(The following is not a verbatim transcript of comments or discussion that occurred during the meeting, but rather a summarization intended for general informational purposes. All motions and votes are the official records).

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, December 8, 2016, in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:30 P.M. by the Chair.

Present
Councilman Steven A. Stycos, Chair
Council Majority Leader Paul H. Archetto, Vice-Chair
Councilman Michael J Farina
Councilman Donald Botts, Jr. (left meeting at 6:55 p.m.)
Council President John E. Lanni, Jr.

Absent:
Council Vice-President Richard D. Santamaria, Jr.
Councilman Mario Aceto

Also Present:
Robert Coupe, Director of Administration/Acting Personnel Director
David Igliozzi, Assistant City Solicitor
Robert Strom, Director of Finance
Anthony Moretti, City Council Internal Auditor
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Farina, seconded by Council President Lanni, it was voted to dispense with the reading of the minutes of the last meeting and they stand approved as recorded. Motion passed unanimously.

CORRESPONDENCE:

OLD BUSINESS:

PUBLIC HEARINGS/NEW BUSINESS:

Council Majority Leader Archetto stated that since he does not have his eyeglasses, the print on the Abatement Lists is very small, he asked if he can abstain from voting on them. Councilman Farina stated that if he abstains, he will have to fill out an Ethics Commission form. Council Majority Leader Archetto stated that he will leave the room during the vote for those.

- **Real Estate Tax Abatements**

On motion by Councilman Farina, seconded by Council President Lanni, it was voted to recommend approval of the above list of Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Councilman Farina, seconded by Council President Lanni, it was voted to recommend approval of the above list of Tax Abatements. Motion passed unanimously.

- **Tax Assessment Board of Review Decisions as of December 31, 2015**

No action needed.

- **Tax Interest Waiver Approvals**

On motion by Councilman Farina, seconded by Council President Lanni, it was voted to recommend approval of the above list of Tax Interest Waiver Approvals. Motion passed unanimously.

- **Tax Interest Waiver Denials**

On motion by Councilman Farina, seconded by Council President Lanni, it was voted to recommend approval of the above list of Tax Interest Waiver Denials. Motion passed unanimously.

Audit Committee report

City Annual Fiscal Audit – Marcum LLP

Chair stated that the Audit Committee met two times, once last week and then again last evening and it voted to recommend to the Finance Committee and full City Council to approve the Audit. He stated that Audit Committee Member Sherry Ferdinandi was not present, but sent an email stating that the Audit should be approved. He also stated that the Committee decided that since the Audit is approximately 150 pages long, the best way to present this, rather than make copies, was to handout papers this evening that they felt was most important and the full Audit would be presented at the full City Council meeting.

Erica Olobri of Marcum LLP appeared to speak and give a presentation and referred to handouts of the presentation. She also addressed the draft of the Management Letter.

Mr. Moretti addressed pages 32, 34, 115 and 116 of the Audit, which Mr. Strom provided copies of.

Mr. Strom stated that as to the Management Letter, there were fourteen points last year and now it is down to eight. Of the eight, three are somewhat of material nature. The other five are things that can be corrected specifically with IT, which is personnel-related.

Councilman Stycos stated that the fourth quarter transfers were not acted on by the City Council. He asked, if they were acted on, would they have changed any of the numbers on page 15 of the Audit? Mr. Strom stated, yes, but he asked that everyone keep in mind that the actual numbers would still stay the same.

On motion by Councilman Farina, seconded by Council Majority Leader Archetto, it was voted to recommend approval of the Audit. Motion passed unanimously.

Mr. Strom stated that since this is going to the full City Council, he sked if the Council wishes to have representative from Marcum present to address the Audit that evening. Committee members present agreed that the Auditors were not needed. Mr. Strom stated that if there are any questions that the Council members have, they be forwarded to him and if he feels the Auditors are needed, he will have them attend the meeting.

Council Majority Leader Archetto asked Mr. Strom if any fourth quarter transfers were made. Mr. Strom stated, no, because the Council did not approve them.

1-16-01 **Ordinance ratifying School Committee's amendment of the Collective Bargaining Agreement with the National Association of Government Employees, Local RI-153 (Custodians 2014-2017 CBA Amendment).** Introduced pursuant to Charter Sec. 11.02.1.

On motion by Councilman Farina, seconded by Council Majority Leader Archetto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Joseph Balducci, Chief Financial Officer, School Department, appeared to speak and stated that the only opener to the contract was the wage discussion of 4% increase. There was no other change to the contract.

