ -	\$ 3,117
Total Revenues	42,526	1,790	10,960	-	-	3,117
Expenditures						
Education	42,526	30,026	22,048	-	-	3,055
Total expenditures	42,526	30,026	22,048	-	-	3,055
Excess (deficiency) of revenues over (under) expenditures	-	(28,236)	(11,088)	-	-	62
Fund balances - unreserved beginning of year	-	-	23,600	5,428	12,729	1,477
Fund balances - unreserved end of year	\$ -	\$ (28,236)	\$ 12,512	\$ 5,428	\$ 12,729	\$ 1,539

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - School Restricted Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012

	ARRA Idea Preschool 293	PEASPS 294	Title I School Improvement 295	Pepsi Scholarship Fund 296	RI Council on Arts - Tolman 297	Legislative Grant Slater 298	Special Revenue Funds - School TOTAL
Revenues							
Operating grants and contributions	\$ -	\$ -	\$ 157,389	\$ -	\$ -	\$ -	\$ 12,207,991
Total Revenues	-	-	157,389	-	-	-	12,207,991
Expenditures							
Education	22,460	-	157,389	2,000	-	2,918	13,323,155
Total expenditures	22,460	-	157,389	2,000	-	2,918	13,323,155
Excess (deficiency) of revenues over (under) expenditures	(22,460)	-	-	(2,000)	-	(2,918)	(1,115,164)
Fund balances - unreserved beginning of year	22,460	410	-	12,500	260	2,918	1,353,197
Fund balances - unreserved end of year	\$ -	\$ 410	\$ -	\$ 10,500	\$ 260	\$ -	\$ 238,033

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	CH 44/51 2008 Streets 408	C41 PL48 Street & Sidewalks 412	Ban Street Sidewalks 2012 413	C393 PL00 Public Building 420	C34 L43 Public Building 426	C52 PL40 Recreation 430
ASSETS						
Cash and cash equivalents	\$ 918	\$ -	\$ 401,217	\$ 11,441	\$ 189,727	\$ 579,129
Accounts receivable	-	-	-	-	-	-
Total assets	918	-	401,217	11,441	189,727	579,129
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	-	-	25,331	-	10,058	565
Due to other funds	-	-	-	-	-	-
Notes payable	500,000	-	500,000	-	350,000	300,000
Accrued salaries	-	-	-	-	-	-
Total liabilities	500,000	-	525,331	-	360,058	300,565
FUND BALANCE						
Non-Spendable						
Restricted	-	-	-	11,441	-	278,564
Committed						
Assigned						
Unassigned	(499,082)	-	(124,114)	-	(170,331)	-
Total fund balance	(499,082)	-	(124,114)	11,441	(170,331)	278,564
Total liabilities and fund balance	\$ 918	\$ -	\$ 401,217	\$ 11,441	\$ 189,727	\$ 579,129

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	CH37 PL 45 Recreation 431	C123 PL146 Recreation 435	CH35/43 PL10 Sewer 450	C42 PL53 Sewer 451	C35 PL145 Sewer & Storm 452	C290 PL02 School Building 460	C2764 PL2004 Bond 461
ASSETS							
Cash and cash equivalents	\$ 300,000	\$ 33,349	\$ 138,210	\$ -	\$ 429	\$ 24,069	\$ 11,799
Accounts receivable	-	-	-	-	-	-	-
Total assets	300,000	33,349	138,210	-	429	24,069	11,799
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	-	-	3,000	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Notes payable	300,000	-	150,000	150,000	-	-	-
Accrued salaries	-	-	-	-	-	-	-
Total liabilities	300,000	-	153,000	150,000	-	-	-
FUND BALANCE							
Non-Spendable							
Restricted	-	33,349	-	-	429	24,069	11,799
Committed							
Assigned							
Unassigned	-	-	(14,790)	(150,000)	-	-	-
Total fund balance	-	33,349	(14,790)	(150,000)	429	24,069	11,799
Total liabilities and fund balance	\$ 300,000	\$ 33,349	\$ 138,210	\$ -	\$ 429	\$ 24,069	\$ 11,799

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	C38/49 L06 School Bldg 462	C270 PL426 School Bldg 466	CH38/33 PL10 School Bldg 467	C39 PL06 Traffic 472	CH39 PL42 Traffic 473	C33 PL41 2008 Traffic 474	C35 PL45 2008 Bridges 478	CH 46 PL 4 2010 Bridges 479	RIDEM Land Acquisition 808
ASSETS									
Cash and cash equivalents	\$ -	\$ 152,690	\$ 1,500,000	\$ 66,595	\$ 100,000	\$ 200,000	\$ 50,534	\$ 100,000	\$ -
Accounts receivable	-	-	-	-	-	-	-	-	3,500
Total assets	-	152,690	1,500,000	66,595	100,000	200,000	50,534	100,000	3,500
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	14,336	-	-	-	-	-	-	-	-
Due to other funds	131,550	-	-	-	-	-	-	-	3,500
Notes payable	-	1,500,000	1,500,000	-	100,000	100,000	100,000	100,000	-
Accrued salaries	809	-	-	-	-	-	-	-	-
Total liabilities	146,695	1,500,000	1,500,000	-	100,000	100,000	100,000	100,000	3,500
FUND BALANCE									
Non-Spendable									
Restricted	-	-	-	66,595	-	100,000	-	-	-
Committed									
Assigned									
Unassigned	(146,695)	(1,347,310)	-	-	-	-	(49,466)	-	-
Total fund balance	(146,695)	(1,347,310)	-	66,595	-	100,000	(49,466)	-	-
Total liabilities and fund balance	\$ -	\$ 152,690	\$ 1,500,000	\$ 66,595	\$ 100,000	\$ 200,000	\$ 50,534	\$ 100,000	\$ 3,500

