

CITY OF CRANSTON, RHODE ISLAND

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**



FISCAL YEAR ENDED JUNE 30, 2020

**PREPARED BY:
DEPARTMENT OF FINANCE**

**ROBERT F. STROM
FINANCE DIRECTOR**

CITY OF CRANSTON, RHODE ISLAND
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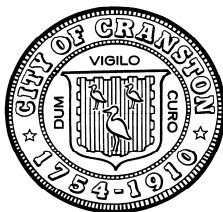
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Introductory Section

Allan W. Fung
MAYOR



Robert F. Strom
FINANCE DIRECTOR

Department of Finance
869 Park Avenue
Cranston, RI 02910-2738
(401) 461-1000

December 29, 2020

Honorable Mayor Allan W. Fung
and Members of the Cranston City Council
Cranston, Rhode Island

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Cranston, Rhode Island for the year ended June 30, 2020. The report includes the independent auditors' report as required by Rhode Island Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. The City maintains four governmental funds that are annually appropriated. They are the two major funds (General Fund and the School Unrestricted Fund) and two others that are part of Other Governmental Funds (Community Development Block Grant and WIA Job Development). Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Blum Shapiro & Company P.C., a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Rhode Island, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cranston, Rhode Island for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cranston's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A complement this letter of transmittal and should be read in conjunction with it. MD&A immediately follows the independent auditors' report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued document.

PROFILE OF THE CITY OF CRANSTON

The City was established as a City in 1754 and incorporated as a City in 1910. With a population of 81,479 as determined by the Rhode Island Economic Development Corporation, the City is the second most populous municipality in the State of Rhode Island (the "State"). Primarily a residential community, the City contains many fine developments.

The City operates under a home rule charter adopted in 1962 (the "Charter"), providing for a mayor/council form of government with a nine-member City Council headed by a Council President. The Charter vests all legislative powers of the City in the City Council, including the ordering of any tax, the making of appropriations and the transacting of any other business pertaining to the financial affairs of the City.

Cranston is located immediately south of Rhode Island's Capitol. The City covers an area of almost 30 square miles, stretching from Narragansett Bay in the east to the Town of Scituate in the west. It is bordered on the north by Providence and Johnston and on the south by Warwick, West Warwick and Coventry.

The two main arteries that pass through the City are Routes 1-95 and 1-295. These interstate multi-lane highways run north-south through the City. They provide direct access to Providence and other major cities such as Boston (45 minutes north) and New York (3.5 hours south). Most of Rhode Island's hundreds of miles of scenic coastline are within a half-hour's drive. The City is also just minutes away from the State's T.F. Green Airport located in the City of Warwick.

Howard Industrial Park, located at the interchange of Interstate Route 95 and State Route 37, was the City's major economic development success story of the 1970s and 1980s. This location is home to 38 companies with a workforce of more than 3,000. Premiere national and international companies like Ross Simons and Swarovski help to identify this area as one of the premier industrial parks in the State.

Cranston has one of the best educational systems in the state. It has well-maintained housing, modern recreational facilities and active civic organizations. Its reputation as a comfortable, prosperous city makes it one of the most attractive areas in New England for both commercial and residential settlement.

LOCAL ECONOMY

Population

Ranked second in population among the 39 cities and towns in the State in 2010, the City experienced a 1.4% increase in population from 2000 to 2010.

LONG-TERM FINANCIAL PLANNING

The City of Cranston places a high priority on economic development initiatives in order to solicit and secure new business as well as give continual support to the improvement of the City's present business community, improving the City's tax base and the employment opportunities for Cranston residents. The City has successfully implemented aggressive business recruitment and expansion programs and has reinvested in its urban business corridors. Through a variety of forward thinking legislative initiatives, the city offers investment incentives to increase the financial viability of the City's new and existing development areas. In 2015 the City has passed two new industrial tax incentives for industrial properties. A business expanding or buying a new building spending \$12,000,000.00 to \$20,000,000.00 will be eligible for a phase in 15 year tax incentive on their improvements. In addition, a business expanding or buying a new building spending over \$20,000,000.00 will be eligible for a phase in 20 year tax incentive on their improvements.

The City has a commitment to the economic development of all of its available areas and strives to achieve a balance between appropriate land use and bringing higher quality jobs and living standards to its residents. With the assistance of the Department of Economic Development, the City has been a leader in bringing industrial and commercial development to its numerous sites over the past decade. Convenient highway access, ample water and sewer services, and a tradition of excellent municipal services combine to provide the type of environment that the business community seeks when considering expansion or relocation.

Industrial Park

The Western Cranston Industrial Area – Currently, this is not only Cranston's but one of the State of Rhode Island's fastest developing industrial parks, located centrally in the State at the interchange of Interstate 295 and Route 14. This area continues to develop as one of the most important parts of the City's industrial tax base. National recognized companies like Penske, Cadence Science, Con-Way Trucking, Electro Standards, MPC Corp, Design Fabricators, Jewelry Concepts, TASCAs Automotive Parts Warehouse and Bay State Florist are just a few of the industrial tenants that have been attracted to this ever growing industrial area.

Garden City Center

Garden City Center, Rhode Island's premiere outdoor shopping venue has been a shopping destination of choice for five generations. The Center opened in 1948 and was the first suburban shopping center in the state with 500,000 square feet of retail and office space. Its well-manicured landscapes and enhanced gardens frame the architecturally unique shops and restaurants. The Center has national retailers such as LL Bean, Fat Face, Pottery Barn, Crate & Barrel, J Crew, LA Fitness, New Balance, Banana Republic's new concept store, William Sonoma, Ann Taylor Co, Chico's, Talbots, The Container Store, GAP and Athleta, Anthropologie, Soma-Intimates, The Loft, Mel and Me, Clarkes Shoes, L'Occitane, Sephora, White House/Black Market, and Anthony's Cole Fired Pizza. The Center also has regional and local retailers and restaurants such as Providence Diamond Company, Applebee's, Barrington Books, Edible Arrangements, Ethan Allan Design Center, Bistro 22, Starbucks, B. Goode, Pinkberry, Legal Seafood, Tavern in the Square, Tropical Smoothie, and Whole Foods Market.

Chapel View Shopping Center

Chapel View is directly across from Garden City in the heart of Cranston and provides an upscale mixed-use shopping center. Chapel View is coupled with many quality stores that complement its next door neighbor. Chapel View sits on the former site of the State's Youth Training and Reform School. The developers have used a number of former historic structures, all over one hundred years old, to develop a European Village atmosphere that encompasses upscale condominiums, office space and retail components. Current tenants include First Comp, which is a division of Markel Insurance Company, Recreational Equipment Inc. (REI), Residential Mortgage Services, the Champlain Foundation, Staples, the Chapel Grille, Panera Bread, Massage Envy, Bling Eyewear,

Shaw's Supermarket, T.J. Maxx, Koch Eye Associates, Kestra Financial, Holland and Night, and Omaha Steaks. Topgolf, the hot trending sports entertainment center, has signed a 20-year lease and is currently in the planning process to open its first location in Rhode Island in 2021. Topgolf features fun and competitive golf games for all ages with climate-controlled playing bays for year-round comfort and an impressive food and drink menu.

Chapel View and Garden City establish this central area of Cranston as one of the leading shopping and entertainment centers of not only the State but also the Southeastern New England region.

Recent Development Initiatives

Garden City has announced the opening of two additional restaurants and three commercial businesses: Chaska comes from the restaurant group associated with Kabob and Curry as well as Rasoi and Rasa; Asia Grille will be expanding from its Northern Rhode Island location to provide customers with excellent Chinese cuisine; Modern Acupuncture is an approachable, natural pathway, validated by thousands of years of practice, to better health and well-being; Surface Home Designs offers home design products: Whether shopping for a single window covering or redecorating your entire house, they have the knowledge and expertise to help you put it all together; and Swarovski a fine-crystal maker opened its third location in the State.

The former Citizens Bank Building on Sockanosett Cross Road has been refitted for a Covid-19 Hospital to handle overflow patients. The State's lease of the building will expire on June 30, 2021.

Chapel View has announced the opening of two additional businesses. Green Development relocated their corporate headquarters occupying 22,416 square feet at the former Alex and Ani site; and Hilb Insurance Group relocated their offices to Cranston occupying 20,000 square feet.

Centerville Bank announced they will open a new branch on Rolfe Street in the former Citizens Bank Location.

Mini Storage is building a 41,200 square foot storage facility at 1500 Elmwood Avenue.

Macera Group relocated their restaurant operations to Reservoir Avenue.

2700 Plainfield Pike was purchased by Equity Industrial Partners. Pyramid Transport and Cold Storage is a leading provider of temperature-controlled freight, logistics, and storage and is occupying 66% of the building.

Ocean State Job Lot opened on Atwood Avenue along with a UPS Store replacing Benny's, a Rhode Island landmark that went out of business.

Dollar Tree opened a new location at a former Benny's site on Park Avenue.

Garfield Plaza, former site of Kmart has been redeveloped into three locations. Burlington Coat factory is occupying a major portion of the building, Edge Fitness redeveloped the former garden center and the 3rd store is yet to be determined.

Chase Bank has chosen Cranston for two new state of the art sites; the corners of Pontiac Avenue and Sockanosett Cross Road; and the corners of Phenix and Atwood Avenues.

Navigant Bank is redeveloping the former Burger King site on Phenix Avenue for their first Cranston Location.

Cranston Collision expanded their paint operation into a new 6,000 square foot building on their existing site.

Laplante, Sowa and Goldman relocated from Providence to 78 Kenwood Street.

Little Learners Academy opened and expanded to occupy the entire front building at 950 Phenix Avenue.

El Tapatio Mexican Restaurant opened at the former Scramblers on Reservoir Avenue.

Tony and Guy Hairdressing Academy relocated to the former Walgreens on Oaklawn Avenue.

Baja's Restaurant, a local, Family-Owned Restaurant Group offering fresh-made Mexican dishes made from local ingredients, is located in the Dunkin Donuts plaza on Reservoir Avenue.

The former Mardi Gras site on Atwood Avenue is being redeveloped into two buildings. A 20,000 square feet building for a liquor store and a potential new bank with drive thru.

Revolving Loan Fund

The Revolving Loan Fund (“RLF”) is a fixed asset loan program that was established with Federal and matching City Funds approximately 25 years ago. The City’s RLF program offers low interest loans to new as well as expanding businesses located in the City of Cranston.

In addition, the RFL fund provides gap financing for companies seeking to purchase equipment, finance renovations, job training and working capital.

The fund has distributed over \$4 million to companies that have located or expanded. The loans have leveraged over \$26 million in additional investments.

- Over 18,000 jobs have been created or retained as a result of the program.
- The loan portfolio has an average loan amount of \$110,000.
- Seventy percent of the loans have been made to companies with 25 or fewer employees.
- There are 13 current loans in the portfolio.

The City recently completed an update to the Revolving Loan Five Year Plan to ensure we continue helping businesses for years to come.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cranston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019; In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

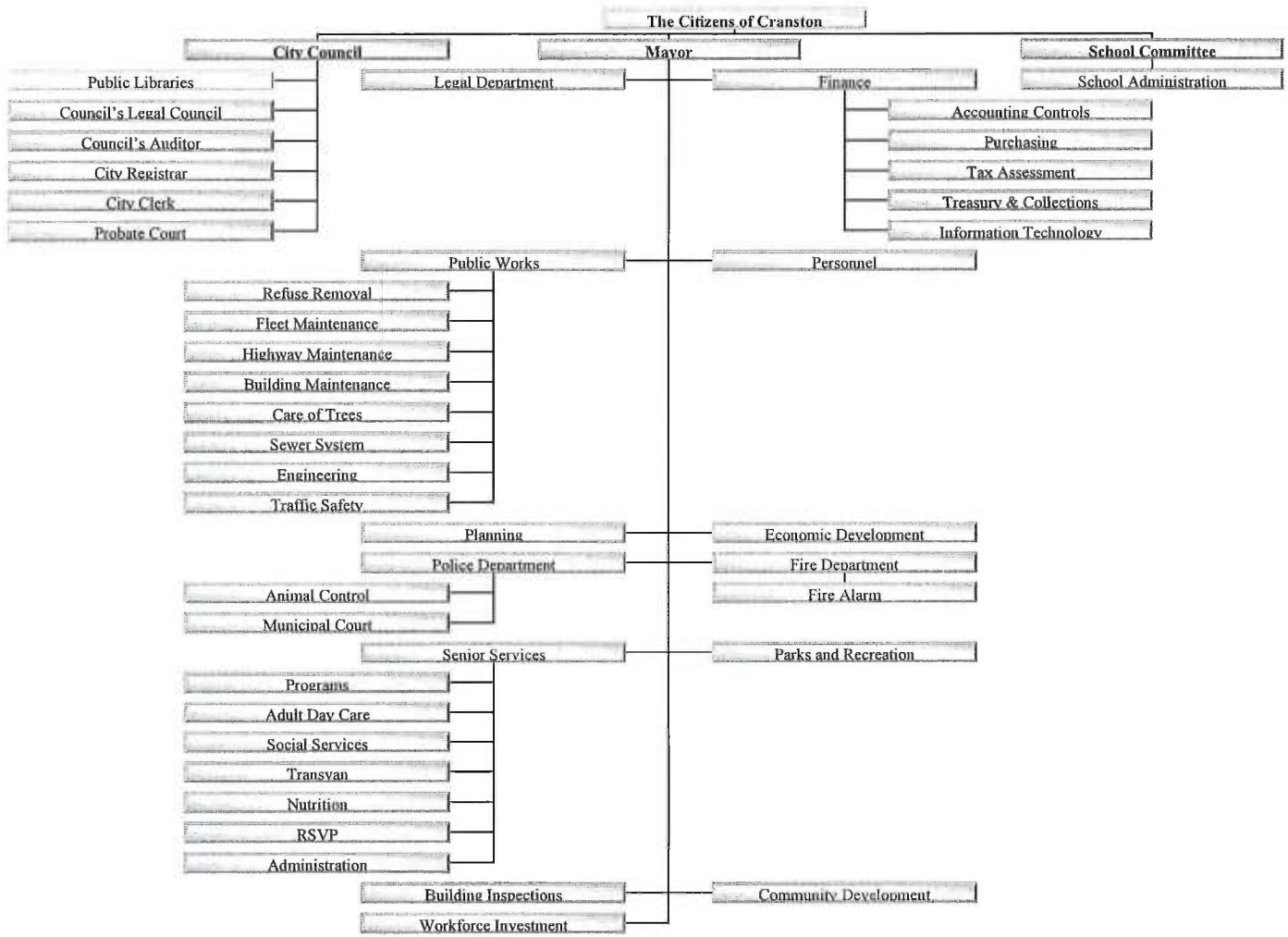
I would like to take this opportunity to thank the members of the Finance Department in the Division of Accounting Control, Treasury and Tax Collection, Contract and Purchase, Assessment and Management Information Systems for their diligence and cooperation on a daily basis in carrying out the duties and responsibilities of this department, The success that the Finance Department has enjoyed is due to their efforts.