Council Majority Leader Archetto asked how much per hour more is the 4% increase. Mr. Balducci stated that it's approximately $1 and in some cases 50 cents increase.

No one appeared to oppose.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

Council Majority Leader Archetto thanked Mr. Moretti for his hard work in the last two years and he also thanked Chairman Stycos for serving as Chair of this Committee for the last two years.

The meeting adjourned at 8:00 P.M.

Respectfully submitted,

Rosalba Zanni

Rosalba Zanni
Assistant City Clerk/Clerk of Committees

U/Rosalba/FinanceMinutes/2016/_12_08

Marcum Presentation to the City of Cranston

December 8, 2016

MARCUM
ACCOUNTANTS ▲ ADVISORS

marcumllp.com

2016 Audit Report Opinion

Opinion

- In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cranston, Rhode Island, as of June 30, 2016, 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.

MARCUM
ACCOUNTANTS ▲ ADVISORS

2016 Financial Results – GAAP Basis

- City
  - Reporting a decrease in fund balance of approximately $2.3 million.
- School
  - Reporting an increase in fund balance of approximately $970,000.
- Other Governmental Funds
  - Reporting an increase in fund balance of approximately $3.4 million.

MARCUM
ACCOUNTANTS ▲ ADVISORS

Pension Information

- Pension Liabilities as of 6.30.16
  - Municipal Employees Retirement System – City – approximately $6.6 million
  - Municipal Employees Retirement System – Police – approximately $3.4 million
  - Municipal Employees Retirement System – Fire – pension asset of approximately $2.6 million
  - Employees Retirement System - approximately $209 million
  - Teachers' Survivors Benefit Plan – pension asset of approximately $14.9 million
  - Annual required contributions for all plans are made at 100% for the year.

MARCUM
ACCOUNTANTS ▲ ADVISORS

Management Letter - continued

- Other general comments
  - Information technology
  - Fraud Prevention

MARCUM
ACCOUNTANTS ▲ ADVISORS

To City Council Members
City of Cranston, Rhode Island

In planning and performing our audit of the 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 Cranston, Rhode Island as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Cranston, Rhode Island's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Cranston, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Cranston, Rhode Island's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiencies in the City of Cranston, Rhode Island's internal control to be material weaknesses:

Schedule of Expenditures of Federal Awards:

Management is responsible for the preparation of the Schedule of Expenditures of Federal Awards to be complete and accurate. During our single audit testing, it was noted that the schedule of expenditures of federal awards was not complete and accurate when we started to trace back the figures to the underlying records. Management was pulling figures from all different departments through emails and records of expenses. During this process, we had to go back to a few departments to get clarification on CFDA numbers and how the expenses related back to particular programs.

Recommendation:

We recommend that the City centralize the tracking of the Schedule of Expenditures of Federal Awards. We understand that the different departments are tracking their grants as they come in but this process needs to be summarized by someone in the accounting department. On a monthly basis, the accounting department should be requesting the totals of all federal funds expended by CFDA number, a copy of the grant award (noting the CFDA number) and what reimbursement requests were filed during that period. The accounting department should be able to reconcile this activity back to the general ledger activity for the respective department.

Management's Response:

With the change of personnel in the Finance Department, the City will have departments that apply for grants send copies of such, reimbursement requests and payments associated to each grant for reconciliation purposes. As of yet we have not determined who this person of contact shall be.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City of Cranston, Rhode Island's internal control to be significant deficiencies:

Complete General Ledger:

Governmental Accounting Standards Statement #34 requires governmental entities to prepare a government-wide financial statement utilizing the full accrual basis of accounting. Accordingly, the government-wide statements include all long-term debt obligations and capital assets of the governmental activities as well as those reported in the business-type activities. During our audit, we noted that the City of Cranston (including the School Department) does not have adequate policies or procedures in place for maintaining and updating these records.

Recommendation:

We recommend that the City update the general ledger accounting records to properly include balances and activity of long-term debt obligations, as well as capital asset balances and related depreciation expense. The City should conduct an evaluation of the existing accounting system and an analysis of projected needs for the future. This evaluation should focus on ensuring that the City's financial systems maximize the productivity of its accounting staff and meet the future needs of management.