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	Newman Crosby Soccer Complex 812	State Preservation Grant 835	Healthy Places By Design 840	State Pier Twon Landing 841	RI EECGD Bike Stripe 843	Galego Court Soccer Field 844	Preserve America 845	Energy Effic. & Conserv BG 847
ASSETS								
Cash and cash equivalents	\$ 7,084	\$ 125	\$ -	\$ -	\$ -	\$ 25,926	\$ -	\$ 150
Accounts receivable	-	-	87,878	-	-	-	-	41,532
Total assets	<u>7,084</u>	<u>125</u>	<u>87,878</u>	<u>-</u>	<u>-</u>	<u>25,926</u>	<u>-</u>	<u>41,682</u>
LIABILITIES AND FUND BALANCE								
Liabilities								
Accounts payable	-	-	-	615	-	-	-	238,242
Due to other funds	-	-	103,029	10,493	-	-	81	-
Notes payable	-	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>103,029</u>	<u>11,108</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>238,242</u>
FUND BALANCE								
Non-Spendable								
Restricted	7,084	125	-	-	-	25,926	-	-
Committed								
Assigned								
Unassigned	-	-	(15,151)	(11,108)	-	-	(81)	(196,560)
Total fund balance	<u>7,084</u>	<u>125</u>	<u>(15,151)</u>	<u>(11,108)</u>	<u>-</u>	<u>25,926</u>	<u>(81)</u>	<u>(196,560)</u>
Total liabilities and fund balance	<u>\$ 7,084</u>	<u>\$ 125</u>	<u>\$ 87,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,926</u>	<u>\$ -</u>	<u>\$ 41,682</u>

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	Friendship Gardens Improv 849	State of RI EECBG 850	Downtown Challenge 851	ST-Pier Brownfields 853	Leap 1 Federal and State 856	Leap 2 State 857	Lease FY 2005 895	Lease FY 2009 899	Capital Projects Funds TOTALS
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,246	\$ -	\$ 3,894,638
Accounts receivable	-	-	-	-	-	-	-	18,331	151,241
Total assets	-	-	-	-	-	-	1,246	18,331	4,045,879
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	1,155	-	-	4,694	-	-	-	-	297,996
Due to other funds	2,984	-	-	8,869	150,939	27,429	-	-	438,874
Notes payable	-	-	-	-	-	-	-	-	5,650,000
Accrued salaries	-	-	-	-	-	-	-	-	809
Total liabilities	4,139	-	-	13,563	150,939	27,429	-	-	6,387,679
FUND BALANCE									
Non-Spendable									-
Restricted	-	-	-	-	-	-	1,246	18,331	578,958
Committed									-
Assigned									-
Unassigned	(4,139)	-	-	(13,563)	(150,939)	(27,429)	-	-	(2,920,758)
Total fund balance	(4,139)	-	-	(13,563)	(150,939)	(27,429)	1,246	18,331	(2,341,800)
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,246	\$ 18,331	\$ 4,045,879

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	CH 44/51 2008 Streets 408	C41 PL48 Street & Sidewalks 412	Ban Street Sidewalks 2012 413	C393 PL00 Public Building 420	C34 L43 Public Building 426	C52 PL40 Recreation 430
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
Legislative	-	-	-	54,058	25,415	-
Planning	-	-	-	-	-	-
Public safety	-	-	-	29,973	58,745	-
Public works	51,466	12,144	50,756	-	9,415	21,436
Education	-	-	-	-	-	-
Total expenditures	<u>51,466</u>	<u>12,144</u>	<u>50,756</u>	<u>84,031</u>	<u>93,575</u>	<u>21,436</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>(51,466)</u>	<u>(12,144)</u>	<u>(50,756)</u>	<u>(84,031)</u>	<u>(93,575)</u>	<u>(21,436)</u>
Other financing sources (uses):						
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	<u>(51,466)</u>	<u>(12,144)</u>	<u>(50,756)</u>	<u>(84,031)</u>	<u>(93,575)</u>	<u>(21,436)</u>
Fund balances - unreserved beginning of year	<u>(447,616)</u>	<u>12,144</u>	<u>(73,358)</u>	<u>95,472</u>	<u>(76,756)</u>	<u>300,000</u>
Fund balances - unreserved end of year	<u>\$ (499,082)</u>	<u>\$ -</u>	<u>\$ (124,114)</u>	<u>\$ 11,441</u>	<u>\$ (170,331)</u>	<u>\$ 278,564</u>