I want to extend the grateful appreciation of all Finance Department employees and to you, Mayor and members of the City Council, for the confidence you have shown in us.

Sincerely,

Robert F. Strom

Robert F. Strom,
Finance Director



- Council Appointments:**
1. Tax Review Board
 2. Board of Contract and Purchasing
 3. Building Appeals Board
 4. Personnel Appeals Board
 5. Harbor Master
 6. Sealer of Weights/Measures
 7. Juvenile Hearing Board
 8. Library Board
 9. Municipal Court Judge
 10. Probate Judge
 11. Audit Committee
 12. Harbor Management Plan Commission
 13. Architects and Engineers
 14. Industrial Performance

- Joint Appointments:**
1. Board of Canvassers
 2. Conservation Commission
 3. Housing Board
 4. Claims Committee
 5. Charter Review Commission
 6. Historical Cemeteries Committee
 7. Housing Authority
 8. Zoning Board of Review
 9. School Building Committee

- Mayoral Appointments:**
1. Parks & Rec. Adv. Brd.
 2. Redevelopment Agency
 3. Historic District Comm.
 4. Industrial Dev. Comm.
 5. Investment Committee
 6. Pawtuxet River Authority
 7. Planning Commission
 8. Senior Services Advisory Board

CITY OF CRANSTON, RHODE ISLAND

MAYOR

Allan W. Fung

FINANCE DEPARTMENT

Robert F. Strom,
Michael Igoe, CPA
Mark Capuano
David Capuano
Mark Marchesi
William Aguiar

Finance Director
City Controller
Tax Assessor
City Treasurer
Purchasing Agent
Information Technology Manager

CITY COUNCIL

Michael J. Farina
Michael W. Favicchio
Christopher G. Paplauskas
Lammis J. Vargas
John P. Donegan
Steven A. Stycos
Paul J. McAuley
Kenneth J. Hopkins
Edward J. Brady

Council President
Council Vice President



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cranston
Rhode Island**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



Financial Section

Independent Auditors' Report

Honorable Mayor Allan W. Fung
and Members of the Cranston City Council
City of Cranston, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Cranston, Rhode Island, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Cranston, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Cranston, Rhode Island, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cranston, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical section, and Annual Supplemental Transparency Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Annual Transparency Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Annual Transparency Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020 on our consideration of the City of Cranston, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Cranston, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cranston, Rhode Island's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

Cranston, Rhode Island
December 29, 2020

Allan W. Fung
MAYOR



Robert F. Strom
FINANCE DIRECTOR

Department of Finance
869 Park Avenue
Cranston, RI 02910-2738
(401) 461-1000

***MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020***

As management of the City of Cranston, Rhode Island, we offer readers of the City of Cranston's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020.

It is designed to assist the reader in focusing on significant financial issues that the City has encountered.

Financial Highlights

- The liabilities and deferred inflows of resources of the City of Cranston exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2020 by \$262.9 million (*net position*).
- The net position of the City increased by \$4.9 million (or 1.8%). The governmental net position increased by \$2.2 million (or 0.6%) and the business-type net position increased by \$2.7 million (or 4.1%).
- The governmental activities revenue increased \$10.6 million (or 3.4%) and the net results from activities increased from prior year by \$27.6 million. In 2020, the results of activities produced an increase in net position of \$2.2 million and in 2019 the results of activities produced a decrease in net position of \$(25.4) million.
- The business-type activities revenue decreased by \$0.5 million (or 1.7%), and the net results from activities remained unchanged at \$2.7 million for 2020 and 2019.
- The General Fund (the primary operating fund) reflected on a current financial resource basis reports a decrease in fund balance of \$0.4 million (or 2.1%), compared to \$2.0 million decrease in the prior year.
- The City's total debt increased by \$4.4 million. The increase was due primarily to the issuance of \$15.8 million in new debt and bond premium and \$2.7 million of City OPEB liability offset by principal repayments of \$8.3 million and a decrease of Net Pension Liability of \$5.9 million.

Overview of the Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Financial Statements

Reporting the City as a Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes to net position. You can think of the City's net position as the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base, to assess the overall health of the City.

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cranston that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities present the functions of the City that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government, public safety, public works, public libraries, parks and recreation, education, senior services, community development, and interest expense. The business-type activities of the City of Cranston include sewer utilities, the Public Facilities Management Foundation, and the School Lunch Fund.

The government-wide financial statements can be found on Exhibits A and B of this report.

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 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 near-term inflows and outflows 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 City'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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

The City and School Department maintains 44 and 123 individual governmental funds, respectively. 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 both the General Fund and the School Department. For reporting purposes, the amount presented as the General Fund is comprised of the general fund and eight other funds. Similarly for reporting purposes, the amount presented as the School Department is comprised of the school department's general fund and one other fund. Both the General Fund and School Department are considered to be major funds. Data from the City's and School Department's other governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of the other 156 governmental funds, which are consolidated into 16 funds for reporting purposes, is provided in the form of combining statements elsewhere in this report.

Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the installation of new science labs into various schools) or to show that it is meeting legal responsibility for using certain taxes, grants and other money (like grants received from the U.S. Department of Housing and Urban Development).

The City adopts an annual budget for its General Fund and School Department. A budgetary comparison statement has been provided for each of them as required supplementary information to demonstrate compliance with this budget.

Proprietary funds. The City of Cranston maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Cranston uses enterprise funds to account for its sewer operations, Public Facilities Management Foundation, and its school non-major programs. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Cranston and School Department uses an internal service fund to account for certain self-insured risks. Because this fund predominantly benefits governmental rather than business-type functions, it has 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 sewer utilities fund and the Public Facilities Management Foundation, which are considered to be major funds of the City of Cranston. The school lunch program fund is the sole non-major enterprise fund and is presented separately in the proprietary fund financial statements. The internal service fund is also presented separately in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H of this report.

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 statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I, and J of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on Exhibit K of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary compliance schedules for the General Fund and the Special Revenue Fund-School Unrestricted, as well as the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found following the notes.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Included below is a condensed Statement of Net Position for the City of Cranston. The condensed format allows the reader to view the overall financial position of the City.

Condensed Statement of Net Position

**As of June 30
 (In Millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and other assets	\$ 77.6	\$ 81.1	\$ 25.5	\$ 26.4	\$ 103.1	\$ 107.5
Capital assets	147.2	138.6	69.7	71.2	216.9	209.8
Total Assets	224.8	219.7	95.2	97.6	320.0	317.3
Deferred Outflow of Resources...	53.8	57.4	0.5	0.5	54.3	57.9
Total Assets & Deferred Outflows of Resources	278.6	277.1	95.7	98.1	374.3	375.2
Liabilities:						
Long-term liabilities outstanding	560.1	555.9	18.2	19.3	578.3	575.2
Other liabilities	23.5	27.6	6.5	7.8	30.0	35.4
Total Liabilities	583.6	583.5	24.7	27.1	608.3	601.6
Deferred Inflows of Resources...	26.6	27.4	2.3	5.0	28.9	32.4
Total Liabilities & Deferred Inflows of Resources	610.2	610.9	27.0	32.1	637.2	643.0
Net Position:						
Net investment in capital assets.	41.2	40.4	52.6	53.0	93.8	93.4
Restricted-Debt Service.....	-	-	0.4	0.4	0.4	0.4
Unrestricted	(372.8)	(374.2)	15.7	12.6	(357.1)	(361.6)
Total Net Position	\$ (331.6)	\$ (333.8)	\$ 68.7	\$ 66.0	\$ (262.9)	\$ (267.8)

The composition of net position and the changes in net position over a period of time serves as a useful indicator of the City's financial position. The City's total liabilities at June 30, 2020, exceed assets by \$262.9 million and were comprised of \$(331.6) million from governmental activities and \$68.7 million from business-type activities. For the fiscal year ending June 30, 2020, \$(357.1) million of the total \$(262.9) million in net position is unrestricted.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Net Position (Continued)

Net investment in capital assets is comprised of \$93.8 and \$93.4 million of the Total Net Position at June 30, 2020 and 2019, respectively. This category reflects the total net investment in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources 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 cannot be used to liquidate these liabilities.

The second category of Net Position, restricted Net Position, represents Net Position that are subject to external restriction on how they may be used. Restricted Net Position as of June 30, 2020 totaled \$0.4 million for debt service.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Net Position summary presentation:

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital - which will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets.

Governmental Activities-Condensed Statements of Net Position

The category of "Current and Other Assets" was \$77.6 million at June 30, 2020. This category consisted primarily of "Cash" of \$35.1 million as of June 30, 2020. This balance was attributable to a strong tax collection trend. "Receivables-Property Taxes" of \$8.5 million, "Net pension asset" of \$20.4 million. "Receivables-Intergovernmental" was \$2.4 million, "Advanced deposits-hospitalization" was \$5.5 million and net other receivables accounted for \$5.7 million.

"Deferred Outflow of Resources" was \$53.8 million at June 30, 2020 and was comprised of \$46.1 million related to pensions, \$7.5 million related to OPEB and \$0.2 million from the deferred charge on refunding.

"Total liabilities" at June 30, 2020 were \$583.6 million. That included long-term liabilities outstanding of \$560.1 million, composed primarily of \$109.9 million in general obligation bonds and leases payable (used to fund various capital projects such as school construction and playground construction and improvements), \$398.5 million in outstanding pension obligations and \$51.7 million in OPEB obligations. Current liabilities total \$23.5 million at June 30, 2020 and were composed \$5.9 million in accounts payable, \$4.4 of accrued liabilities, unearned revenue of \$3.4 million, \$8.3 million in current portion of long-term debt. \$0.4 million due to other funds and claims and judgements of \$1.1 million.

"Deferred Inflow of Resources" of \$26.6 million of which \$17.7 million related to the City's pension liabilities, \$4.7 million related to the OPEB liability and \$4.2 million related to advanced tax collections.

Total net position at June 30, 2020 was \$(331.6) million and was comprised of unrestricted of \$(372.8) and "Net Investment in Capital Assets" of \$41.2 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities-Condensed Statements of Net Position

For business-type activities, such as the Sewer Enterprise Fund, “Current and Other Assets” of \$25.5 million consisted primarily of \$10.7 million in cash which was available to support the current operations of the Enterprise Funds, \$1.2 million of restricted cash, \$0.4 million of cash held in escrow, receivables of \$4.1 million, \$8.7 million due from other funds and \$0.4 million of other assets.

“Deferred Outflow of Resources” was \$0.4 million at June 30, 2020 and was comprised of \$0.4 million related to pensions.

Long-term liabilities of \$18.2 million were comprised primarily of \$16.0 million of “Long-term liabilities due in more than one year” which represents the non-current portion of long-term liabilities, primarily general obligation bonds used to finance the capital operations of the Sewer Plant as well as SRF (state revolving fund) loan from Rhode Island Infrastructure Bank, \$2.0 million of “Net pension liability” and “Net OPEB obligations” of \$0.2 million.

Other liabilities of \$6.5 million consisted primarily of \$3.2 million of “Accounts payable”, and \$1.1 million for the “Current portion of long-term bonds payable”, “Accrued interest payable” of \$2.0 million and other accrued liabilities of \$0.2 million.

“Deferred Inflows of Resources” of \$2.2 million represents \$2.1 million for the “Deferred sewer lease arrangement” and \$0.1 million from resources related to pensions.

The total net position for the Business-type Activities as of June 30, 2020 was \$68.8 million. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$52.6 million at June 30, 2020. As stated above, in the government-wide analysis of the Statement of Net Position \$0.4 million was restricted for debt service and \$15.8 million was designated “Unrestricted”.

Statement of Activities

A condensed Statement of Activities for the City of Cranston is presented below listing the major categories of revenues and expenses for the fiscal years ended June 30, 2020 and 2019.