We further recommend that the City shift from the excel spreadsheets to an integrated capital asset software system as noted below to track all capital assets at the time the purchase order is created and or the invoice is processed. Utilization of a fully integrated capital asset module should reduce the risk of understating capital asset acquisitions within a fiscal year. An integrated system would eliminate redundant processing; improve the City's access to information and reduce the risk of entering duplicate assets. Analysis and other reviews could be performed online by the appropriate levels of management based on real-time data entry. Additionally, integrated systems would allow security features to ensure that only authorized personnel would be allowed to enter, modify, or change data. Other approved users would have the ability to look up data but not to originate or change it.

We would be pleased to provide the City with more information about integrated capital asset software systems.

Management's Response:

The City's main focus continues to be on the presentation of the Fund Financial Statements. At some point in the future the City will focus on the Government Wide Financial Statements (GASB 34) if the school department's financial information is incorporated into the City's system. The City is in the process of upgrading the financial software that will eventually give us a fully integrated package that will eliminate the use of Excel spreadsheets and have the proper controls in place to mitigate any potential risk of fraud.

Reporting of Reimbursable Grants:

During our audit testing, we found several instances where the expenditures that are reimbursable by grant funds were being shown as a net transaction. This activity was discovered when we reviewed the police salary accounts.

Recommendation:

We recommend that the City properly post revenues and expenditures in separate accounts for these types of grants. Many of these grants are federal and should be tracked for the purposes of A-133 reporting.

Management's Response:

The City tries to ensure that all revenues and expenditures are recorded properly but in many instances grants are issued on a reimbursement basis after the budget has been adopted. Therefore there are no line items available to make expenditures from without distorting the adopted budget. Since most grants are now issued on a reimbursement basis we are of the opinion that the best way to show theses transaction is to record them on the balance sheet. When expenditure is made a receivable is established and when the corresponding reimbursement is received from the grantor it is used to offset the receivable.

This communication is intended solely for the information and use of management, Members of the City Council and School Committee, others within the organization, and the Office of the Auditor General of the State of Rhode Island, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Providence, Rhode Island
December xx, 2016

DRAFT

The following comments are other matters that we believe are opportunities for strengthening internal controls and operating efficiency

Information Technology:

New Hires

There is no clearly defined process for provisioning access. Communication to IT does not always occur in a timely manner. Access requests are made in person, over the phone, and over email. A checklist for HR including their responsibilities to communicate to IT in a timely manner and a distribution email list to IT from HR could mature the process.

Recommendation:

Effective procedures do not exist to ensure timely action for requesting user accounts. This is a risk to the availability of the data as users do not receive their access in a timely manner. This is also a risk to the integrity of the data as a lack of communication could lead to unauthorized access for new hires.

Management Response:

There is a need to create a HR Department going forward. Working with Human Resources to establish a definitive process to notify IT in conjunction with Department Heads as to new hires and access needed.

Terminations

There is no clearly defined process for removing access. Notification of terminated employees and requests to remove access are often not communicated to IT in a timely manner.

Recommendation:

Access to the financial application and its data are not appropriately restricted. Terminated employees may have unauthorized access to the system. Terminated employees may act maliciously posing a risk to the integrity of data on the system by introducing malware which could add, modify, or delete data. There could be a breach of confidentiality if an unauthorized user stole data off the network. This is also a risk to the availability of the system if an employee caused a disruption on the system. If the user's access to the network and AUC was not removed in a timely manner financial data could also be directly created, modified, or deleted.

Management Response:

There is a need to create a HR Department going forward. Working with Human Resources to establish immediate notification of employee's termination.

Backups

There are no offsite replications or offsite tape backups.

Recommendation:

If backups do not complete successfully and failures are not remediated in a timely manner there is a risk that data could be lost. IT should be notified of failed backups and ensure that they succeed as soon as the next day. Additionally, there are no backups being sent off site. This is a risk because if a disaster were to happen at the City of Cranston location then all of the data would be lost. Having the data in multiple locations significantly reduces the risk of complete data loss.

Management Response:

Disaster recovery, backups and offsite backups is nearly completed. Outside vendor and IT are working in conjunction with each other to complete this project in the second half of FY2017.

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The following comments are general recommendations for the City and School Department and are not based on any specific deficiencies noted during our audit of the financial records maintained by the City's Finance Department or the School Department

Fraud Prevention Program:

There have been a number of highly publicized cases in the past two years that have heightened the awareness of fraud within governments and public organizations. As a result, numerous studies have been undertaken to provide guidance aimed at helping to prevent and detect fraud. From one such study, the American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners has published a joint report encouraging organizations to take proactive steps to prevent and deter fraud. The Town currently does not have a proactive fraud prevention program. We believe that the cornerstone of an effective program is the development of a government-wide code of conduct.