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	CH37 PL 45 Recreation 431	C123 PL146 Recreation 435	CH35/43 PL10 Sewer 450	C42 PL53 Sewer 451	C35 PL145 Sewer & Storm 452	C290 PL02 School Building 460	C2764 PL2004 Bond 461
REVENUES:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-
EXPENDITURES:							
Legislative	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	75,351	14,790	127,328	2,071	-	-
Education	-	-	-	-	-	-	-
Total expenditures	-	75,351	14,790	127,328	2,071	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	(75,351)	(14,790)	(127,328)	(2,071)	-	-
Other financing sources (uses):							
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures	-	(75,351)	(14,790)	(127,328)	(2,071)	-	-
Fund balances - unreserved beginning of year	-	108,700	-	(22,672)	2,500	24,069	11,799
Fund balances - unreserved end of year	\$ -	\$ 33,349	\$ (14,790)	\$ (150,000)	\$ 429	\$ 24,069	\$ 11,799

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	C38/49 L06 School Bldg 462	C270 PL426 School Bldg 466	CH38/33 PL10 School Bldg 467	C39 PL06 Traffic 472	CH39 PL42 Traffic 473	C33 PL41 2008 Traffic 474	C35 PL45 2008 Bridges 478	CH 46 PL 4 2010 Bridges 479	RIDEM Land Acquisition 808
REVENUES:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-	-	-
EXPENDITURES:									
Legislative	-	-	-	-	-	-	-	-	-
Planning	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	16,153	-	-	6,200	-	-
Education	159,454	122,121	-	-	-	-	-	-	-
Total expenditures	159,454	122,121	-	16,153	-	-	6,200	-	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(159,454)	(122,121)	-	(16,153)	-	-	(6,200)	-	-
Other financing sources (uses):									
Transfers to other funds	-	-	-	-	-	-	(27,249)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(27,249)	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(159,454)	(122,121)	-	(16,153)	-	-	(33,449)	-	-
Fund balances - unreserved beginning of year	12,759	(1,225,189)	-	82,748	-	100,000	(16,017)	-	-
Fund balances - unreserved end of year	\$ (146,695)	\$ (1,347,310)	\$ -	\$ 66,595	\$ -	\$ 100,000	\$ (49,466)	\$ -	\$ -

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Newman Crosby Soccer Complex 812	State Preservation Grant 835	Healthy Places By Design 840	State Pier Town Landing 841	RI EECGD Bike Stripe 843	Galego Court Soccer Field 844	Preserve America 845	Energy Effic. & Conserv BG 847
REVENUES:								
Intergovernmental	\$ -	\$ -	\$ 187,927	\$ -	\$ 20,708	\$ -	\$ -	\$ 181,509
Total revenues	-	-	187,927	-	20,708	-	-	181,509
EXPENDITURES:								
Legislative	-	-	-	-	-	-	-	-
Planning	-	-	203,078	11,108	20,708	-	-	378,069
Public safety	-	-	-	-	-	-	-	-
Public works	805	-	-	-	-	-	81	-
Education	-	-	-	-	-	-	-	-
Total expenditures	805	-	203,078	11,108	20,708	-	81	378,069
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(805)	-	(15,151)	(11,108)	-	-	(81)	(196,560)
Other financing sources (uses):								
Transfers to other funds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures	(805)	-	(15,151)	(11,108)	-	-	(81)	(196,560)
Fund balances - unreserved beginning of year	7,889	125	-	-	-	25,926	-	-
Fund balances - unreserved end of year	\$ 7,084	\$ 125	\$ (15,151)	\$ (11,108)	\$ -	\$ 25,926	\$ (81)	\$ (196,560)

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Capital Projects Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Friendship Gardens Improv 849	State of RI EECBG 850	Downtown Challenge 851	ST-Pier Brownfields 853	Leap 1 Federal and State 856	Leap 2 State 857	Lease FY 2005 895	Lease FY 2009 899	Capital Projects Funds TOTALS
REVENUES:									
Intergovernmental	\$ -	\$ 49,697	\$ 8,816	\$ -	\$ 485,114	\$ 136,373	\$ -	\$ -	\$ 1,077,644
Total revenues	-	49,697	8,816	-	485,114	136,373	-	-	1,077,644
EXPENDITURES:									
Legislative	-	-	-	-	-	-	-	-	79,473
Planning	4,139	49,697	8,816	13,563	636,053	163,802	-	-	1,496,533
Public safety	-	-	-	-	-	-	-	-	88,718
Public works	-	-	-	-	-	-	-	-	387,996
Education	-	-	-	-	-	-	-	-	281,575
Total expenditures	4,139	49,697	8,816	13,563	636,053	163,802	-	-	2,334,295
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(4,139)	-	-	(13,563)	(150,939)	(27,429)	-	-	(1,256,651)
Other financing sources (uses):									
Transfers to other funds	-	-	-	-	-	-	-	-	(27,249)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(27,249)
Excess (deficiency) of revenues and other sources over (under) expenditures	(4,139)	-	-	(13,563)	(150,939)	(27,429)	-	-	(1,283,900)
Fund balances - unreserved beginning of year	-	-	-	-	-	-	1,246	18,331	(1,057,900)
Fund balances - unreserved end of year	\$ (4,139)	\$ -	\$ -	\$ (13,563)	\$ (150,939)	\$ (27,429)	\$ 1,246	\$ 18,331	\$ (2,341,800)