Condensed Statement of Activities
Year Ended June 30 (In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 20.1	\$ 19.6	\$26.0	\$26.4	\$46.1	\$ 46.0
Operating grants and contributions	88.9	85.5	2.4	2.7	91.3	88.2
Capital grants and contributions.....	0.2	0.1			0.2	0.1
General Revenues:						
Property taxes.....	187.9	187.2			187.9	187.2
Gain on sale of property						
State special funding for pensions.....	11.8	10.3	0.2		12.0	10.3
Motor vehicle phase-out taxes.....	10.1	5.9			10.1	5.9
Investment income	1.4	1.2	0.5	0.6	1.9	1.8
Transfers.....	-	-			-	-
Other.....	3.1	3.0	0.3	0.2	3.4	3.2
Total revenues.....	323.5	312.8	29.4	29.9	352.9	342.7

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Program Expenses:						
General government	\$ 20.1	\$ 17.4			\$ 20.1	\$ 17.4
Public safety	82.3	108.6			82.3	108.6
Public works	16.8	16.7			16.8	16.7
Education.....	187.3	180.0	\$6.0	\$6.7	193.3	186.7
Parks and recreation	3.7	3.7			3.7	3.7
Libraries	3.8	3.8			3.8	3.8
Senior services.....	3.1	3.2			3.1	3.2
Community development	1.0	1.4			1.0	1.4
Sewer.....			20.7	20.5	20.7	20.5
Interest and other costs	3.2	3.4			3.2	3.4
Total expenses.....	321.3	338.2	26.7	27.2	348.0	365.4
Change in net position.....	2.2	(25.4)	2.7	2.7	4.9	(22.7)
Net Position – July 1	(333.8)	(308.4)	66.0	63.3	(267.8)	(245.1)
Net Position – June 30	\$(331.6)	\$(333.8)	\$ 68.7	\$ 66.0	\$(262.9)	\$(267.8)

The Condensed Statement of Net Activities presents revenues, expenses and changes in net position separately for governmental activities and business-type activities. The condensed format allows for presentation of program revenues (charges for services, operating grants and contributions, and capital grants and contributions) followed by a listing of general revenues to support the City's overall government or business-type activities. Expenses are presented on a functional basis, with depreciation on capital assets directly allocated to the related expense.

Governmental Activities-Condensed Statement of Activities

General revenues include all revenues not required to be reported as "program revenue". The total of other "general revenues" for the fiscal years ending June 30, 2020 and 2019 were \$214.3 million and \$207.6 million, respectively. Included in these totals were \$187.9 and \$187.2 million in property taxes for the years ended June 30, 2020 and 2019.

"Program expenses" are presented in the Condensed Statement of Activities by function and total \$346.6 and \$338.2 million including interest on long-term debt for the fiscal years June 30, 2020 and 2019, respectively.

"Changes in net position" increased \$28.9 million to \$3.5 million from \$(25.4) million, for the years ended June 30, 2020 and 2019, respectively. The change resulted primarily from a decrease in public safety offset by an increase in education expense both related to the effects of the COVID-19 pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities – Condensed Statement of Activities

Business-Type Activities provided by the City of Cranston consists primarily of the operation of the wastewater facility commonly known as the Sewer Enterprise Fund. Respectively, in fiscal years 2020 and 2019, the City generated \$29.4 and \$29.9 million in total revenues. The majority of revenues for this fund consist of charges for services of which amounted to \$26.0 and \$26.4 respectively, of the total revenues.

The total amount of expenses for business-type activities were \$26.7 and \$27.2 million, for the fiscal years ended June 30, 2020 and 2019, respectively.

The “Change in Net Position” remained unchanged from year to year at \$2.7 million. This activity increased the “Business-Type Net Position” for the fiscal year ended June 30, 2020 to \$68.7 million as compared to \$66.0 million for the fiscal year ended June 30, 2019.

Financial Analysis of City's Funds

Governmental Funds

The City of Cranston's governmental funds consists of two major funds. The major funds are the City's General Fund and the School Department unrestricted operating fund. Presented below is a condensed Balance Sheet for the two major funds of the Governmental funds.

Combined fund balances for all the Governmental Funds was \$35.7 million. Fund balance was comprised of \$0.3 million “Non-spendable” fund balances, \$16.6 million “Restricted” fund balances and \$0.8 million “Committed” fund balances and \$18.0 million of “Unassigned” fund balances. Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the City.

Assets of \$67.9 million include primarily \$34.3 million in “Cash”, \$6.1 million in “Taxes Receivable”, \$11.1 million in “Intergovernmental Receivables”, “Loans” of \$2.7 million, “Other Receivables” of \$1.9 million, “Prepaid” of \$0.2 million, “Advance deposits-hospitalization” of \$0.2 million, “Due from Other Funds” of \$11.4 million.

“Total liabilities and deferred inflows” of \$32.1 million consisted of \$6.0 million of “Accounts Payable”, \$12.7 million in “Due to Other Funds”, \$7.6 million in “Unearned Revenue”, \$1.6 million of Accrued Payroll and other liabilities and \$4.2 million of “Unavailable Revenue”.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 JUNE 30, 2020

Condensed Balance Sheet
As of June 30
(In Millions)

	General Fund		School Unrestricted		Total Major Funds	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<i>Assets:</i>						
Current and other	\$39.2	\$39.3	\$8.6	\$7.5	\$47.8	\$46.8
<i>Total Assets</i>	39.2	39.3	8.6	7.5	47.8	46.8
<i>Liabilities:</i>						
Other liabilities	12.1	7.6	3.2	3.2	15.3	10.8
<i>Total Liabilities</i>	12.1	7.6	3.2	3.2	15.3	10.8
<i>Deferred Inflows:</i>						
Deferred inflows	8.6	12.8			8.6	12.8
<i>Total Liabilities</i>	8.6	12.8			8.6	12.8
<i>Total Liabilities and Deferred Inflows</i>	<u>20.7</u>	<u>20.4</u>	<u>3.2</u>	<u>3.2</u>	<u>23.9</u>	<u>23.6</u>
<i>Fund Balance:</i>						
Non-spendable	0.2	0.2	0.1	0.1	0.3	0.3
Restricted	0.2	0.4	4.5	3.4	4.7	3.8
Committed	-	-	0.8	0.8	0.8	0.8
Assigned	-	-	-	-	-	-
Unassigned	18.1	18.3	-	-	18.1	18.3
<i>Total Fund Balance</i>	<u>\$18.5</u>	<u>\$18.9</u>	<u>\$5.4</u>	<u>\$4.3</u>	<u>\$23.9</u>	<u>\$23.2</u>

General Fund - Condensed Balance Sheet

The General Fund's total assets of \$39.2 million consists primarily of \$21.9 million in "Cash" \$6.1 million of "Taxes Receivable" \$6.8 million of "Intergovernmental Receivables", "Due from Other Funds" of \$3.8 million, other of \$0.4 million and "Advanced Deposits-hospitalization" of \$0.2 million.

Total liabilities and deferred inflows for the General Fund were \$20.7 million. "Accounts Payable" amounted to \$1.7 million, \$4.3 million represented "Advanced Collections", \$9.1 million in "Due to Other Funds", \$1.4 million of accrued liabilities and \$4.2 million of "Unavailable Revenue".

As of June 30, 2020 the City's fund balance was \$18.5 million of which \$0.2 million was "Non-spendable", \$0.3 million was "Restricted", and \$18.1 million was "Unassigned". This represents a total decrease of \$0.4 million from \$18.9 million as of June 30, 2019. The \$0.4 million decrease relates primarily to additional costs associated with the COVID-19 pandemic.

School Department - Condensed Balance Sheet

The School Department's total assets were \$8.6 million. The majority of that consisted primarily of \$7.5 of "Due from Other Funds", "Prepaid" of \$0.2 million and "Other" assets of \$0.9 million.

Liabilities for the School Department totaled \$3.2 million. The majority of that consisted of \$3.1 million of "Accounts Payable" and \$0.1 million "Due to Other Funds".

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

For the fiscal year ending June 30, 2020, the School Department had a fund balance of \$5.4 million. This was comprised of \$0.1 million "Non-spendable", \$3.4 million "Restricted and \$0.8 million of "Committed" fund balance. This represents a total increase of \$1.1 million from \$4.3 million as of June 30, 2019. The \$1.1 million increase relates primarily to savings associated with school closures during COVID-19 pandemic.

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

A condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the City of Cranston is presented below listing the major categories of revenues and expenditures for the fiscal years ended June 30, 2020 and 2019. The major funds for the City of Cranston are the "General Fund" and the "School Department".

The fund reporting format, also presented on a functional basis, presented in "Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds" presents all revenue types followed by the expenditures of the City. The fund financial statements report current year capital expenditures and do not report depreciation on capital assets. Likewise, principal payments on long-term liabilities are reported as current year expenditures and are not offset against the related long-term liability as within the Government-wide Financial Statements. The major source of revenues for the City comes from "General Property Taxes". For the years ending June 30, 2020, and 2019, the City collected \$188.8, and \$188.1 million of property taxes, respectively. Total revenues for all major governmental funds for the years ended June 30, 2020 and 2019, were \$305.7, and \$297.2 million, respectively. For the major governmental funds, the total expenditures for the years ending June 30, 2020, and 2019, were \$305.3, and \$300.4 million, respectively. For the year ended June 30, 2020, General Fund revenues exceeded expenditures by \$95.1 million before other financing sources (uses) as compared to \$91.9 million for the period ending June 30, 2019.

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30
(In Millions)

	General Fund		School Unrestricted		Total Major Funds	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
General Revenues:						
Property Taxes	188.8	188.1	-	-	188.8	188.1
Intergovernmental	24.6	19.7	62.4	61.0	87.0	80.7
Charges for services	15.5	15.4	2.1	1.5	17.6	16.9
Investment income	0.7	0.8		-	0.7	0.8
State on behalf pension	-	-	8.7	8.1	8.7	8.1
Other	<u>1.5</u>	<u>\$1.2</u>	<u>1.4</u>	<u>1.4</u>	<u>2.9</u>	<u>2.6</u>
Total Revenues	231.1	225.2	74.6	72.0	305.7	297.2
Expenditures:						
Current:						
General Government	11.1	10.8			11.1	10.8
Public Safety	87.5	85.3			87.5	85.3
Public Works	16.0	15.7			16.0	15.7
Education	-	-	169.2	167.1	169.2	167.1
Parks and Recreation	3.6	3.7			3.6	3.7
Public Libraries	3.6	3.6			3.6	3.6
Senior Services	3.0	3.2			3.0	3.2
Other	0.2	0.2			0.2	0.2
Debt Service:						
Principal	6.8	7.7			6.8	7.7
Interest and other costs	4.0	3.1			4.0	3.1
Capital expenditures	<u>0.2</u>	-	-	-	<u>0.2</u>	-
Total Expenditures	136.0	133.3	169.2	167.1	305.2	300.4
Excess (deficiency) of revenue over expenditures	<u>95.1</u>	<u>91.9</u>	<u>(94.6)</u>	<u>(95.1)</u>	<u>0.5</u>	<u>(3.2)</u>

<i>Other Financing Sources Uses):</i>							
Transfers in			95.7	94.1		95.7	94.1
Transfers out	(95.5)	(93.9)				(95.5)	(93.9)
<i>Net Other Financing Sources (Uses)</i>	(95.5)	(93.9)	95.7	94.1		0.2	0.2
Net change in fund balance	(0.4)	(2.0)	1.1	(1.0)		0.7	(3.0)
Fund Balance July 1	18.9	20.9	4.3	5.3		23.2	26.2
Fund Balance June 30	<u>18.5</u>	<u>18.9</u>	<u>5.4</u>	<u>4.3</u>		<u>23.9</u>	<u>23.2</u>

Review of Governmental Major Funds-Statement of Revenues, Expenditures and Changes in Fund Balances-General Fund

The City’s General Fund had revenues of \$231.1 million for the fiscal year ended June 30, 2020. This was comprised of \$188.8 million in “General Property Taxes”, \$24.6 million of “Intergovernmental” revenues, \$15.5 million in “Charges for Services”, \$0.7 million in “Investment Income”, and \$1.5 million in “Other” revenue.

Expenditures for the General Fund for fiscal year ended June 30, 2020 were \$136.0 million. These expenditures consisted of \$11.1 million in “General Government” expenditures, \$87.5 million of “Public Safety” expenditures, \$16.0 million of “Public Works” expenditures, \$3.6 million of “Parks and Recreation” expenditures, \$3.6 million of “Public Libraries” expenditures, \$3.2 million of “Senior Services” expenditures, \$0.2 million of “Other” expenditures, \$6.8 million of “Debt Service Principal” expenditures, \$4.0 million of “Interest and Other Costs” and \$0.2 million of capital expenditures.

In addition to general operating expenses, the General Fund also had “Net Other Financing Uses” of \$ 95.5 million. This was composed of a \$(95.5) million of “Transfers Out” to the “School Department” for operations.

The net change in fund balances was \$(0.4) million for the fiscal year ended June 30, 2020. This decrease resulted primarily from an over expenditures in public services related to expenditures related to the COVID-19 pandemic.

Review of Governmental Major Funds-Statement of Revenues, Expenditures and Changes in Fund Balances-School Department

The “School Department” had revenues for the year ended June 30, 2020 of \$74.6 million. This was derived from \$62.4 million of “Intergovernmental” revenues, \$2.1 million of “Charges for Services”, \$8.7 million of “State on Behalf Pension Contribution” and \$1.4 million of “Other Income”.

Expenditures for the School Department totaled \$169.2 million. This entire amount represents expenditures related to “Education”.

In addition to general operating revenues, the School Department received \$95.7 million of “Other Financing Sources”. This amount was comprised of “Transfers In” from the “General Fund” of \$95.5 million for operations and \$0.2 million from other school special revenue accounts.

The net change in fund balance was \$1.1 million for the fiscal year ended June 30, 2020. This increase was due primarily to the savings related to school closure during the COVID-19 pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

Proprietary Funds

The Proprietary Funds consist of the Sewer Fund, the Non-Major Programs and the Internal Service Funds. The major source of revenues consists of "Charges for Usage and Service" of \$59.8 million. Total operating revenues were \$66.0 million. Total operating expenses for the year ending June 30, 2020, for the Proprietary Funds were \$64.9 million. The "Health Care Management" of the school department of \$25.3 million, the "Contract Payments" of \$17.1 million for sewer privatization, "Operation" expense of \$5.3 million. "Personnel" cost of \$1.9 million, "Claims" of \$12.5 million and \$2.8 million of "Depreciation" comprise the majority of the expenses. Net Non-Operating Income for the year ending June 30, 2020 was \$0.2 million. The Proprietary Funds ended fiscal year 2020 with \$2.1 million more in revenues than expenses.