Other components of a fraud prevention program may include telephone hotlines and internal audit functions, among other initiatives.

Financial fraud may involve the misstatement of financial statements or the misappropriation of assets. Misstated financial statements contain intentional concealment or distortion of facts by management. Misappropriation of assets can be accomplished by one or several individuals, including management. Misappropriation of assets can also be accomplished by people inside and outside of the Town. Some examples of asset misappropriation include internal embezzlement, theft of assets, conflict of interest schemes involving vendors, bribery and corruption schemes, and false billing schemes. While fraudulent activities are not always material to the financial statements individually, over time the activities can result in substantial losses to an entity.

Recommendation:

While we are not aware of any instances of fraudulent activities, we recommend the City establish a written code of conduct as the first component of its fraud prevention activities. A comprehensive, written code of conduct can be an effective tool to communicate and create a culture of honesty and high ethical behavior, while making individuals aware of the likelihood of the detection and punishment of any undesirable conduct.

Management's Response:

For the past several years the personnel department has been working on a personnel manual which was to incorporate a code of conduct into the document. The document is still a work in progress and will incorporate an appropriate code of conduct section before distribution.

The following comments are general recommendations for the City and School Department and are not based on any specific deficiencies noted during our audit of the financial records maintained by the City's Finance Department or the School Department (Continued)

Reporting Mechanisms for Fraud, Abuse, and Misconduct:

During our audit, we noted that the City's practices do not include any formal or well communicated mechanisms for employees to report suspected fraud or abuse. In the Association of Fraud Examiners latest "Report to the Nation on Occupational Fraud and Abuse," the most frequently cited method of fraud detection was employee tips, which accounted for roughly 40% of all cases studied.

Recommendation:

We recommend that management consider the establishment, and communication of, reporting mechanisms for fraud, abuse and misconduct. Internal reporting channels, such as manager open-door policies, employee surveys, and electronic intranet or e-mail procedures, have been found to be effective. External hotline services have been found to perform better for anonymous tips and certain other types of suspected misconduct, such as harassment.

Management's Response:

The City will consider establishing a mechanism for employees/residents to report fraud. When considering the different options available, the City will recognize the recommendations cited in the "Report to the Nation on Occupational Fraud and Abuse".

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CITY OF CRANSTON, RHODE ISLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	GENERAL FUND	SCHOOL DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash	$ 26,037,481	$ 854	$ 10,088,283	$ 36,126,618
Receivables:				
Property taxes, net	189,906,697			189,906,697
Intergovernmental	7,269,172		6,527,186	13,796,358
Loans			3,168,993	3,168,993
Other	1,546	1,837,653	248,870	2,088,069
Prepaids		147,689	8,913	156,602
Advance deposits - hospitalization	207,000			207,000
Due from City of Cranston		3,475,974	-	3,475,974
Advances to School Department				-
Due from other funds	476,549	4,824,229	97,806	5,398,584
TOTAL ASSETS	$ 223,898,445	$ 10,286,399	$ 20,140,051	$ 254,324,895
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	$ 2,500,884	$ 4,177,313	$ 1,780,605	$ 8,458,802
Accrued payroll	2,929,[illegible]	-	9,846	2,939,710
Accrued liabilities	51,747		3,358	55,105
Retainage payable			121,422	121,422
Due to other funds	3,499,273	-	2,070,255	5,569,528
Unearned revenue	4,892,570		4,168,316	9,060,886
Claims payable	413,665			413,665
Other liabilities	-		-	-
Due to School Department	-		-	-
Advances from City		-		-
TOTAL LIABILITIES	14,288,003	4,177,313	8,153,802	26,619,118
DEFERRED INFLOWS:				
Unavailable revenue	188,864,464			188,864,464
TOTAL LIABILITIES AND DEFERRED INFLOWS	203,152,467	4,177,313	8,153,802	215,483,582
FUND BALANCES:				
Nonspendable	207,000	3,908,238	-	4,115,238
Restricted	275,374	306,328	12,066,995	12,648,697
Committed	42,892	1,894,520	5,571	1,942,983
Assigned	-		-	-
Unassigned	20,220,712	-	(86,317)	20,134,395
TOTAL FUND BALANCES	20,745,978	6,109,086	11,986,249	38,841,313
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 223,898,445	$ 10,286,399	$ 20,140,051	$ 254,324,895