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - Permanent Funds
Combining Balance Sheet
June 30, 2012

	Pawtucket Tercentennial 142	Library Zucker Trust 170	Library Little Acorn Trust 172	Library Caidin Trust 177	Community Service Library 180
ASSETS					
Cash	\$ 7,662	\$ -	\$ -	\$ -	\$ -
Investments	-	20,134	405,749	72,958	17,914
Notes receivable	-	-	-	-	-
Total assets	7,662	20,134	405,749	72,958	17,914
LIABILITIES AND FUND BALANCE					
Liabilities					
Other	-	-	192	30	-
Total liabilities	-	-	192	30	-
FUND BALANCE					
Non-Spendable	7,662	20,134	405,557	72,928	17,914
Restricted					
Committed					
Assigned					
Unassigned	-	-	-	-	-
Total fund balance	7,662	20,134	405,557	72,928	17,914
Total liabilities and fund balance	\$ 7,662	\$ 20,134	\$ 405,749	\$ 72,958	\$ 17,914

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Permanent Funds
Combining Balance Sheet
June 30, 2012

	Citizens Committee PPL 181	Gerald Burns Fund 194	Cemetery Perpetual Care 708	Cemetery Improvement 709	Leon Mathieu Donations 827	Permanent Funds TOTALS
ASSETS						
Cash	\$ 10	\$ -	\$ -	\$ 84,304	\$ 17,270	\$ 109,246
Investments	17,973	15,697	2,893	-	-	553,318
Notes receivable	-	-	350,000	-	-	350,000
Total assets	17,983	15,697	352,893	84,304	17,270	1,012,564
LIABILITIES AND FUND BALANCE						
Liabilities						
Other	-	-	3,026	-	1,087	4,335
Total liabilities	-	-	3,026	-	1,087	4,335
FUND BALANCE						
Non-Spendable	17,983	15,697	349,867	84,304	16,183	1,008,229
Restricted						-
Committed						-
Assigned						-
Unassigned	-	-	-	-	-	-
Total fund balance	17,983	15,697	349,867	84,304	16,183	1,008,229
Total liabilities and fund balance	\$ 17,983	\$ 15,697	\$ 352,893	\$ 84,304	\$ 17,270	\$ 1,012,564

(Concluded)

CITY OF PAWTUCKET
Non-Major Governmental - Permanent Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Pawtucket Tercentennial 142	Library Zucker Trust 170	Library Little Acorn Trust 172	Library Caldin Trust 177	Community Service Library 180
REVENUES:					
Investment income	\$ 280	\$ 176	\$ 23,612	\$ -	\$ 125
Charges for services	-	-	-	40,135	-
Total revenues	280	176	23,612	40,135	125
EXPENDITURES:					
Legislative	-	1,072	2,017	2,290	-
Planning	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	-	1,072	2,017	2,290	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	280	(896)	21,595	37,845	125
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures	280	(896)	21,595	37,845	125
Fund balances - unreserved beginning of year, as restated	7,382	21,030	383,962	35,083	17,789
Fund balances - unreserved end of year	\$ 7,662	\$ 20,134	\$ 405,557	\$ 72,928	\$ 17,914

(Continued)

CITY OF PAWTUCKET
Non-Major Governmental - Permanent Funds
Combining Statement of Revenues, Expenses and Changes in Fund Balances
For the year ended June 30, 2012

	Citizens Committee PPL 181	Gerald Burns Fund 194	Cemetery Perpetual Care 708	Cemetery Improvement 709	Leon Mathieu Donations 827	Permanent Funds TOTALS
REVENUES:						
Investment income	\$ 132	\$ 119	\$ 1,302	\$ 485	\$ -	\$ 26,231
Charges for services	-	-	-	-	10,084	50,219
Total revenues	132	119	1,302	485	10,084	76,450
EXPENDITURES:						
Legislative	-	160	-	-	12,544	18,083
Planning	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	3,025	-	-	3,025
Education	-	-	-	-	-	-
Total expenditures	-	160	3,025	-	12,544	21,108
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	132	(41)	(1,723)	485	(2,460)	55,342
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures	132	(41)	(1,723)	485	(2,460)	55,342
Fund balances - unreserved beginning of year, as restated	17,851	15,738	351,590	83,819	18,643	952,887
Fund balances - unreserved end of year	\$ 17,983	\$ 15,697	\$ 349,867	\$ 84,304	\$ 16,183	\$ 1,008,229

(Concluded)

City of Pawtucket

Statement of Changes in Assets and Liabilities
 Agency Funds
 Year ended June 30, 2012

<u>SCHOOL ACTIVITY FUNDS</u>	<u>Beginning Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2012</u>
<i>Assets</i>				
Cash	\$ 309,076	\$ 545,940	\$ 534,093	\$ 320,923
<i>Liabilities</i>				
Due to student groups	\$ 309,076	\$ 545,940	\$ 534,093	\$ 320,923