Total Net Position was \$67.0 million at June 30, 2020, of that "Net Investment in Capital Assets" was \$52.6 million, Restricted for Debt Service of \$0.4 million and \$14.0 million was "Unrestricted". Total Net Position as of June 30, 2020 increased \$1.7 million or 2.6% from \$65.3 million at June 30, 2019 to \$67.0 million at June 30, 2020.

Analysis of Significant Budget Variations in the General Fund

For the year ended June 30, 2020, the General Fund Revenues were under budget projections by \$0.9 million or 0.3%. General Fund expenditures were over budget by \$0.7 million or 0.2%. This resulted in a \$0.2 million deficit for the General Fund for the year ending June 30, 2020.

Significant revenue variances include:

- General Property Taxes – Favorable variance of \$1.1 million due to the implementation of a new software system that allows taxpayers to pay via the internet as either an ACH or credit card payment and the state's garnishment program of income tax refunds for outstanding motor vehicle taxes.
- Intergovernmental – Unfavorable variance of \$1.2 million from decrease in the amount budgeted by various departments for grants versus the amount actually received by departments for grants

Most of the departments within the City had minimal surpluses/deficits with regard to their expense budgets. The two exception to that were the law department and the fire department. They had a \$0.2 million and a \$2.6 million unfavorable variance, respectively. The law department's over expenditures were related to personnel issues and the fire departments were due to unreimbursed expenditures related to the COVID-19 pandemic. The City was able to reduce these deficits to \$0.7 million from savings within other departments.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

The City of Cranston's investment in capital assets for its governmental and business-type activities as of June 30, 2020 and 2019 amounted to \$216.9 and \$209.8 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, motor vehicles, machinery and equipment and office furniture and equipment, and infrastructure.

The presentation below for the current fiscal year lists the major categories of capital assets for governmental activities and business-type activities. Infrastructure assets, assets that are long-lived and can be preserved for a significantly greater number of years than most capital assets and that normally are stationary in nature such as streets, sidewalks and curbing are subject to different rules under the standards established by GASB 34. All infrastructure assets are included in the City's capital assets.

Capital Assets at Year End
(In Millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Land.....	\$ 15.3	\$ 15.3	\$ 0.3	\$ 0.3	\$ 15.6	\$ 15.6
Construction in progress.....	1.6	8.3	0.1	0.3	1.7	8.6
Land improvements.....	46.9	41.1	0.3	0.3	47.2	41.4
Buildings	129.9	116.6			129.9	116.6
Motor vehicles.....	28.1	24.8	0.1	0.1	28.2	24.9
Equipment	19.4	17.9	1.7	0.9	21.1	18.8
Infrastructure	87.3	87.4			87.3	87.4
Leasehold improvements.....						
Sewer lines			52.3	51.6	52.3	51.6
Treatment and pumping plant.....			104.9	104.8	104.9	104.8
Total assets	328.5	311.4	159.7	158.3	488.2	469.7
Less: accumulated depreciation	(181.3)	(172.8)	(90.0)	(87.1)	(271.3)	(259.8)
Net capital assets	\$ 147.2	\$ 138.6	\$ 69.7	\$ 71.2	\$ 216.9	\$ 209.8

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Capital Assets (Continued)

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020 were \$488.2 million less accumulated depreciation of \$271.3 million for a net investment in capital assets of \$216.9 million.

Governmental Activities:

Major capital asset additions during the fiscal year ended June 30, 2020 included the following:

- \$7.0 million in school renovations
- \$1.7 million in recreational facilities and equipment upgrades
- \$2.8 million for road repayment, storm drain repairs and equipment upgrades
- \$1.1 million for fire and police equipment and station upgrades

Business-Type Activities:

Major capital asset additions during the fiscal year ended June 30, 2020 included the following:

- \$0.7 million of infrastructure projects completed for the treatment plant
- \$0.8 million of new equipment for the sewer plant

Additional information on the City's capital assets can be found on Note III. C. of this report.

Long-Term Liabilities

As of June 30, 2020, the governmental activities had total long-term obligations of \$569.7 million. Of that, \$398.5 million was pension related debt, \$51.7 million was for post-retirement health benefits \$13.2 million of compensated absences and \$106.3 million related to bonded debt guaranteed by the City's assets. Based on an actuarial valuations completed as of July 1, 2020 for governmental activities, the net pension obligation liability for unpaid pension contributions decreased by \$5.9 million from \$404.4 million at June 30, 2019 to \$398.5 million at June 30, 2020. The net other post-employment benefit obligation (OPEB) liability for governmental activities increased \$3.4 million from \$48.3 million at June 30, 2019 to \$51.7 million at June 30, 2020. Additional information can be found in Note III. F. 1.

The business-type activities had total long-term obligations of \$19.3 million. Of that, \$17.1 million related to State Revolving Loans (SRF) from Rhode Island Infrastructure Bank (these funds are available for projects related to clean water), \$1.9 million in net pension obligations, \$0.2 million in net post-retirement health benefit obligations. Based on an actuarial valuations completed as of July 1, 2020 for business-type activities, the net pension obligation liability for unpaid pension contributions and net other post-employment benefit obligation (OPEB) liability for business type activities remained unchanged at \$1.9 million and \$10.2 million as of June 30, 2020, respectively. Additional information can be found in Note III. F. 1.

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding

For the year ending June 30, 2020, the City had \$106.3 million in debt (bonds, notes, etc.) outstanding as compared to \$98.8 million at June 30, 2019, a net increase of \$7.5 million or 7.6% (considering debt issuances and retirements). The key factors for this increase was the issuance of \$13.4 million in general obligation bonds offset by the principal repayments on outstanding issues.

For the year ending June 30, 2020, the Business-Type Activities had \$17.1 million in debt (bonds, notes, etc.) outstanding as compared to \$18.3 million at June 30, 2019, a net decrease of \$1.2 million or 6.6% (considering debt retirements). The key factor for this decrease was principal repayments of \$1.1 million.

Outstanding Debt, at June 30
(In Millions)

	<u>2020</u>	<u>2019</u>
<i>Governmental:</i>		
General obligation bonds.....	\$ 104.4	\$96.4
Capital lease	<u>1.9</u>	<u>2.4</u>
<i>Subtotal</i>	<u>106.3</u>	<u>98.8</u>
<i>Business-type:</i>		
Sewer revolving loans	<u>17.1</u>	<u>18.3</u>
<i>Subtotal</i>	<u>17.1</u>	<u>18.3</u>
<i>Total</i>	<u>\$ 123.4</u>	<u>\$ 117.1</u>

Principal payments of \$7.1 million and \$1.1 million were made in the governmental and business-type activities, respectively, during fiscal year 2020.

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt that would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the city subject to the 3% debt limit. The current 3% debt limit of the City is \$238.7 million based on taxable property as of December 31, 2018, of approximately \$8.0 billion. On June 30, 2020, the City had \$104.4 million of debt outstanding that is outside the 3% debt limit.

The City’s bond ratings are as follows:

- Standard & Poor’s : “AA-”
- Fitch Ratings: “AA-”
- Moody’s Investors Service : “A1”

Economic Factors and Next Year’s Budget and Rates

- As noted previously, the Fiscal Year 2021 operating budget was passed by a majority vote of the City Council. Property tax collections were assumed to be collected at 98.9% of the current levy.
- The City budgeted approximately \$21.5 million for Police and Fire Pension Fund contributions and \$2.0 million for Other Post-Employment Benefits (OPEB).

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2020

Unemployment Statistics

The table below presents the most recent labor market information summary for not seasonally adjusted unemployment rates for the fiscal years ended June 30th:

	<u>Annualized</u>									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City of Cranston	10.6%	10.4%	9.3%	7.2%	5.9%	5.0%	4.0%	3.7%	3.3%	12.9%
State of Rhode Island	10.5	10.1	8.9	7.3	5.8	5.0	4.1	3.7	3.3	12.3
United States	9.3	8.4	7.8	6.3	5.5	5.1	4.5	4.2	3.8	11.2

Source: Rhode Island Department of Labor and Training.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City of Cranston's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Finance Director
City of Cranston
869 Park Avenue
Cranston, RI 02910



Basic Financial Statements

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 35,129,509	\$ 10,736,535	\$ 45,866,044
Receivables:			
Property taxes	8,531,010		8,531,010
Sewer assessments and user fees, net		1,041,056	1,041,056
Intergovernmental	11,126,625	3,064,821	14,191,446
Loans	2,653,754		2,653,754
Other	1,901,989		1,901,989
Prepays	155,014	30,706	185,720
Advance deposits - hospitalization	5,505,969		5,505,969
Inventory		78,433	78,433
Other assets	3,792		3,792
Internal balances	(8,707,591)	8,707,591	-
Total current assets	<u>56,300,071</u>	<u>23,659,142</u>	<u>79,959,213</u>
Noncurrent Assets:			
Advance deposits - hospitalization	853,000		853,000
Net pension asset	20,373,659	244,579	20,618,238
Restricted cash - debt service reserve		1,195,219	1,195,219
Held in escrow		397,433	397,433
Total noncurrent assets	<u>21,226,659</u>	<u>1,837,231</u>	<u>23,063,890</u>
Capital Assets:			
Nondepreciable:			
Land	15,299,094	342,712	15,641,806
Construction in progress	1,627,727	84,132	1,711,859
Depreciable (net of accumulated depreciation):			
Land improvements	28,436,947	3,633	28,440,580
Buildings and leasehold improvements	77,164,157	52,048	77,216,205
Sewer service to customers		128,921	128,921
Treatment and pumping plant		50,953,616	50,953,616
Vehicles	8,923,713	21,165	8,944,878
Machinery, equipment and furniture	4,223,194	984,603	5,207,797
Infrastructure	11,511,303	17,168,251	28,679,554
Total net capital assets	<u>147,186,135</u>	<u>69,739,081</u>	<u>216,925,216</u>
Total noncurrent assets	<u>168,412,794</u>	<u>71,576,312</u>	<u>239,989,106</u>
Total assets	<u>224,712,865</u>	<u>95,235,454</u>	<u>319,948,319</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	273,000		273,000
Deferred outflows of resources related to pensions	46,103,237	389,026	46,492,263
Deferred outflows of resources related to OPEB	7,462,001	48,969	7,510,970
	<u>53,838,238</u>	<u>437,995</u>	<u>54,276,233</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 278,551,103</u>	<u>\$ 95,673,449</u>	<u>\$ 374,224,552</u>

(Continued on next page)

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities:			
Accounts payable	\$ 5,888,701	\$ 3,186,184	\$ 9,074,885
Accrued liabilities	50,000		50,000
Accrued payroll	1,467,613	2,337	1,469,950
Compensated absences	1,316,681	34,989	1,351,670
Accrued interest payable	1,523,165	165,790	1,688,955
Unearned revenue	3,409,946	2,009,869	5,419,815
Due to fiduciary fund	439,322		439,322
Claims payable	1,079,491		1,079,491
Long-term liabilities due within one year	8,338,971	1,129,000	9,467,971
Total current liabilities	<u>23,513,890</u>	<u>6,528,169</u>	<u>30,042,059</u>
Noncurrent Liabilities:			
Net pension liability	398,445,736	1,939,864	400,385,600
Net OPEB liability	51,728,356	197,084	51,925,440
Long-term liabilities due in more than one year	109,900,459	16,011,000	125,911,459
Total noncurrent liabilities	<u>560,074,551</u>	<u>18,147,948</u>	<u>578,222,499</u>
Total liabilities	<u>583,588,441</u>	<u>24,676,117</u>	<u>608,264,558</u>
Deferred Inflows of Resources:			
Advanced tax collections	4,224,144		4,224,144
Deferred sewer lease arrangement		2,087,379	2,087,379
Deferred inflows of resources related to pensions	17,689,760	149,306	17,839,066
Deferred inflows of resources related to OPEB	4,694,910	8,489	4,703,399
Total liabilities and deferred inflows of resources	<u>26,608,814</u>	<u>2,245,174</u>	<u>28,853,988</u>
Total liabilities and deferred inflows of resources	<u>610,197,255</u>	<u>26,921,291</u>	<u>637,118,546</u>
Net Position:			
Net investment in capital assets	41,166,232	52,599,081	93,765,313
Restricted for:			
Debt Service		397,433	397,433
Unrestricted	(372,812,384)	15,755,644	(357,056,740)
Total net position	<u>(331,646,152)</u>	<u>68,752,158</u>	<u>(262,893,994)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 278,551,103</u>	<u>\$ 95,673,449</u>	<u>\$ 374,224,552</u>

The accompanying notes are an integral part of these financial statements

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities:								
General government	\$ 20,138,028	\$ 8,901,799	\$ 12,988,419	\$ 150,050	\$ 1,752,190	\$ -	\$ 1,752,190	
Public safety	82,320,732	6,043,895	1,409,353		(74,717,434)		(74,717,434)	
Public works	16,823,150	1,263,226			(15,559,924)		(15,559,924)	
Education	187,265,504	2,175,318	73,386,562		(111,703,624)		(111,703,624)	
Parks and recreation	3,666,440	139,133			(3,527,307)		(3,527,307)	
Public libraries	3,843,871	65,000	608,335		(3,170,536)		(3,170,536)	
Senior services	3,061,547	1,448,175			(1,613,372)		(1,613,372)	
Community development	1,040,171		538,126		(502,045)		(502,045)	
Interest expense	3,147,113				(3,147,113)		(3,147,113)	
Total governmental activities	<u>321,306,556</u>	<u>20,036,546</u>	<u>88,930,795</u>	<u>150,050</u>	<u>(212,189,165)</u>	<u>-</u>	<u>(212,189,165)</u>	
Business-Type Activities:								
Sewer fund	20,649,172	22,727,619				2,078,447	2,078,447	
Education	6,012,354	3,288,554	2,429,799			(294,001)	(294,001)	
Total business-type activities	<u>26,661,526</u>	<u>26,016,173</u>	<u>2,429,799</u>	<u>-</u>	<u>-</u>	<u>1,784,446</u>	<u>1,784,446</u>	
Totals	<u>\$ 347,968,082</u>	<u>\$ 46,052,719</u>	<u>\$ 91,360,594</u>	<u>\$ 150,050</u>	<u>(212,189,165)</u>	<u>1,784,446</u>	<u>(210,404,719)</u>	
		General Revenues:						
					187,925,014		187,925,014	
					10,089,725		10,089,725	
					11,791,818	155,775	11,947,593	
					3,101,138	332,415	3,433,553	
					1,424,974	463,510	1,888,484	
					<u>214,332,669</u>	<u>951,700</u>	<u>215,284,369</u>	
					Change in Net Position	2,143,504	2,736,146	4,879,650
					Net Position - July 1, 2019	<u>(333,789,656)</u>	<u>66,016,012</u>	<u>(267,773,644)</u>
					Net Position - June 30, 2020	<u>\$ (331,646,152)</u>	<u>\$ 68,752,158</u>	<u>\$ (262,893,994)</u>