DRAFT-FOR DISCUSSION PURPOSES ONLY

(Continued)

The notes to the financial statements are an integral part of this statement

EXHIBIT D

CITY OF CRANSTON, RHODE ISLAND

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

	GENERAL FUND	SCHOOL DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
General property taxes	$ 184,814,710			$ 184,814,710
Intergovernmental	13,525,262	$ 51,540,802	$ 11,175,241	76,241,305
Charges for services	13,649,647	969,752	1,877,384	16,496,783
Investment income	120,578		370,877	491,455
State on-behalf pension contributions		6,859,907		6,859,907
Other	1,408,351	824,941	214,788	2,448,080
TOTAL REVENUES	213,518,548	60,195,402	13,638,290	287,352,240
EXPENDITURES:				
Current:				
General government	9,191,832		740,756	9,932,588
Public safety	79,353,384		1,545,848	80,899,232
Public works	15,555,096			15,555,096
Education		151,334,752	9,163,282	160,498,034
Parks and recreation	3,484,198		2,606	3,486,804
Public libraries	3,171,735		102,263	3,273,998
Senior services	2,786,823		121,222	2,908,045
Community development			1,724,439	1,724,439
Other	184,049			184,049
Debt Service:				
Principal	7,020,000			7,020,000
Interest and other costs	2,951,895		493,478	3,445,373
Capital Outlay:				
Capital expenditures			12,091,531	12,091,531
TOTAL EXPENDITURES	123,699,012	151,334,752	25,985,425	301,019,189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	89,819,536	(91,139,350)	(12,347,135)	(13,666,949)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	91,682,652	-	91,682,652
Transfers out for middle school sports	(426,723)	426,723		-
Transfers out	(91,700,541)		-	(91,700,541)
NET OTHER FINANCING SOURCES (USES)	(92,127,264)	92,109,375	15,745,543	15,727,654
NET CHANGE IN FUND BALANCES	(2,307,728)	970,025	3,398,408	2,060,705
FUND BALANCES - JULY 1, 2015	23,053,706	5,139,061	8,587,841	36,780,608
FUND BALANCES - JUNE 30, 2016	$ 20,745,978	$ 6,109,086	$ 11,986,249	$ 38,841,313

DRAFT-FOR DISCUSSION PURPOSES ONLY

The notes to the financial statements are an integral part of this statement

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE / (UNFAVORABLE)
REVENUES:				
General property taxes	$ 184,313,794	$ 184,313,794	$ 184,814,710	$ 500,916
Intergovernmental	15,837,979	15,837,979	13,375,262	(2,462,717)
Charges for Services:				
Licenses and permits	3,069,286	3,069,286	3,000,261	(69,025)
Fines and forfeitures	1,675,000	1,675,000	1,511,019	(163,981)
Departmental	7,161,672	7,161,672	8,200,078	1,038,406
Investment income	75,000	75,000	116,870	41,870
Education	52,998,677	52,866,399	52,866,399	-
Other	2,171,450	2,171,450	1,336,915	(834,535)
TOTAL REVENUES	267,302,858	267,170,580	265,221,514	(1,949,066)
EXPENDITURES:				
Current:				
Executive	533,521	533,521	512,361	21,160
City Council	283,468	283,468	229,610	53,858
Law	480,500	480,500	697,974	(217,474)
Personnel	50,600	50,600	53,608	(3,008)
City Clerk	1,170,626	1,170,626	1,161,637	8,989
Probate Court	19,339	19,339	19,334	5
Municipal Court	236,197	236,197	312,503	(76,306)
Board of Canvassers	230,461	230,461	219,602	10,859
City Planning	1,265,400	1,265,400	410,788	854,612
Economic Development	173,896	173,896	156,432	17,464
Inspections	915,474	915,474	892,514	22,960
Finance	4,369,709	4,369,709	4,275,469	94,240
Fire	30,149,941	30,149,941	29,037,547	1,112,394
Rescue Fund	2,173,000	2,173,000	1,234,833	938,167
Police	21,301,755	21,301,755	22,558,069	(1,256,314)
Long-Term Debt	24,946,920	24,946,920	24,946,920	-
Public works	15,168,618	15,168,618	15,555,096	(386,478)
Parks and recreation	2,369,899	2,369,899	2,518,976	(149,077)
Public libraries	3,150,510	3,150,510	3,150,510	-
Senior services	3,021,001	3,021,001	2,786,823	234,178
Municipal Debt	10,384,735	10,384,735	9,971,826	412,909
Education	144,681,329	144,549,051	144,549,051	-
Community Grants	156,000	156,000	156,000	-
Boards and Commissions	19,189	19,189	17,782	1,407
Harbor Master	5,770	5,770	10,267	(4,497)
Transfers to Other Funds	-	-	17,889	(17,889)
TOTAL EXPENDITURES	267,257,858	267,125,580	265,453,421	1,672,159
EXCESS (DEFICIENCY) OF BUDGETED REVENUES OVER EXPENDITURE	45,000	45,000	(231,907)	(276,907)
NET CHANGE IN FUND BALANCE	$ 45,000	$ 45,000	(231,907)	$ (276,907)
FUND BALANCE - JULY 1, 2015			20,367,796	
FUND BALANCE - JUNE 30, 2016			$ 20,135,889	