STATISTICAL SECTION

**CITY OF PAWTUCKET
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

REAL ESTATE, MOTOR VEHICLE, AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance 7/1/11	Current Year Assessment	Supplements	Adjustments	Amount to be Collected	Collections	Adjustments to Tax Due	Balance 6/30/12
2011	\$ -	\$ 96,340,757	\$ 54,988	\$ -	\$ 96,395,745	\$ (90,785,191)	\$ (270,808)	\$ 5,339,746
2010	4,750,239		3,214	-	4,753,453	(3,378,655)	(55,450)	1,319,348
2009	896,885		1,687	-	898,572	(362,366)	(33,424)	502,782
2008	588,633		449	-	589,082	(69,270)	(52,154)	467,658
2007	663,827		1,129	-	664,956	(22,894)	(253,634)	388,428
2006	475,206		1,227	-	476,433	(14,879)	(96,771)	364,783
2005	503,045		1,508	-	504,553	(8,982)	(75,365)	420,206
2004	546,237		1,896	-	548,133	(7,103)	(97,963)	443,067
2003	588,385		2,205	-	590,590	(5,769)	(91,054)	493,767
2002 and before	472,176		9,828	-	482,004	(5,339)	(466,403)	10,262
	<u>\$ 9,484,633</u>	<u>\$ 96,340,757</u>	<u>\$ 78,131</u>	<u>\$ -</u>	<u>\$ 105,903,521</u>	<u>\$ (94,660,448)</u>	<u>\$ (1,493,026)</u>	<u>\$ 9,750,047</u>

**SCHEDULE OF NET ASSESSED PROPERTY
VALUE BY CATEGORY**

Description of Property	Valuations December 31, 2010	Levy July 1, 2011
Real property	\$ 4,097,147,150	\$ 76,765,817
Motor vehicles	259,944,950	13,855,082
Tangible	142,769,520	5,719,858
<i>Total</i>	<u>4,499,861,620</u>	<u>96,340,757</u>
Exemptions	<u>(162,513,959)</u>	-
<i>Net assessed value</i>	<u>\$ 4,337,347,661</u>	<u>\$ 96,340,757</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 94,660,448
Reserve collected within 60 days subsequent to fiscal year 2012	975,377
	<u>\$ 95,635,825</u>
Prior year revenue received in current year	<u>(919,169)</u>
Current year property tax revenue	<u>\$ 94,716,656</u>

City of Pawtucket
Long Term Debt - Governmental and Business Activity
June 30, 2012