The accompanying notes are an integral part of these financial statements

CITY OF CRANSTON, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash	\$ 21,892,323	\$ 1,485	\$ 12,391,647	\$ 34,285,455
Receivables:				
Property taxes, net	6,108,715			6,108,715
Intergovernmental	6,755,394		4,371,231	11,126,625
Loans			2,653,754	2,653,754
Other	403,408	914,382	573,432	1,891,222
Security deposits			9,282	9,282
Prepays		149,524		149,524
Advance deposits - hospitalization	207,000			207,000
Due from other funds	<u>3,813,773</u>	<u>7,512,497</u>	<u>63,062</u>	<u>11,389,332</u>
Total Assets	<u>\$ 39,180,613</u>	<u>\$ 8,577,888</u>	<u>\$ 20,062,408</u>	<u>\$ 67,820,909</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,631,830	\$ 3,059,415	\$ 1,331,355	\$ 6,022,600
Accrued payroll	1,362,997		104,621	1,467,618
Accrued liabilities	50,000			50,000
Due to other funds	9,060,982	93,356	3,530,712	12,685,050
Unearned revenue	99,599		3,310,347	3,409,946
Total liabilities	<u>12,205,408</u>	<u>3,152,771</u>	<u>8,277,035</u>	<u>23,635,214</u>
Deferred Inflows:				
Unavailable revenue - property taxes	4,223,339			4,223,339
Advanced tax collections	4,224,144			4,224,144
Total deferred inflows of resources	<u>8,447,483</u>	<u>-</u>	<u>-</u>	<u>8,447,483</u>
Total liabilities and deferred inflows	<u>20,652,891</u>	<u>3,152,771</u>	<u>8,277,035</u>	<u>32,082,697</u>
Fund Balances:				
Nonspendable	207,000	149,524		356,524
Restricted	249,484	4,505,602	11,887,583	16,642,669
Committed	4,797	769,991		774,788
Unassigned	18,066,441		(102,210)	17,964,231
Total fund balances	<u>18,527,722</u>	<u>5,425,117</u>	<u>11,785,373</u>	<u>35,738,212</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 39,180,613</u>	<u>\$ 8,577,888</u>	<u>\$ 20,062,408</u>	<u>\$ 67,820,909</u>

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Amounts reported for governmental activities in the statement of net position (Exhibit I) are Different from the Governmental Fund Balance Sheet. The Details of this Difference are as follows:

Total Fund Balance (Exhibit III, Page 1)	\$ 35,738,212
Capital Assets Used In Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds:	
Total capital assets	\$ 328,542,603
Accumulated depreciation	<u>(181,356,468)</u>
	147,186,135
Other Long-Term Assets are not Available to Pay for Current Period Expenditures and, Therefore, are Deferred in the Funds:	
Property tax, interest and lien accrual, (net)	2,422,295
Unearned tax 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 Position	4,223,339
Net pension asset	20,373,659
Deferred charge on refunding	273,000
Deferred outflows of net pension	46,103,237
Deferred outflows of net OPEB	7,462,001
Internal Service Fund is Used by Management to Charge the Cost of Self-Insurance to Individual Departments:	
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	(1,789,992)
Some Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:	
Bonds and notes payable	(96,218,000)
Capital lease	(1,890,000)
Unamortized premium on bonds payable	(8,184,903)
Compensated absences	(13,166,793)
Deferred salary	(96,415)
Net pension liability	(398,445,736)
Net OPEB liability	(51,728,356)
Deferred inflows of net pension liability	(17,689,760)
Deferred inflows of net OPEB liability	(4,694,910)
Accrued interest payable	<u>(1,523,165)</u>
Net Position of Governmental Activities	<u>\$ (331,646,152)</u>

The accompanying notes are an integral part of these financial statements

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General property taxes	\$ 188,836,127	\$	\$	\$ 188,836,127
Intergovernmental	24,637,543	62,412,379	12,104,802	99,154,724
Charges for services	15,506,472	2,175,318	2,354,756	20,036,546
Investment income	659,617		764,323	1,423,940
State on-behalf pension contributions		8,671,562		8,671,562
Other	1,471,447	1,386,329	126,100	2,983,876
Total revenues	<u>231,111,206</u>	<u>74,645,588</u>	<u>15,349,981</u>	<u>321,106,775</u>
Expenditures:				
Current:				
General government	11,120,259		693,474	11,813,733
Public safety	87,506,831		2,292,510	89,799,341
Public works	15,946,202			15,946,202
Education		169,226,429	10,774,680	180,001,109
Parks and recreation	3,598,463			3,598,463
Public libraries	3,644,388		106,786	3,751,174
Senior services	2,989,470		58,821	3,048,291
Community development			1,051,204	1,051,204
Other	204,464			204,464
Debt Service:				
Principal	6,805,500			6,805,500
Interest and other costs	4,027,113		236,348	4,263,461
Capital Outlay:				
Capital expenditures	216,369		14,624,978	14,841,347
Total expenditures	<u>136,059,059</u>	<u>169,226,429</u>	<u>29,838,801</u>	<u>335,124,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>95,052,147</u>	<u>(94,580,841)</u>	<u>(14,488,820)</u>	<u>(14,017,514)</u>
Other Financing Sources (Uses):				
Issuance of debt			13,410,000	13,410,000
Bond premium			2,430,699	2,430,699
Insurance recoveries	78,010			78,010
Transfers in		95,726,739		95,726,739
Transfers out	<u>(95,542,340)</u>		<u>(184,399)</u>	<u>(95,726,739)</u>
Net Other Financing Sources (Uses)	<u>(95,464,330)</u>	<u>95,726,739</u>	<u>15,656,300</u>	<u>15,918,709</u>
Net Change in Fund Balances	(412,183)	1,145,898	1,167,480	1,901,195
Fund Balances - July 1, 2019	<u>18,939,905</u>	<u>4,279,219</u>	<u>10,617,893</u>	<u>33,837,017</u>
Fund Balances - June 30, 2020	<u>\$ 18,527,722</u>	<u>\$ 5,425,117</u>	<u>\$ 11,785,373</u>	<u>\$ 35,738,212</u>

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Amounts reported for Governmental Activities in the Statement of Activities (Exhibit II) are due to:

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV)	\$	1,901,195
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	17,539,673
Depreciation expense	(8,971,042)
Loss on disposition of assets	(18,592)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

Change in unearned tax revenues that are recorded in the funds, but are not deferred under the measurement employed	(789,366)
Change in property tax interest and lien revenue	(121,747)
Changes in net pension asset	4,521,285
Changes in deferred outflows related to pensions	(10,610,617)
Changes in deferred outflows related to OPEB	4,009,252

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

Accrued interest payable	(113,620)
Amortization of deferred charge on refunding	(265,908)
Bond premium incurred	(2,430,699)
Bond premium amortized	716,329
Debt issuance	(13,410,000)
Principal payments on bonds and notes	7,135,000
Capital lease payments	450,000

The accompanying notes are an integral part of the financial statements

**CITY OF CRANSTON, RHODE ISLAND
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020**

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

Compensated absences	\$ 669,273
Deferred salary	9,413
Changes in net pension liability	5,908,401
Changes in Net OPEB liability	(3,471,000)
Changes in deferred inflows related to pensions	(260,720)
Changes in deferred inflows related to OPEB	851,741
 The net revenue of the activities of the Internal Service Fund is reported with Governmental Activities	 <u>(1,104,747)</u>
 Change in Net Position of Governmental Activities (Exhibit II)	 <u>\$ 2,143,504</u>

The accompanying notes are an integral part of the financial statements

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund			Internal Service
	Sewer	Nonmajor Programs	Totals	Fund
Assets				
Current Assets:				
Cash and cash equivalents	\$ 9,878,902	\$ 857,633	\$ 10,736,535	\$ 844,054
Prepaid expenses		30,706	30,706	
Inventory		78,433	78,433	
Receivables:				
Sewer assessments and user fees, net	1,041,056		1,041,056	
Other			-	10,767
Due from other funds	8,689,747	32,569	8,722,316	
Intergovernmental	2,820,162	244,659	3,064,821	
Claims deposits			-	5,298,969
Total current assets	<u>22,429,867</u>	<u>1,244,000</u>	<u>23,673,867</u>	<u>6,153,790</u>
Noncurrent Assets:				
Advance deposits - medical				853,000
Restricted cash - debt service reserve	1,195,219		1,195,219	
Held in escrow	397,433		397,433	
Net pension asset		244,579	244,579	
Subtotal noncurrent assets	1,592,652	244,579	1,837,231	853,000
Capital Assets:				
Capital assets, net of accumulated depreciation	68,745,554	993,527	69,739,081	
Total noncurrent assets	<u>70,338,206</u>	<u>1,238,106</u>	<u>71,576,312</u>	<u>853,000</u>
Total assets	<u>92,768,073</u>	<u>2,482,106</u>	<u>95,250,179</u>	<u>7,006,790</u>
Deferred Outflow of Resources:				
Deferred outflows of resources related to pensions		389,026	389,026	
Deferred outflows of resources related to OPEB		48,969	48,969	
Total deferred outflow of resources	<u>-</u>	<u>437,995</u>	<u>437,995</u>	<u>-</u>
Total Assets and Deferred outflow of Resources	<u>\$ 92,768,073</u>	<u>\$ 2,920,101</u>	<u>\$ 95,688,174</u>	<u>\$ 7,006,790</u>

(Continued on next page)

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Totals	Internal Service
	Sewer	Programs		Fund
Liabilities				
Current Liabilities:				
Accounts payable	\$ 3,050,973	\$ 135,211	\$ 3,186,184	\$ 305,418
Accrued payroll	2,337		2,337	
Compensated absences		34,989	34,989	
Accrued interest	165,790		165,790	
Due to other funds		14,725	14,725	7,411,873
Claims payable				1,079,491
Unearned revenue	1,920,000	89,869	2,009,869	
Long-term liabilities due within one year	1,129,000		1,129,000	
Total current liabilities	<u>6,268,100</u>	<u>274,794</u>	<u>6,542,894</u>	<u>8,796,782</u>
Noncurrent Liabilities:				
Compensated absences, net of current portion				
Net OPEB liability		197,084	197,084	
Net pension liability		1,939,864	1,939,864	
Long-term liabilities due in more than one year	16,011,000		16,011,000	
Total noncurrent liabilities	<u>16,011,000</u>	<u>2,136,948</u>	<u>18,147,948</u>	<u>-</u>
Total liabilities	<u>22,279,100</u>	<u>2,411,742</u>	<u>24,690,842</u>	<u>8,796,782</u>
Deferred Inflows of Resources:				
Deferred inflows of resources related to pensions		149,306	149,306	
Deferred inflows of resources related to OPEB		8,489	8,489	
Deferred sewer lease arrangement	2,087,379		2,087,379	
	<u>2,087,379</u>	<u>157,795</u>	<u>2,245,174</u>	<u>-</u>
Total liabilities and deferred inflow of resources	<u>24,366,479</u>	<u>2,569,537</u>	<u>26,936,016</u>	<u>8,796,782</u>
Net Position:				
Net Investment in capital assets	51,605,554	993,527	52,599,081	
Restricted:				
Debt service	397,433		397,433	
Unrestricted (deficit)	16,398,607	(642,963)	15,755,644	(1,789,992)
Total net position	<u>68,401,594</u>	<u>350,564</u>	<u>68,752,158</u>	<u>(1,789,992)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 92,768,073</u>	<u>\$ 2,920,101</u>	<u>\$ 95,688,174</u>	<u>\$ 7,006,790</u>

The accompanying notes are an integral part of these financial statements

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major Fund	Nonmajor Programs	Totals	Internal Service Fund
	Sewer			
Operating Revenues:				
Charges for usage and service	\$ 21,591,354	\$ 714,203	\$ 22,305,557	\$ 37,543,126
Grant income		2,256,576	2,256,576	
Tuition		2,556,253	2,556,253	
On-behalf pension contribution		155,775	155,775	
Miscellaneous	1,136,265	18,098	1,154,363	49,190
Total operating revenues	<u>22,727,619</u>	<u>5,700,905</u>	<u>28,428,524</u>	<u>37,592,316</u>
Operating Expenses:				
Operations	298,846	3,995,283	4,294,129	940,324
Personnel	116,861	1,814,457	1,931,318	
Claims		17,838	17,838	12,414,752
Contract payments	17,089,375		17,089,375	
Health care management			-	25,343,101
Depreciation	2,640,766	184,776	2,825,542	
Total operating expenses	<u>20,145,848</u>	<u>6,012,354</u>	<u>26,158,202</u>	<u>38,698,177</u>
Operating Income (Loss)	<u>2,581,771</u>	<u>(311,449)</u>	<u>2,270,322</u>	<u>(1,105,861)</u>
Nonoperating Revenues (Expenses):				
Interest expense	(503,324)		(503,324)	
Investment income	458,294	5,216	463,510	1,114
Debt refunding credits	332,415		332,415	
Grant income		173,223	173,223	
Total nonoperating revenues (expenses)	<u>287,385</u>	<u>178,439</u>	<u>465,824</u>	<u>1,114</u>
Change in Net Position	2,869,156	(133,010)	2,736,146	(1,104,747)
Net Position - July 1, 2019	<u>65,532,438</u>	<u>483,574</u>	<u>66,016,012</u>	<u>(685,245)</u>
Net Position - June 30, 2020	<u>\$ 68,401,594</u>	<u>\$ 350,564</u>	<u>\$ 68,752,158</u>	<u>\$ (1,789,992)</u>