DRAFT-FOR DISCUSSION PURPOSES ONLY

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND - SCHOOL UNRESTRICTED
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	FAVORABLE / (UNFAVORABLE)
REVENUES:				
State aid	$ 50,237,971	$ 50,092,808	$ 50,092,808	$ -
Federal through State	1,200,000	1,200,000	1,447,994	247,994
Tuition	1,120,000	1,120,000	917,327	(202,673)
Miscellaneous	879,314	879,314	893,687	14,373
TOTAL REVENUES	53,437,285	53,292,122	53,351,816	59,694
EXPENDITURES:				
Salaries	89,352,015	88,416,922	88,596,847	(179,925)
Employee benefits	34,524,445	34,721,590	32,835,414	1,886,176
Purchased services	15,695,683	15,402,133	15,705,393	(303,260)
Supplies and materials	4,430,967	4,431,543	4,523,730	(92,187)
Capital outlay	1,639,376	1,939,376	2,464,601	(525,225)
Other	(522,549)	63,210	74,217	(11,007)
TOTAL EXPENDITURES	145,119,937	144,974,774	144,200,202	774,572
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(91,682,652)	(91,682,652)	(90,848,386)	834,266
OTHER FINANCING SOURCES:				
Transfers in City of Cranston	91,682,652	91,682,652	91,682,652	-
Transfers out to capital reserve			(500,000)	(500,000)
	91,682,652	91,682,652	91,182,652	(500,000)
NET CHANGE IN FUND BALANCE	$ -	$ -	334,266	$ 334,266
FUND BALANCE - JULY 1, 2015				
FUND BALANCE - JUNE 30, 2016			$ 334,266	