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding June 30, 2011 (as restated)	Additions	Maturities During the Year	Outstanding June 30, 2012	Interest Paid
General Obligation Bonds Payable									
School & Public Improvement Refunding Bond	10/15/2002	2% - 4%	4/15/2014	\$ 8,892,387	\$ 2,562,873	\$ -	825,167	\$ 1,737,706	\$ 97,285
School & Public Improvement Bond	7/1/2001	4% - 6%	7/1/2021	11,395,000	6,171,400	-	580,400	5,591,000	277,219
School & Public Improvement Bond	4/14/2010	3.36%	7/1/2018	7,593,349	7,075,489	-	819,181	6,256,308	223,974
School & Public Improvement Bond	7/1/2005	3.25% - 5%	7/1/2025	13,300,000	11,045,000	-	515,000	10,530,000	449,156
School Bond	8/27/2006	4% - 5%	4/1/2010	1,500,000	1,235,000	-	60,000	1,175,000	57,125
School & Public Improvement Bond	7/1/2009	2% - 4.75%	7/15/2029	8,200,000	7,915,000	-	295,000	7,620,000	322,050
School & Public Improvement Bond	8/15/2009	2.5% - 6.25%	4/1/2029	6,000,000	5,630,000	-	205,000	5,425,000	292,025
Cemetery Perpetual Care Loan	6/23/2011	0%	7/23/2021	350,000	350,000	-	-	350,000	-
Total General Obligation Bond Payable				57,230,736	41,984,762	-	3,299,748	38,685,014	1,718,834
Notes Payable, Bond Premiums, Capital Leases, Compensated absences									
Bond Premiums				N/A	176,475	-	52,721	123,754	-
Capital Leases				N/A	5,995,382	-	975,625	5,019,757	238,052
Total Notes Payable				-	6,171,857	-	1,028,346	5,143,511	238,052
Total Governmental Activities Long-term Obligations				\$ 57,230,736	\$ 48,156,619	\$ -	\$ 4,328,094	43,828,525	\$ 1,956,886
Business-type Activities									
Bonds, Notes and Loans Payable:									
Water Fund:									
Water Debt Refunding Bond	10/15/2002	2.0% - 4.0%	4/15/2004	267,613	77,127	-	24,833	52,294	2,928
Water System Improvement Bond	7/1/2001	4.0% - 6.0%	7/1/2021	385,000	208,600	-	19,600	189,000	9,371
Water System Improvement Bond	4/14/2010	3.36%	7/1/2018	336,651	314,511	-	35,819	278,692	9,966
RI Clean Water Financing Agency Bonds	12/17/2003	5.00%	9/1/2035	19,340,000	19,340,000	-	-	19,340,000	967,000
RI Clean Water Financing Agency Bonds	12/17/2003	6.00%	9/1/2035	7,655,000	7,655,000	-	-	7,655,000	459,300
RI Clean Water Financing Agency Bonds	3/11/2004	2.0% - 5.0%	9/1/2024	41,875,000	34,455,000	-	2,022,000	32,433,000	914,856
RI Clean Water Financing Agency Bonds	3/23/2005	2.0% - 5.0%	9/1/2027	31,909,000	28,300,000	-	1,268,000	27,032,000	830,299
RI Clean Water Financing Agency Bonds	11/19/2009	86-4.72%	9/1/2030	5,935,000	5,934,000	-	220,000	5,714,000	133,291
RI Clean Water Financing Agency Bonds	12/6/2010	0.72%	12/6/2011	1,700,000	1,700,000	-	1,700,000	-	-
RI Clean Water Financing Agency Bonds	11/4/2011	1.12-3.71%	9/1/2031	7,485,000	-	7,485,000	-	7,485,000	33,212
RI Clean Water Financing Agency Bonds	6/14/2012	.53-3.33%	9/1/2032	1,955,000	-	1,955,000	-	1,955,000	-
Total Water Fund				118,843,264	97,984,238	9,440,000	5,290,252	102,133,986	3,360,223
175 Main Street:									
Note Payable		3.25%		1,800,000	1,007,604	-	105,753	901,851	31,172
Total 175 Main Street				1,800,000	1,007,604	-	105,753	901,851	31,172
Other Liabilities									
Water Fund:									
Deferred loss refundings				-	(548,962)	-	(225,052)	(323,910)	-
Bond Premiums				-	345,478	-	13,820	331,658	-
Total Other Liabilities				-	(203,484)	-	(211,232)	7,748	-
Total Business-type Activities Long Term Obligations				120,643,264	98,788,358	9,440,000	5,184,773	103,043,585	3,391,395
Total Bond, Notes and Capital Leases				177,874,000	146,944,977	9,440,000	9,512,867	146,872,110	5,348,281
Accrued Expenses									
Compensated absences					8,002,781	623,673	502,458	8,123,996	-
Net OPEB obligation					63,637,647	6,216,607	-	69,854,254	-
Net pension obligation					80,951,362	2,770,778	-	83,722,140	-
Total Accrued Expense					152,591,790	9,611,058	502,458	161,700,390	-
Total Long-term Liabilities					\$ 299,536,767	\$ 19,051,058	\$ 10,015,325	\$ 308,572,500	\$ 5,348,281

**CITY OF PAWTUCKET, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GOVERNMENT ACTIVITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2013	8.89%	\$ 3,437,429	\$ 1,601,636	\$ 5,039,065
2014	9.15%	3,540,475	1,474,084	5,014,559
2015	7.10%	2,745,400	1,335,577	4,080,977
2016	7.06%	2,731,734	1,227,055	3,958,789
2017	7.29%	2,820,438	1,115,431	3,935,869
2018	7.47%	2,889,626	1,002,910	3,892,536
2019	7.65%	2,958,912	885,101	3,844,013
2020	5.36%	2,072,000	778,853	2,850,853
2021	5.56%	2,152,000	679,957	2,831,957
2022	5.77%	2,232,000	579,207	2,811,207
2023	4.52%	1,750,000	489,857	2,239,857
2024	4.73%	1,830,000	408,448	2,238,448
2025	4.98%	1,925,000	321,851	2,246,851
2026	5.21%	2,015,000	234,175	2,249,175
2027	2.44%	945,000	164,013	1,109,013
2028	2.57%	995,000	117,056	1,112,056
2029	2.70%	1,045,000	66,831	1,111,831
2030	1.55%	600,000	14,250	614,250
		<u>\$ 38,685,014</u>	<u>\$ 12,496,292</u>	<u>\$ 51,181,306</u>

**CITY OF PAWTUCKET, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

Fiscal Year Ended June 30,	Percentage to Maturity	Principal	Interest	Total Debt Service
2013	3.96%	\$ 4,076,324	\$ 3,473,722	\$ 7,550,046
2014	4.13%	4,257,278	3,438,187	7,695,465
2015	4.22%	4,344,353	3,342,114	7,686,467
2016	4.33%	4,463,019	3,234,625	7,697,644
2017	4.46%	4,593,315	3,119,390	7,712,705
2018	4.59%	4,731,127	2,996,261	7,727,388
2019	4.73%	4,876,841	2,865,244	7,742,085
2020	4.84%	4,988,753	2,727,036	7,715,789
2021	4.95%	5,101,831	2,581,610	7,683,441
2022	5.07%	5,219,000	2,430,232	7,649,232
2023	5.22%	5,383,000	2,271,021	7,654,021
2024	5.41%	5,577,000	2,103,113	7,680,113
2025	5.61%	5,779,000	1,925,787	7,704,787
2026	4.58%	4,724,000	1,740,048	6,464,048
2027	4.78%	4,927,000	1,546,221	6,473,221
2028	5.00%	5,149,000	1,342,471	6,491,471
2029	3.03%	3,124,000	1,165,689	4,289,689
2030	3.19%	3,282,000	1,017,036	4,299,036
2031	3.34%	3,445,000	860,110	4,305,110
2032	3.10%	3,191,000	700,680	3,891,680
2033	2.73%	2,817,996	548,578	3,366,574
2034	2.76%	2,840,000	400,300	3,240,300
2035	2.90%	2,990,000	246,100	3,236,100
2036	3.06%	3,155,000	83,500	3,238,500
		<u>\$ 103,035,837</u>	<u>\$ 46,159,075</u>	<u>\$ 149,194,912</u>