The accompanying notes are an integral part of these financial statements

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Enterprise Funds			Governmental
	Major Fund			Activities
	Sewer	Nonmajor Programs	Totals	Internal Service Fund
Cash Flows from Operating Activities:				
Cash received from customers	\$ 20,027,902	\$ 5,632,436	\$ 25,660,338	\$ 37,584,485
Cash paid to suppliers	(17,898,165)	(1,133,278)	(19,031,443)	
Cash paid to employees	(116,137)	(1,612,001)	(1,728,138)	
Cash paid for claims			-	(38,753,989)
Cash paid for other operating expenses	(301,769)	(3,349,096)	(3,650,865)	(1,056,210)
Net cash provided by (used in) operating activities	<u>1,711,831</u>	<u>(461,939)</u>	<u>1,249,892</u>	<u>(2,225,714)</u>
Cash Flows from Noncapital Financing Activities:				
Non-operating grant	21,034	17,618	38,652	
Debt refunding credits	332,415		332,415	
Change in interfund loans	(4,223,813)	(5,146)	(4,228,959)	2,128,298
Net cash provided by (used in) noncapital financing activities	<u>(3,870,364)</u>	<u>12,472</u>	<u>(3,857,892)</u>	<u>2,128,298</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(746,320)	(595,607)	(1,341,927)	
Principal paid on bonds	(1,113,000)		(1,113,000)	
Interest paid on bonds	(509,692)		(509,692)	
Net cash used in capital and related financing activities	<u>(2,369,012)</u>	<u>(595,607)</u>	<u>(2,964,619)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Income from investments	458,294	5,216	463,510	1,114
Net cash provided by investing activities	<u>458,294</u>	<u>5,216</u>	<u>463,510</u>	<u>1,114</u>
Net (Decrease) Increase in Cash	(4,069,251)	(1,039,858)	(5,109,109)	(96,302)
Cash - July 1, 2019 (Including Restricted Cash)	15,143,372	1,897,491	17,040,863	940,356
Cash - June 30, 2020 (Including Restricted Cash)	<u>\$ 11,074,121</u>	<u>\$ 857,633</u>	<u>\$ 11,931,754</u>	<u>\$ 844,054</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 2,581,771	\$ (311,449)	\$ 2,270,322	\$ (1,105,861)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,640,766	184,776	2,825,542	
Increase (decrease) in net pension asset		(51,139)	(51,139)	
Increase in deferred outflows related to pension plans		86,355	86,355	
Increase in deferred inflows related to pension plans		19,158	19,158	
(Increase) decrease in accounts receivable	80,828	-	80,828	(7,831)
Increase (decrease) in claims deposits			-	(1,348,513)
Increase in prepaid expenses		14,402	14,402	
Decrease in inventory		(14,244)	(14,244)	
(Increase) decrease in intergovernmental receivables	(1,281)	57,524	56,243	
Increase in accounts payable	(2,923)	(487,249)	(490,172)	(72,552)
Increase in accrued payroll	724		724	
Decrease in retainage payable	(808,790)		(808,790)	
Increase in compensated absences		(1,326)	(1,326)	
Increase (decrease) in prepaid assessments	(859,264)		(859,264)	
Increase in OPEB		17,532	17,532	
Decrease in deferred outflows related to OPEB		(7,494)	(7,494)	
Increase (decrease) in deferred inflows related to OPEB		7,800	7,800	
Increase in claims payable			-	309,043
(Decrease) increase in unearned revenue	(1,920,000)	29,782	(1,890,218)	
Decrease in net pension liability		(6,367)	(6,367)	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,711,831</u>	<u>\$ (461,939)</u>	<u>\$ 1,249,892</u>	<u>\$ (2,225,714)</u>

The accompanying notes are an integral part of these financial statements

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	<u>Pension and Other Employee Benefit Trust Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 3,353,941	\$ 116,736	\$ 1,200,843
Investments:			
Guaranteed investment contracts	3,159,684		
Real estate investment trust	54,652		
Common stock	13,180,381		
Pooled equity index funds	362,071		
Pooled fixed income index funds	266,429		
International equity mutual fund	1,768,565		
U.S. equity mutual funds	31,874,133		
Fixed income mutual funds	23,543,626		
Contribution receivable from primary government	436,322		
Due from primary government			3,000
Total assets	<u>77,999,804</u>	<u>116,736</u>	<u>1,203,843</u>
Liabilities:			
Accounts payable	103,825		
Deposits held in custody for others			1,203,843
Total liabilities	<u>103,825</u>	<u>-</u>	<u>1,203,843</u>
Net Position			
Restricted for:			
Pensions	68,092,226		
Postemployment benefits other than pensions Individuals and organizations	9,803,753	116,736	
Total Net Position	<u>\$ 77,895,979</u>	<u>\$ 116,736</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension and Other Employee Benefit Trust Fund	Private Purpose Trust Fund
Additions:		
Contributions:		
Employer contributions	\$ 25,951,981	\$
Plan member contributions	1,026,306	5,035
Total contributions	<u>26,978,287</u>	<u>5,035</u>
Investment Income:		
Interest and dividends	1,715,236	54
Change in the fair value of investments	(324,136)	
Total investment income	<u>1,391,100</u>	<u>54</u>
Total additions	<u>28,369,387</u>	<u>5,089</u>
Deductions:		
Benefits	30,144,104	1,906
Administrative expenses	168,698	
Total deductions	<u>30,312,802</u>	<u>1,906</u>
Change in Net Position	(1,943,415)	3,183
Net Position - July 1, 2019	<u>79,839,394</u>	<u>113,553</u>
Net Position - June 30, 2020	<u>\$ 77,895,979</u>	<u>\$ 116,736</u>

The accompanying notes are an integral part of these financial statements

History and Organization

The City of Cranston, Rhode Island (the City) was incorporated in 1910 and covers an area of nearly 30 square miles. The City operates under a Mayor-Council form of government as prescribed by the City's home rule charter, which was adopted in 1962. The Mayor is elected by the voters of the City to a two-year term limited to four consecutive terms. City Council members are elected to two-year terms, limited to five consecutive terms. The City provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, sewers and water, a free public library, and education encompassing grades PreK-12.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Cranston, Rhode Island, is a municipal corporation governed by an elected mayor and City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

Blended Component Units

The Public Facilities Management Foundation (the Foundation), a non-profit corporation, was created by the City on November 28, 2000. The Foundation consists of five members who are elected by or work for the City of Cranston. These members include the President of the Cranston City Council, the City Solicitor, the Director of Public Works, the Director of Finance and the Director of Administration. The Foundation provides exclusive rights, by a term lease as entered into with the City on November 1, 2000, to the use of land and buildings located in the City to be used as a storage and maintenance facility by the Public Works Department. The Foundation is reported as a non-major program of the proprietary funds. By way of a resolution dated May 25, 2017 the Foundations' Board members dissolved the Foundation. All future activity of the facility will be responsibility of, and be accounted for by, the City of Cranston, Rhode Island.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, expenditure reimbursement type grants, certain intergovernmental revenues, transfers, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *School Unrestricted Fund* accounts for the financial transactions of the City's School Department which are not required to be accounted for in another fund. The fund consists of state aid, City appropriation and Medicaid revenues.

The City reports the following major proprietary funds:

The *Sewer Department Fund* accounts for the activities of the City's sewer operations.

Additionally, the City reports the following fund types:

Special Revenue Funds account for and report the proceeds of revenue sources (other than major capital projects) that are restricted or committed to expenditures for specific purposes.

The *Capital Project Funds* account for the acquisition of capital assets or construction of major capital projects other than those financed by proprietary funds.

The *Internal Service Fund*, a proprietary type fund, is used to account for claims made against the City.

The *Pension Trust Funds* account for the activities of the Cranston Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* accumulates resources for future retiree health benefits and retiree life insurance benefits for eligible teachers and police and fire retirees.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The *Private-Purpose Trust Funds* are used to account for employee contributions held in trust for qualified medical related plan expenditures. All resources of the fund, including any earnings on invested resources, may not be used to support the City's activities. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Funds* account for monies held as a custodian on behalf of students, amounts held for unclaimed estates in probate court and amounts held for performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's sewer operations and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer department enterprise fund and of the City's internal service funds are charges to customers for sales and services. The sewer department also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/

Fund Balance

Deposits and Investments

Deposits - The City's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Rhode Island Statutes allow the City to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Rhode Island or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it is earned.

**CITY OF CRANSTON, RHODE ISLAND
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JUNE 30, 2020**

The City's pension funds are invested in accordance with the Plan's investment policy, the City has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets.

Investments for the City are reported at fair value.

Receivables and Payables

Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, and sewer use amounts are shown net of an allowance for uncollectibles. Allowance percentages range from 10 to 100% of outstanding receivable balances at June 30, 2020 and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within sixty days of June 30, have been recorded as deferred inflows, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the sixty day period have been recorded as revenue.

Property taxes are assessed on property as of December 31. Taxes are billed on or about June 1 (for the subsequent fiscal year) based on the assessed value for all real property, tangible property, and motor vehicles located in the City. Taxes are due in four installments in July, October, January and April. Rhode Island general laws restrict the City's ability to increase either its total tax levy or its tax rates by more than 4.0% over those of the preceding year. Overdue taxes are assessed penalties and will be collected through the sale of tax titles if required.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out (FIFO) method of valuation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are accounted for using the consumption method.

Restricted Assets

The restricted assets for the City are restricted for debt reserve requirements, building improvements and minor maintenance costs associated with the City of Cranston, Rhode Island.

**CITY OF CRANSTON, RHODE ISLAND
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Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 in the City and \$5,000 in the School Department for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Leasehold improvements	20
Infrastructure	5-65
Sewer plant	50
Sewer lines and pumping stations	50-100
Vehicles	5
Machinery and equipment	3-20

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. As of June 30, 2020, there were no impairment losses recognized for long-lived assets.

Compensated Absences

Under the terms of various contracts and policies, City employees are granted vacation and sick leave based on length of service. The City's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave relating to governmental fund employees is recorded as long-term debt in the government-wide financial statements.

Net Pension Liability

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

Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Long-Term Obligations

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

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience and investment gains or losses. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections, a deferred sewer lease arrangement and deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). The deferred lease arrangement represents the unamortized portion of an advanced lease payment that the City collected in connection with the lease of the City's wastewater treatment system. This amount is deferred and recognized ratably over the lease term. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Fund Balance and Net Position

Net Position

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

- Net investment in capital assets - consists of all 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 by the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance

In the governmental fund financial statements, the City reported the following governmental fund balances:

- Nonspendable Fund Balance - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**CITY OF CRANSTON, RHODE ISLAND
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- Committed Fund Balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The highest level of decision-making authority for the City of Cranston is the City Council which can commit fund balance through the adoption of resolutions. Similar action must be taken to remove or revise commitments.
- Assigned Fund Balance - includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund, and any residual deficit balance of any other governmental funds.

Stabilization Arrangements

- Budget Stabilization Fund - this fund shall be created, into which the City shall transfer such funds as are available to provide for capital expenditures and other one-time expenditures. The fund was established by a City ordinance. Any such transfer shall not create an operating deficit in the General Fund. Any expenditure from or transfer to this fund must first be approved by the City Council. As of June 30, 2020, the remaining fund balance included in this fund was \$0 and is reported in the totals of the City's general fund on the governmental funds balance sheet within the committed fund balance.
- Healthcare Budget Stabilization Fund - this fund shall be created, into which the excess of revenues from the various city departments over actual health care claims and related expenses shall be transferred. The fund was established by a City ordinance. Any additions are considered to be approved by the original City ordinance. Any such transfer shall not create an operating deficit in the General Fund. In the event that health care claims and related expenses exceed the budgeted appropriation, then funds may be transferred from the health care budget stabilization fund to cover the deficit. Any expenditure or transfer from this fund must first be approved by the City Council. As of June 30, 2020, the remaining fund balance included in this fund was \$4,797 and is reported in the totals of the City's General Fund on the governmental funds balance sheet within the committed fund balance.

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. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

It is the responsibility of the Mayor, with the cooperation of the Director of Finance, to submit a proposed budget for the following fiscal year to the City Council not later than the first day of April of each year. The City Council acts on the budget no later than the 15th day of May. Public hearings are conducted on the recommended budget and the final recommended budget is legally enacted through an ordinance at the Financial City Council Meeting. Budget appropriations lapse at the end of the fiscal year, with the exception of capital project funds.

The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed appropriations) is fixed by resolution as part of the annual budget adoption process at the Financial City Council Meeting. Although the resolution prohibits spending in excess of the authorized budget, it does allow management the right to create intradepartmental transfers at any time during the fiscal year. Interdepartmental transfers and supplemental appropriations are restricted to the fourth quarter and must be approved by the City Council in the form of an ordinance. Interdepartmental transfers reallocate surplus funds from one department to another. Supplemental appropriations increase or decrease both revenue appropriation and expenditure appropriation by an equal amount. During the fiscal year ended June 30, 2020 there was no changes in appropriations.