DRAFT-FOR DISCUSSION PURPOSES ONLY

City of Cranston
Trial Balance-General Fund
As of June 30, 2016

	101 General	102 Budget Stabilization	103 Hospital Stabilization	104 Snow and Ice Insurance	105 Public Facilities Mngmt. Foundt.	106 Juvenile Hearing Board	107 Library Reserve	380 Ice Rink	402 Fire Grants Donations	12/8/2016 10:04 Total	Per Audit	
ASSETS												
Cash	$ 11,365,783	$ 39,268	$ 856,722	$ 269,904	$ 15,687	$ 6,232	$ 80,792	$ 77,062	$ 44,240	12,755,690		
Investments	12,664,889		616,902							13,281,791		
Taxes Receivable	189,906,697									189,906,697		
Accounts Receivable	1,546									1,546		
Prepaid expenses	-									-		
Advanced deposit hospitalization	207,000									207,000		
Due from governments	7,266,657						-	2,515		7,269,172		
Due from other funds	1,446,549	-	$ -					-	150,000	1,596,549		
TOTAL	$ 222,859,121	$ 39,268	$ 1,473,624	$ 269,904	$ 15,687	$ 6,232	$ 80,792	$ 79,577	$ 194,240	225,018,445		
LIABILITIES												
Accounts Payable	$ 1,472,510						14,200	44,989	-	1,531,699		
Accrued Payroll	2,927,373							2,491		2,929,864		
Accrued liabilities	465,412									465,412		
Deferred Revenue	193,755,484							1,550		193,757,034		
Due to other funds	4,102,453	$ -	$ 1,470,000				2,493	13,512		5,588,458		
Notes Payable										-		
Other liabilities	-									-		
TOTAL	$ 202,723,232	$ -	$ 1,470,000	$ -	$ -	$ -	$ 16,693	$ 62,542	$ -	$ 204,272,467		
FUND BALANCE												
Balance at Beginning of Year												
Nonspendable	207,000									207,000	207,000	-
Restricted							85,213	43,788	150,039	279,040	279,040	-
Commited		716,060	1,399,571							2,115,631	2,115,631	-
Assigned										-	0	-
Unassigned	20,160,796			269,364	15,655	6,220				20,452,035	20,452,035	-
	20,367,796	716,060	1,399,571	269,364	15,655	6,220	85,213	43,788	150,039	23,053,706	23,053,706	-
NET INCOME	(231,907)	(676,792)	(1,395,947)	540	32	12	(21,114)	(26,753)	44,201	(2,307,728)		
Encumbrances										-		
Balance at End of Year												
Nonspendable	$ 207,000									207,000		
Restricted							$ 64,099	17,035	194,240	275,374		
Commited		$ 39,268	$ 3,624							42,892		
Assigned										-		
Unassigned	19,928,889			$ 269,904	$ 15,687	$ 6,232				20,220,712		
TOTAL	$ 20,135,889	$ 39,268	$ 3,624	$ 269,904	$ 15,687	$ 6,232	$ 64,099	$ 17,035	$ 194,240	$ 20,745,978		
Test	-	-	-	-	-	-	-	-	-	-		
TOTAL LIABILITIES and FUND BAL	222,859,121	39,268	1,473,624	269,904	15,687	6,232	80,792	79,577	194,240	225,018,445		
Test	-	-	-	-	-	-	-	-	-	-		

City of Cranston
Statement of Revenues and Expenditures-General Fund
As of June 30, 2016

REVENUE	101 General	102 Budget Stabilization	103 Hospital Stabilization	104 Snow and Ice Insurance	105 Public Facilities Mngmt Foundt	106 Juvenile Hearing Board	107 Library Reserve	380 Ice Rink	402 Fire Grants Donations	Total
Taxes	$ 184,814,710									184,814,710
Intergovernmental	13,375,262						-		150,000	13,525,262
Licenses and Permits	3,000,261									3,000,261
Fines	1,511,019									1,511,019
Interest	116,870		$ 2,617	$ 540	$ 32	$ 12	111	$ 180	$ 216	120,578
Education	52,866,399									52,866,399
Other	1,336,915		71,436				-			1,408,351
Departmental	8,200,078							938,289		9,138,367
TOTAL	$ 265,221,514	$ -	$ 74,053	$ 540	$ 32	$ 12	$ 111	$ 938,469	$ 150,216	$ 266,384,947
EXPENDITURES										
General Government	$ 8,941,832	$ 250,000								9,191,832
Public Safety	77,777,369		1,470,000						106,015	79,353,384
Public Works	15,555,096									15,555,096
Parks and Rec	2,518,976							965,222		3,484,198
Libraries	3,150,510						21,225			3,171,735
Education	144,549,051	426,723								144,975,774
Senior Services	2,786,823									2,786,823
Other	184,049									184,049
Debt Service										-
Principal	7,020,000									7,020,000
Interest	2,951,826	69								2,951,895
TOTAL	$ 265,435,532	$ 676,792	$ 1,470,000	$ -	$ -	$ -	$ 21,225	$ 965,222	$ 106,015	$ 268,674,786
NET INCOME	(214,018)	(676,792)	(1,395,947)	540	32	12	(21,114)	(26,753)	44,201	(2,289,839)
PROCEEDS FROM LEASING										-
TRANSFERS IN	-	-								-
TRANSFERS OUT	(17,889)									(17,889)
INC/DEC IN EQUITY	(231,907)	(676,792)	(1,395,947)	540	32	12	(21,114)	(26,753)	44,201	(2,307,728)
Encumbrances	-	-	-	-	-	-	-	-	-	-
P/Y Equity	20,367,796	716,060	1,399,571	269,364	15,655	6,220	85,213	43,788	150,039	23,053,706
Equity	20,135,889	$ 39,268	$ 3,624	$ 269,904	$ 15,687	6,232	64,099	17,035	194,240	20,745,978
Test	-	-	-	-	-	-	-	-	-	-

(17,889)		-
(17,889)	School	1,573,181 27
	PFMF	25,661 64
		1,598,842 91
		(17,889)
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