CITY OF PAWTUCKET, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2012

Gross assessed value	\$	4,499,861,620
Less: exempt property		(162,513,959)
Total taxable assessed value	<u>\$</u>	<u>4,337,347,661</u>
Debt Limit - 3 percent of total assessed value	\$	130,120,430
<i>Amount of debt applicable to debt limit:</i>		
Total bonded debt		(38,685,014)
Legal debt margin	<u>\$</u>	<u>91,435,416</u>

SINGLE AUDIT SECTION

CITY OF PAWTUCKET

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grantor Pass-Through Grantor Program title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed through State of RI Department of Education			
National School Lunch Program *	10.555	N/A	\$ 2,752,659
National School Breakfast Program *	10.553	N/A	814,353
Fresh Fruit and Vegetable Program	10.582	N/A	259,675
ARRA Kitchen Equipment Stimulus	10.579	N/A	2,951
Emergency Watershed Protection Program	10.923	68-1535-11-07	290,653
Total U.S. Department of Agriculture			<u>4,120,291</u>
U.S. Department of Housing and Urban Development			
Direct Program			
Community Development Block Grant/Entitlements Grant	14.218	B-10-MC-44-0002	1,639,612
Emergency Shelter Grants Program	14.231	S-11-MC-44-0002	91,612
Homeless Prevention and Rapid Rehousing Program	14.257	S-09-MY-44-0002	220,375
Home Investment Partnerships Program *	14.239	M-10-MC-44-0200	881,963
Consolidated Appropriation Act	14.251		102,847
Total U.S. Department of Housing and Urban Development			<u>2,936,409</u>
U.S. Department of the Interior			
Passed through State of RI Department of Environmental management			
Save America's Treasures	15.929	Various	805
Total U.S. Department of the Interior			<u>805</u>
U.S. Department of Justice			
Direct Programs			
Recovery Act Edward Byrne Memorial Justice Assistance	16.804	2009-SB-B9-0396	42,918
COPS Hiring Recovery Program	16.710	2009-RKWX01732	486,252
Student Advancement and Protection initiative		2010-JL-FX-0497	2,056
Operation Community Commitment and Crisis intervention	16.738	2010-DJ-BX-1172	47,540
Total U.S. Department of Justice			<u>578,766</u>
U.S. Department of Transportation			
Passed through State of RI Department of Transportation			
NHTSA	20.600		48,143
Total U.S. Department of Transportation			<u>48,143</u>
U.S. Department of Energy			
Passed through State of RI Office of Energy Resources			
American Reinvestment and Recovery Act	81.128	EECBG ARRA 2010-12	20,708
Energy Efficiency and Conservation Block Grant	81.128	DE-SC0001994	378,069
Total U.S. Department of Energy			<u>398,777</u>

(CONTINUED)

CITY OF PAWTUCKET

**SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<i>Federal Grantor Pass-Through Grantor Program title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Grantor's Number</i>	<i>Expenditures</i>
U.S. Department of Education			
Passed through State of RI Department of Education			
Title I *	84.010A	2725-11702-201	4,913,017
School Improvement Grants - Title I *	84.010a	2725-11702-101	157,389
School Improvement Grants - Title I *	84.010a	2725-11702-201	312,182
Title I - ARRA *	84.389	4572-10102-001	98,204
Career and Technical Education -Basic Grants to States (Perkins)	84.048A	Various	141,728
Title IV - Drug Free Schools	84.186A	2725-12602-001	4,248
PL 94-142 IDEA Part B	84.027A	2725-13202-201	3,050,966
PL 94-142 IDEA Part B - ARRA	84.391	4572-10202-101	208,057
Preschool Section 619	84.173A	2725-13502-201	84,747
Preschool Section 619 - ARRA	84.392	4572-10802-101	22,460
Fund for the Improvement of Education	84.215K	U215K080240	30,026
Twenty-First Century Community Learning Centers	84.287C	2725-16602-various	754,948
E2T2 - Title II - D	84.318X	2725-12902-240	27,500
English Language Acquisitions Grants	84.365A	2725-16502-101	305,268
English Language Acquisitions Grants/Immigrant	84.365A	1420-54100-210	19,500
Title II - Improving Teacher Quality Grants	84.367A	2725-16402-201	1,155,513
ARRA E2T2 Training Consortium *	84.386	4572-12702-230	164,000
ARRA Race to the Top	84.395A	4572-13502-various	83,900
ARRA Educations Jobs Fund	84.410	4572-13102-101	42,526
Total U.S. Department of Education			<u>11,576,179</u>
U.S. Department of Health and Human Services			
Direct Programs			
Department of Elderly Affairs	93.044	2009-21201032-340	61,207
Total U.S. Department of Health and Human Services			<u>61,207</u>
U.S. Department of Homeland Security			
Passed through State of RI Emergency Management Agency			
State and Local Homeland Security Training Program	97.005	N/A	100
Hurricane Irene	97.036	4027 DR-RI	422,185
Buffer Zone Plan and Vulnerability Reduction Plan	97.078	26-103-FY09BZPPP	114,630
Total U.S. Department of Homeland Security			<u>536,915</u>
Total Expenditures of Federal Awards			<u>\$ 20,257,492</u>