The budget for the Schools Unrestricted Fund is prepared annually and approved by the School Committee. The amount of the annual transfer from the General Fund is ultimately determined through the adoption of the General Fund budget. This appropriation does not lapse at year end. The City also adopts budgets for two of the non-major special revenue funds.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the City's budgetary reports as expenditures in the current year. The budgetary reports are located in the Required Supplementary Information (RSI). Generally, aside from the Capital Projects Fund, all unencumbered appropriations lapse at year end. Appropriations for capital projects are reissued in the amount available at the end of the fiscal year.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

B. Capital Projects Authorizations

The following is a summary of projects recorded in the Capital Projects Fund at June 30, 2020:

Project Name	Project Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2019
Governmental Funds:				
School bond fund	\$ 43,465,037	\$ 6,749,862	\$ 42,166,848	\$ 1,298,189
Police and fire bond fund	17,382,959	1,326,538	16,928,318	454,641
Public building bond fund	2,563,975	29,433	2,551,335	12,640
Recreation bond fund	8,988,773	1,998,910	8,366,390	622,383
Highway bond fund	33,675,669	4,432,579	29,845,151	3,830,518
Storm drains bond fund	3,401,141	279,224	1,987,486	1,413,655
Library bond fund	951,752	2	899,159	52,593
Neighborhood infrastructure fund	3,615,581	40,273	3,365,226	250,355
Open space bond fund	2,491,087	4,505	2,372,226	118,861

Deficits in the capital projects fund will be covered through a bond issuance in the next fiscal year.

C. Deficit Fund Balance

During the year ended June 30, 2020, the City had a deficit fund balance in the following funds:

<u>Non-Major Governmental Funds</u>	
Community Development Block Grant	\$ 36,008
WIOA Job Development Fund	66,202
<u>Internal Service Funds</u>	
City Internal Service Fund	\$ 3,906,816
<u>Non-Major Proprietary Funds</u>	
Charter School	\$ 809,643

The nonmajor fund deficits will be eliminated through future intergovernmental grant receipts, new bond issuances, Bond Anticipation Notes or inter-fund contributions. The internal service fund deficits will be eliminated through the monitoring of these fund activities and adjusting working rates for healthcare costs.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

3. DETAILED NOTES

A. Cash and Investments

Deposits Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires that deposits be placed in financial institutions that are FDIC insured up to \$250,000 and rated "well capitalized" on the institution's most recent audited financial statements/SEC filings, if deposits exceed \$250,000. As of June 30, 2020, the City's bank balance of \$45,452,115 was insured and collateralized as follows:

Insured	\$ 7,882,541
Collateralized	
Collateral held by Pledging Banks' Trust Department, not in the City's name	37,569,574
Total Amount Subject to Custodial Risk	\$ 45,452,115

The City's carrying value of cash and cash equivalents at June 30, 2020 was \$51,732,783, and is presented within the following in the financial statements:

Governmental Activities	\$ 34,285,455
Business Type Activities	11,931,754
Pension Trust Funds	1,662,262
OPEB Trust Funds	1,691,679
Internal Service Funds	844,054
Private Purpose Trust Funds	116,736
Agency Funds	1,200,843
Total	\$ 51,732,783

Certain investments are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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At June 30, 2020, the City's investments, all of which are in the City's Pension Trust Funds, (including restricted investments) consisted of the following:

Type of Investment	Fair Value	Maturity		
		N/A	Less Than 1	1-5 Years
U.S. Equity Mutual Funds	\$ 31,874,133	\$ 31,874,133	\$	\$
International Equity Mutual Funds	1,768,565	1,768,565		
Common Stock	13,180,381	13,180,381		
Guaranteed Investment Contracts	3,159,684	3,159,684		
Pooled Equity Index Funds	362,071	362,071		
Pooled Fixed Income Index Funds	266,429		266,429	
Fixed Income Mutual Funds	23,543,626		23,543,626	
Real Estate Investment Trusts	54,652	54,652		
Total	<u>\$ 74,209,541</u>	<u>\$ 50,399,486</u>	<u>\$ 23,810,055</u>	<u>\$ -</u>

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. These investments do not specify an interest rate rather the rate of return is dependent on operating results and economic conditions. These investments are not rated by Standard & Poor's as of June 30, 2020.

At June 30, 2020, the City's investments totaled \$74,209,541 (held in Fiduciary Funds) and those investment options representing 5% or more of the total investment balance are as follows:

Investment	Percentage	Fair Value
Russell US Small Cap Equity CL A	5.27%	\$ 3,514,164

Credit Risk

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.

Custodial Credit Risk

The City does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not believe that it has a significant custodial credit risk as all the investments are registered and held in the name of the City.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Fair Value of Financial Instruments

Fair value is defined as the amount at which an asset could be exchanged between knowledgeable and willing parties. GASB 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available, of how the market would price the asset or liability. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2

Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs are valued using multidimensional relational models and matrices that consider benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

Level 3

Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in valuation methodology used at 2020.

Description	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Fair Value
June 30, 2020:			
U.S. Equity Mutual Funds	\$ 31,874,133	\$	\$ 31,874,133
International Equity Mutual Funds	1,768,565		1,768,565
Common Stock	13,180,381		13,180,381
Pooled Equity Index Funds		362,071	362,071
Pooled Fixed Income Index Funds		266,429	266,429
Fixed Income Mutual Funds	23,543,626		23,543,626
Real estate Investment Trusts	54,652		54,652
Total assets in the fair value hierarchy	70,421,357	628,500	71,049,857
Investments measured at net asset value*			3,159,684
Investments at Fair Value	\$ 70,421,357	\$ 628,500	\$ 74,209,541

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	Investments Measured at Net Asset Value as of June 30, 2020		
	Fair Value	Redemption Frequency	Redemption Notice Period
Hedge Fund	<u>\$ 3,159,684</u>	Quarterly	65 Days
			Funding Commitments None

There were no transfers between any levels during the year ended June 30, 2020.

B. Receivables

Receivables as of year-end for the City's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	Property Taxes		
	Taxes	Interest & Liens	Total
Current portion	8,116,215	\$ 4,004,644	\$ 12,120,859
Less allowance for uncollectibles	<u>(2,007,500)</u>	<u>(1,582,349)</u>	<u>(3,589,849)</u>
Total Receivable	<u>\$ 6,108,715</u>	<u>\$ 2,422,295</u>	<u>\$ 8,531,010</u>

	Economic Development Loans	CDBG Loans	Total
	Loans Receivable	<u>\$ 483,454</u>	<u>\$ 2,170,300</u>

	Sewer Use Charges		
	Use Charges	Interest & Liens	Total
Current portion	\$ 1,048,019	\$ 177,023	\$ 1,225,042
Less allowance for uncollectibles	<u>(147,520)</u>	<u>(36,466)</u>	<u>(183,986)</u>
Total Receivable	<u>\$ 900,499</u>	<u>\$ 140,557</u>	<u>\$ 1,041,056</u>

Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

Unearned Revenue:	
Grant Draw-downs prior to meeting all eligibility requirements	\$ 3,310,347
Unearned developer security deposits	99,599
Total unearned revenue	<u>\$ 3,409,946</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Governmental Activities:</u>				
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 15,299,094	\$	\$	\$ 15,299,094
Construction in Progress	8,367,334	555,242	7,294,849	1,627,727
Total capital assets, not being depreciated	<u>23,666,428</u>	<u>555,242</u>	<u>7,294,849</u>	<u>16,926,821</u>
<u>Capital Assets, being depreciated:</u>				
Land improvements	41,070,878	5,787,230		46,858,108
Buildings	116,601,377	13,251,810		129,853,187
Machinery and equipment	10,346,448	1,495,623		11,842,071
Office furniture and equipment	7,532,235	35,073		7,567,308
Vehicles	24,820,168	3,709,544	413,335	28,116,377
Infrastructure	87,378,731			87,378,731
Total capital assets being depreciated	<u>287,749,837</u>	<u>24,279,280</u>	<u>413,335</u>	<u>311,615,782</u>
Total capital assets	<u>311,416,265</u>	<u>24,834,522</u>	<u>7,708,184</u>	<u>328,542,603</u>
<u>Less accumulated depreciation for:</u>				
Land improvements	16,670,186	1,750,975		18,421,161
Buildings	50,398,611	2,290,419		52,689,030
Machinery and equipment	6,715,707	1,084,868		7,800,575
Office furniture and equipment	7,285,365	100,245		7,385,610
Vehicles	16,680,059	2,907,348	394,743	19,192,664
Infrastructure	75,030,241	837,187		75,867,428
Total accumulated depreciation	<u>172,780,169</u>	<u>8,971,042</u>	<u>394,743</u>	<u>181,356,468</u>
Total Capital Assets, being depreciated, net	<u>114,969,668</u>	<u>15,308,238</u>	<u>18,592</u>	<u>130,259,314</u>
Governmental Activities Capital Assets, net	<u>\$ 138,636,096</u>	<u>\$15,863,480</u>	<u>\$ 7,313,441</u>	<u>\$ 147,186,135</u>

**CITY OF CRANSTON, RHODE ISLAND
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	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 342,712	\$	\$	\$ 342,712
Construction in Progress	319,445	21,590	256,903	84,132
Total capital assets, not being depreciated	<u>662,157</u>	<u>21,590</u>	<u>256,903</u>	<u>426,844</u>
<u>Capital Assets, being depreciated/amortized:</u>				
Land improvements	270,795			270,795
Leasehold improvements	48,244	9,294		57,538
Machinery and equipment	869,934	852,511		1,722,445
Office furniture and equipment	1,124			1,124
Vehicles	72,838			72,838
Service to customers	157,107	60,402		217,509
Pumping plant and equipment	4,223,495			4,223,495
GIS project	1,103,834			1,103,834
Treatment plant and equipment	99,349,350			99,349,350
Infrastructure	51,623,366	655,034		52,278,400
Total capital assets, being depreciated/amortized	<u>157,720,087</u>	<u>1,577,241</u>	<u>-</u>	<u>159,297,328</u>
Total capital assets	<u>158,382,244</u>	<u>1,598,831</u>	<u>256,903</u>	<u>159,724,172</u>
<u>Less accumulated depreciation/amortization for:</u>				
Land improvements	266,962	200		267,162
Leasehold improvements	2,720	2,770		5,490
Machinery and equipment	557,486	180,356		737,842
Office furniture and equipment	1,124			1,124
Vehicles	44,273	7,400		51,673
Service to customers	85,470	3,118		88,588
Pumping plant and equipment	2,384,649	80,380		2,465,029
GIS project	1,103,833			1,103,833
Treatment plant and equipment	48,241,174	1,913,027		50,154,201
Infrastructure	34,471,858	638,291		35,110,149
Total accumulated depreciation/amortization	<u>87,159,549</u>	<u>2,825,542</u>	<u>-</u>	<u>89,985,091</u>
Total Capital Assets, being depreciated/amortized, net	<u>70,560,538</u>	<u>(1,248,301)</u>	<u>-</u>	<u>69,312,237</u>
Business-Type Activities Capital Assets, net	\$ <u>71,222,695</u>	\$ <u>(1,226,711)</u>	\$ <u>256,903</u>	\$ <u>69,739,081</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 3,822,321
Public Safety	2,258,028
Public Works	1,335,776
Education	1,140,290
Parks and Recreation	299,499
Public Libraries	91,215
Senior Services	23,913
	<hr/>
Total Depreciation Expense-Governmental Activities	<u>\$ 8,971,042</u>

Depreciation expense was charged to business-type activities as follows:

Business-Type Activities	
Sewer	\$ 2,640,766
Charter School	9,181
School Lunch	175,595
	<hr/>
Total Depreciation Expense-Business-Type Activities	<u>\$ 2,825,542</u>

Construction Commitments

The City had no active construction projects as of June 30, 2020.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

D. Interfund Accounts

Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental	\$ 447,812
General fund	Internal service	3,365,961
School unrestricted	General fund	368,960
School unrestricted	Nonmajor governmental	3,082,900
School unrestricted	Internal service	4,045,912
School unrestricted	Nonmajor enterprise fund	14,725
Nonmajor governmental	School unrestricted	60,787
Nonmajor governmental	General fund	2,275
Sewer Fund	General fund	8,689,747
Nonmajor enterprise fund	School unrestricted	<u>32,569</u>
		<u><u>\$ 20,111,648</u></u>

All interfund balances result from timing between the dates payments occur between funds for short-term internal financing.

