

**ANNUALIZED BUDGET SUMMARY**

The Budget for 2005-2006 totals \$127,935,195. The proposed budget, by fund, including a comparison with prior years, is presented in the following chart:

<b>FUND</b>	<b>ACTUAL 2003-2004</b>	<b>BUDGET 2004-2005</b>	<b>PROJECTED 2004-2005</b>	<b>PROPOSED 2005-2006</b>
General	40,135,768	42,679,251	42,584,900	46,655,861
School	62,335,275	63,852,177	63,852,177	66,640,918
Water	4,891,152	5,460,902	5,607,509	6,787,619
Wastewater	5,909,666	5,378,300	5,339,920	5,714,504
Debt Service Fund	2,346,740	2,264,716	2,264,716	2,076,293
Contingency	53,360	25,000	20,100	60,000
<b>TOTALS</b>	<b>115,671,961</b>	<b>119,660,346</b>	<b>119,669,322</b>	<b>127,935,195</b>

This budget has been developed to be financed with a tax rate of:

	Rate	Increase	%Change
Residential Real Estate	17.00	.81	5.00%
Commercial Real Estate	21.63	1.03	5.00%
Tangible	49.86	2.37	5.00%
Automobile	37.10	-0-	-0-
Retail & Wholesale Inventory	7.73	(3.86)	(33.28%)

The proposed tax rate is based on the projected assessed valuation of:

		Increase/Decrease
Residential Real Estate	\$2,412,000,000	10.0M
Commercial Real Estate	852,000,000	10.0M
Automobiles	139,500,000	(17.0M)
Tangibles	208,000,000	2.0M
Retail & Wholesale	52,000,000	-0-

The 2005 tax levy provided for funds raised by that levy in the amount of \$72,631,400

The proposed City General Fund, including the Contingency Fund that is subsidized by the property tax levy will reflect an increase of \$4,011,610. The proposed recommended School Budget calls for an increase of \$2,788,741. The total increase to the General Fund is therefore \$6,800,351.

The projected year end surplus, which becomes the beginning balance in each year's budget is described in the chart below. The balance, or surplus, that the City is anticipating to be applied to the General Fund for the year is \$5,283,129. The main components of this are as follows:

**PRIOR YEAR**

Actual (Per Audit & Adjustments).....	4,933,452
Budget Estimate (Used).....	(4,742,043)
.....	191,409

**REVENUE - TAXES**

2004-05 Revised Budget Estimate.....	69,738,334
2004-05 Original Budget Estimate.....	(65,909,100)
.....	3,829,234

Revenue for delinquent taxes (Charter Requirement).....	237,298
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**OTHER REVENUE**

2004-05 Revised Budget Estimate.....	11,830,310
2004-05 Original Budget Estimate.....	(10,805,172)
.....	1,025,188

ESTIMATED SURPLUS NOVEMBER 1, 2005 \$5,283,129

This estimated surplus does not reflect the reserves set up by our auditors during fiscal year 2004 to cover the deficit in the School funds.

It is the City's position that the School deficit should be reflected in the School Department's budget and financial statements.

**SCHOOL DEPARTMENT**

The School Department has submitted a budget request of \$68,109,315 an increase of \$4,275,903 or 6.70% over last year's approved budget. It seeks an increased allocation from the City of \$3,686,162 or 10.10% above last year's allocation.

The budget request, as forwarded by the School Committee, is presented here. However, as previously noted, it is not recommended for approval in it's entirety.

**2005-2006 GENERAL FUND REVENUE STATEMENT**

The General Fund is the accounting entity used to account for, and to finance, all City departments and programs other than School, Water, Debt Service, Wastewater and the Contingency Fund. The property tax revenues are all taken into the General Fund and transfers are then made from the General Fund to meet the tax revenue requirements of the School, Debt Service and Contingency Funds.

The Water Division and Wastewater Division are self-supporting enterprise "funds" with their own independent source of revenue from which all expenditures are made and is therefore included as a separate section of this budget document in keeping with the City Charter.

Estimated receipts of the General Fund are found on pages 27 through 31. As previously noted the Tax Assessor has estimated that the Real Estate assessed valuation will increase by approximately \$20,000,000 as of the assessment date of December 31, 2005. The new estimated valuation is the result of an anticipation of an increase in real estate values. The decrease of automobile values is due to the increase of the exemptions granted on motor vehicles via the state mandated phase out. Applying a rate of 17.00/21.63/37.10/49.86/7.73 per \$1,000 valuation, the City will realize property tax revenue of \$75,551,000. This would be reduced by \$100,000 to allow for abatements, refunds, etc. and provide for an additional \$1,314,500 to allow for a 3% cash discount to be taken by an estimated 58% of the taxpayers on July 1, 2006 payment date.

Two quarters collection of the proposed levy mentioned above can be anticipated. Estimating this at 76.0% of the total amount, \$57,417,000 should be received in fiscal 2005-2006. The last two quarters collection of 2005 will be received in 2006. This amount is estimated at \$10,500,000 after provision for tax delinquencies.

Collection of delinquent taxes for the year 2004 is estimated at \$1,200,000. Interest on delinquent taxes is estimated at \$435,000.

A cash reserve has been provided for the 2003 delinquencies in the amount of \$198,000 as required by the City Charter. Total property tax receipts estimated for the coming fiscal year will provide \$69,354,000.

Non-property tax revenue - An increase of \$1,599,903 projected receipts is estimated from this source of revenue for fiscal year 2005-2006.

Transfer to School Fund, and Contingency Fund - The total estimated receipts of all funds from all sources is \$87,042,154. The transfer to the Contingency Fund amounts to \$60,000. The transfer to the School Department is \$38,200,000 and \$500,000 for deficit reduction. The Debt Service account, for School dept service is \$2,076,293.

Net revenue for General Fund purposes - After transfers mentioned above, the total amount of estimated revenues made available to the City Government from all sources will be \$46,655,861.

EAST PROVIDENCE SCHOOL DEPARTMENT

BUDGET SUMMARY

TO BE

INSERTED AT A LATER DATE