* - denotes major program

(CONCLUDED)

CITY OF PAWTUCKET, RHODE ISLAND

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012**

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Pawtucket. All federal awards received from federal agencies are included on the Schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Determination of Major Programs

The determination of major federal awards programs was based upon the overall level of expenditures for all federal programs for the City of Pawtucket. As such, the threshold for determining Type A and Type B programs are defined as those with program expenditures greater than \$300,000 or 3 percent of total expenditures when the total expenditures are over \$10,000,000, or \$607,725. For the fiscal year ended June 30, 2012, the following program was considered to be major programs:

National School Lunch Program	10.555
National School Breakfast Program.....	10.553
Home Investment Partnerships Program.....	14.239
Title I	84.010
Title I - ARRA	84.389
E2T2 – Title II - D	84.318
ARRA E2T2 Training Consortium.....	84.386

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pawtucket, Rhode Island as of and for the year ended June 30, 2012, which collectively comprise The City of Pawtucket's basic financial statements and have issued our report thereon dated January 31, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

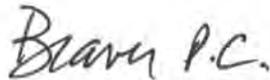
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pawtucket's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Beaver P.C." in a cursive style.

Providence, Rhode Island
January 31, 2013

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Pawtucket, Rhode Island's compliance with the types of compliance requirements described in the *U.S. OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Pawtucket, Rhode Island's major federal programs for the year ended June 30, 2012. The City of Pawtucket's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Pawtucket's management. Our responsibility is to express an opinion on the City of Pawtucket's compliance based on our audit.

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

In our opinion, City of Pawtucket complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

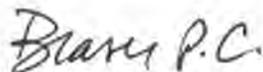
Internal Control Over Compliance

Management of the City of Pawtucket, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Pawtucket, Rhode Island's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMBC Circular A-133, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Pawtucket, Rhode Island's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Providence, Rhode Island
January 31, 2013

CITY OF PAWTUCKET, RHODE ISLAND

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDITOR'S RESULTS

1. The report of independent auditors expressed an unqualified opinion on the financial statements of the City of Pawtucket.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Report of Independent Auditors.
3. No instances of noncompliance material to the financial statements of the City of Pawtucket were disclosed during the audit.
4. No significant deficiencies in internal control over compliance with requirements applicable to major federal programs were identified.
5. The report of independent auditors on compliance for the major federal award programs for the City of Pawtucket expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program from the City of Pawtucket.

7. The program tested as the major programs include:

National School Lunch Program.....	10.555
National School Breakfast Program.....	10.553
Home Investment Partnerships Program.....	14.239
Title I.....	84.010
Title I - ARRA.....	84.389
E2T2 – Title II - D.....	84.318
ARRA E2T2 Training Consortium.....	84.386

8. The threshold for distinguishing Type A and B programs is described in Note 3 to the Schedule of Expenditures of Federal Awards.
9. The City of Pawtucket did not qualify as a low-risk auditee for the year ended June 30, 2012.

B. FINDINGS -- RELATED TO AUDIT OF FINANCIAL STATEMENTS

Current Year Findings:

None noted.

Prior Year Findings:

None noted.

CITY OF PAWTUCKET, RHODE ISLAND

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

C. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

Current Year Findings:

None noted.

Prior Year Findings:

2011-1: National School Lunch and Breakfast Applications

National School Lunch Program (CFDA # 10.555) & National School Breakfast Program (CFDA # 10.553)

Criteria: The Pawtucket School Department receives federal funding to assist students with providing free and reduced school lunch and breakfast. At the beginning of the school year, the Pawtucket School Department distributes applications to students who would like to apply for free or reduced food services. These applications are received and processed by the Pawtucket School Department various schools administration to determine which students are eligible to receive free or reduced lunch or breakfast. During our audit, we noted that one school selected for testing, Tolman High School, had discarded all of the fiscal year 2011 applications before we could test these applications for school lunch and breakfast eligibility.

Effect of Condition: The results of our testing identified that ineligible students may be receiving free or reduced school lunch and breakfast.

Condition: Because we could not review the applications for the students selected at Tolman High School, we were unable to determine if such students receiving free or reduced school lunch and breakfast were eligible for such services depending on income levels.

Recommendation: We recommend that the management of the Pawtucket School Department require all schools within the Department to keep all student applications who are receiving free or reduced school lunch or breakfast.

Status: Cleared during fiscal 2012.