Interfund Transfer

A summary of interfund transfers as of June 30, 2020 is as follows:

	<u>Transfers in:</u>
	School
	<u>Unrestricted fund</u>
Transfers out:	
General Fund	\$ 95,542,340
Nonmajor governmental funds:	
School Education fund	<u>184,399</u>
Total	<u><u>\$ 95,726,739</u></u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds, and administration of other funds by the General Fund.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

E. Changes in Long-Term Obligations

Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

Description	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance			Current Portion	
					Outstanding 7/1/19	Additions	Retirements		
Governmental Activities									
General obligation debt:									
158a Advance Refunding (158) Public Improvements	6/1/2016	7,840,000	3.00-5.00%	7/1/2028	\$ 7,840,000	\$	\$ 635,000	\$ 7,205,000	\$ 660,000
160 Public Improvements-160	7/1/2010	3,000,000	2.00-4.30%	7/1/2030	1,800,000		150,000	1,650,000	150,000
162A Public Improvements-162A	3/29/2012	3,430,000	2.00-4.37%	2/1/2032	2,380,000		170,000	2,210,000	170,000
162B Refunding-162B (Issue 154 and 155)	3/29/2012	15,955,000	2.00-5.00%	7/1/2033	7,060,000		1,415,000	5,645,000	1,420,000
163 Public Improvements-163	7/30/2013	10,210,000	3.00-4.75%	8/1/2033	7,800,000		520,000	7,280,000	520,000
164 Advance Refunding (156 & 157) Public Improvements-164	7/15/2015	30,715,000	1.25-5.00%	7/15/2035	19,060,000		2,780,000	16,280,000	1,675,000
169 Public Improvements-169	7/24/2018	15,910,000	2.00-5.00%	8/1/2036	15,910,000		510,000	15,400,000	815,000
171 Public Improvements-171	7/29/2019	13,410,000	4.00-5.00%	8/1/2039	-	13,410,000		13,410,000	420,000
					<u>61,850,000</u>	<u>13,410,000</u>	<u>6,180,000</u>	<u>69,080,000</u>	<u>5,830,000</u>
Direct borrowings debt:									
159a Advance Refunding (159) School Borrowing	8/10/2016	4,335,000	3.25-5.00%	5/15/2029	4,020,000		330,000	3,690,000	340,000
161 School Borrowing-161	1/15/2011	700,000	2.00-4.30%	4/1/2021	140,000		70,000	70,000	70,000
166 RI Infrastructure Bank-166	4/9/2016	1,755,000	0.40-2.41%	9/1/2035	1,597,000		80,000	1,517,000	81,000
165 School Improvements-RI Infrastructure Bank-165	5/15/2016	4,565,000	2.00-5.00%	5/15/2036	4,055,000		175,000	3,880,000	180,000
167 RI Infrastructure Bank-167	7/15/2016	2,240,000	0.986-2.32%	9/1/2032	2,106,000		135,000	1,971,000	137,000
168 School Improvements-RI Infrastructure Bank-168	7/19/2017	5,000,000	3.00-5.00%	4/1/2038	4,840,000		165,000	4,675,000	170,000
170 School Borrowing-170	4/11/2019	11,335,000	4.00-5.00%	5/15/2040	11,335,000			11,335,000	345,000
					<u>28,093,000</u>	<u>-</u>	<u>955,000</u>	<u>27,138,000</u>	<u>1,323,000</u>
Total general obligation bonds					<u>89,943,000</u>	<u>13,410,000</u>	<u>7,135,000</u>	<u>96,218,000</u>	<u>7,153,000</u>
Bond premiums					<u>6,470,533</u>	<u>2,430,699</u>	<u>716,329</u>	<u>8,184,903</u>	<u>716,329</u>
TOTAL BONDS AND RELATED LIABILITIES					<u>96,413,533</u>	<u>15,840,699</u>	<u>7,851,329</u>	<u>104,402,903</u>	<u>7,869,329</u>
Capital lease									
Energy Lease Obligation	11/3/2016	3,200,000	0.0173	7/15/2023	2,340,000		450,000	1,890,000	460,000
Total Leases Payable					<u>2,340,000</u>		<u>450,000</u>	<u>1,890,000</u>	<u>460,000</u>
TOTAL BONDS, NOTES AND RELATED LIABILITIES					<u>98,753,533</u>	<u>15,840,699</u>	<u>8,301,329</u>	<u>106,292,903</u>	<u>8,329,329</u>
COMPENSATED ABSENCES					13,836,066	5,725,195	6,394,468	13,166,793	1,316,681
DEFERRED SALARY					105,828		9,413	96,415	9,642
NET PENSION LIABILITY									
Municipal employees' retirement system - City of Cranston					16,447,567	837,477		17,285,044	
Municipal employees' retirement system - Police					10,432,698	179,077	-	10,611,775	
Employees' retirement system					141,337,668	562,652		141,900,320	
Police and Fire employees' retirement system					236,136,204		7,487,607	228,648,597	
NET OPEB LIABILITY - SCHOOL DEPARTMENT					13,106,020	788,404		13,894,424	
NET OPEB LIABILITY - CITY					35,151,336	2,682,596		37,833,932	
Total General Long-Term Obligations					<u>\$ 565,306,920</u>	<u>\$ 26,616,100</u>	<u>\$ 22,192,817</u>	<u>\$ 569,730,203</u>	<u>\$ 9,655,652</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Description	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding 7/1/19	Additions	Retirements	Balance Outstanding 6/30/20	Current Portion
Business-Type Activities									
Enterprise funds:									
SEWER									
RI Infrastructure Bank	11/13/2003	2,000,000	3.00%	9/1/2024	\$ 600,000	\$	\$ 100,000	\$ 500,000	\$ 100,000
RI Infrastructure Bank	12/15/2005	900,000	3.00%	9/1/2025	420,000		60,000	360,000	60,000
RI Infrastructure Bank	12/7/2007	3,000,000	1.43%	9/1/2028	1,500,000		150,000	1,350,000	150,000
RI Infrastructure Bank	6/24/2010	1,000,000	0.52-3.19%	9/1/2030	670,000		46,000	624,000	47,000
RI Infrastructure Bank	2/20/2014	18,000,000	0.35-3.14%	9/1/2034	15,063,000		757,000	14,306,000	772,000
					18,253,000		1,113,000	17,140,000	1,129,000
NET OPEB LIABILITY					179,552	17,532		197,084	-
NET PENSION LIABILITY					1,946,231		6,367	1,939,864	-
COMPENSATED ABSENCES					36,315		1,326	34,989	34,989
Total Enterprise Funds					\$ 20,415,098	\$ 17,532	\$ 1,120,693	\$ 19,311,937	\$ 1,163,989

Payments on the bonds and capital leases payable that pertain to the City's Governmental Activities are made by the City's General Fund. The compensated absences liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The net pension liability and the net other post-employment benefits liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted fund. The deferred salary will be paid by the School Unrestricted Fund.

Capital assets obtained from capital leases totaled \$-0-.

The following is a summary of annual debt service requirements to maturity for the retirement of general obligation debt and Clean Water debt:

Year Ending June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Debt		Bonds from Direct Borrowings		Clean Water Bonds from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,830,000	\$ 2,919,378	\$ 1,323,000	\$ 1,140,531	\$ 1,129,000	\$ 489,157
2022	5,950,000	2,668,979	1,300,000	1,090,861	1,147,000	466,053
2023	6,075,000	2,416,010	1,349,000	1,040,123	1,169,000	440,613
2024	6,185,000	2,162,798	1,403,000	983,413	1,191,000	413,026
2025	4,940,000	1,923,829	1,467,000	921,979	1,217,000	383,292
2026-2030	18,600,000	6,816,913	7,828,000	3,597,603	5,652,000	1,418,775
2031-2035	13,120,000	3,371,515	7,049,000	2,014,903	5,635,000	492,903
2036-2040	8,380,000	901,935	5,419,000	596,409	-	-
	\$ 69,080,000	\$ 23,181,357	\$ 27,138,000	\$ 11,385,822	\$ 17,140,000	\$ 4,103,819

Compensated Absences

Governmental Activities - The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating \$13,166,793 as of June 30, 2020. This amount is recorded in the government-wide statements and paid out of the General Fund.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Lease Commitment

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

<u>Year Ended June 30</u>	
2021	\$ 949,960
2022	899,585
2023	568,629
2024	362,763
2025	<u>151,800</u>
	<u>\$ 2,932,737</u>

Lease expenditures approximated \$900,000 for fiscal year ended June 30, 2020.

Statutory Debt Limitations

Debt Limit

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the City subject to the 3% debt limit. The current 3% debt limit of the City is \$238.7 million based on taxable property as of December 31, 2018, of approximately \$8.0 billion.

The State of Rhode Island General Assembly (General Assembly) may by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 2020, the City had \$96,218,000 of debt outstanding, none of which is subject to the 3% debt limit.

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

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

Authorized/Unissued Bonds

The amount of authorized, unissued bonds is as follows:

General	\$	30,635,023
Schools		<u>1,611,228</u>
Total	\$	<u><u>32,246,251</u></u>

Unearned Salary

Unearned salary represents an agreement Cranston Public Schools made with the teachers union in 1992. Under the agreement any teacher who was employed by the school system prior to and inclusive of the 1991-1992 school year is eligible, upon departure from the Cranston Public School system, for a stipend. The amount of the stipend is based on the salary step held by the teacher during the 1991-1992 school year. The unearned salary, not to exceed \$1,500 per teacher will be paid in a lump sum upon each teacher's separation from service. In the event a teacher dies while in the employ of the Cranston Public Schools the benefit will be paid to the teacher's estate. As of June 30, 2020, there were 96 teachers eligible for the benefit, with an outstanding balance of \$96,415.

F. Fund Balance

As stated in Note 1, Fund Balance may be classified as one of five categories: Nonspendable, Restricted, Committed, Assigned, or Unassigned. Committed Fund Balance represents that amount of fund balance which can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's Council is considered to be the highest level of decision-making authority. In accordance with the City Charter, the Council votes on the annual budget and on any resolutions proposed by the Committees. The passage of the Council's annual budget and proposed resolutions may result in the commitment of fund balance.

At June 30, 2020, Nonspendable Fund Balance consisted of the following:

Nonspendable:	
General fund	
Advance Deposits-Hospitalization	\$ 207,000
School unrestricted fund	
School Department Long-Term-Receivable from Health Insurance Fund	<u>149,524</u>
Total Nonspendable Fund Balance	<u><u>\$ 356,524</u></u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

At June 30, 2020, Restricted Fund Balance consisted of the following:

Restricted:

General fund	
To Fund Future Library Expenses	\$ 249,382
To Fund Future Fire Expenses	102
	<u>249,484</u>
School unrestricted fund	
To Fund Education Expenses	2,388,778
To Fund Future Health Insurance Costs	2,116,824
	<u>4,505,602</u>
Nonmajor funds	
To Fund Recreation Bond Expenditures	622,383
To Fund School Bond	1,298,189
To Fund Highway Bond	3,830,518
To Fund Public Building Bond	12,640
To Fund Library Expenses	52,593
To Fund Police and Fire Capital Projects	454,641
To Fund Storm Drain Projects	1,413,655
To Fund Neighborhood Infrastructure Capital Projects	250,355
To Fund Open Space	118,861
To Fund Future Community Development Expenditures	1,691,019
To Fund Future Public Service Expenditures	720,337
To Fund Future Senior Services Expenditures	122,020
To Fund Future Parks and Recreation Expenditures	1,758
To Fund Future Grant Expenditures	54,285
To Fund Future Capital Facilities Impact Expenditures	604,644
To Fund Future Cemetery Trust Expenditures	2,703
To Fund Future Historical Record Expenditures	636,982
	<u>11,887,583</u>
Total Restricted Fund Balance	<u><u>\$16,642,669</u></u>

At June 30, 2020, Committed Fund Balance consisted of the following:

Committed:

General fund	
Self-Insurance Healthcare Reserve Fund	\$ 4,797
School unrestricted fund	
Encumbrances for Education Supplies	769,991
	<u>769,991</u>
Total Committed Fund Balance	<u><u>\$ 774,788</u></u>

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

4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The City is self-insured in most areas of risk, subject to certain third party “stop loss” coinsurance. Self-insured risks include general liability, property and casualty, workers’ compensation, unemployment and employee health and life insurance claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior years.

The City’s health insurance program provides coverage to the City’s employees and retirees through Healthmate and Blue Cross - Blue Shield of Rhode Island (BC/BS), United Healthcare and Delta Dental of Rhode Island. The City’s program is a self-insured program with BC/BS, United Healthcare and Delta Dental acting as third-party agents for the City in the payment of the various claim plans used by the City.

The City of Cranston contributes to a separate account an amount per covered employee which would otherwise have been paid to an insurance carrier. These amounts are determined by an independent third-party consultant hired by the City of Cranston who works with the provider to examine past experience and determine an adequate amount for each type of plan offered by the City. Factors considered by the plan administrator include the amount of claims paid during the previous year, claims administration costs and projected insurance industry inflation rates. The City of Cranston, including Cranston Public Schools, incurred approximately \$37 million for fiscal year 2020 under this plan.

The claims liabilities reported in the general and school department funds are related to the self-insurance program and are based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported (IBNR) be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation, and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

In order to avoid catastrophic losses, the City “reinsures” the program by purchasing insurance known as “stop-loss insurance” from BC/BS Insurance Co. and United Healthcare Services. Two types of “stop-loss insurance” are purchased: 1) individual stop-loss; and 2) aggregate stop-loss, with both provided through the Plan Administrator. Under the individual stop-loss insurance, the City pays the first \$200,000/\$225,000 of claims for individual employees or dependents. Any charges accrued by an individual in excess of \$200,000/\$225,000 in a fiscal year are thereafter reimbursed by BC/BS Insurance Co. and United Healthcare Services. The aggregate stop-loss is designed to protect the City for multiple large claims which may not reach the individual stop-loss attachment point (\$200,000/\$225,000). The aggregate stop-loss limit is \$2,000,000/\$2,200,000 per claim.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City established the Cranston Claims Committee (an internal service fund) to account for and finance its uninsured risks of loss.

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

Changes in the self-insurance liability for the fiscal years ended June 30, 2020 are as follows:

	<u>2020</u>	<u>2019</u>
July 1	\$ 770,448	\$ 697,667
Add incurred claims	38,504,231	36,429,454
Less payments of claims attributable to events of both the current and prior fiscal years:		
Health and life	<u>38,195,188</u>	<u>36,356,673</u>
Year Ended June 30	<u>\$ 1,079,491</u>	<u>\$ 770,448</u>

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years. The liability at June 30, 2020 has been recorded on the statement of net position under the claims payable line, within the government-wide statements (\$1,079,491).

The School Department has chosen to participate in the Health Benefits Project provided by the West Bay Community Health, an independent, non-profit organization. Deposits made to the Collaborative are treated as expenditures when it is probable that a claim has been incurred and include estimated amounts for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim and health care trends, and other economic and social factors.

B. Lease of Wastewater Treatment Facility

The City has entered into a Wastewater Treatment Facility Lease and Service Agreement with Triton, LLC/U.S. Filter/Veolia Water (the Company). The terms of the agreement include among others that the City will lease to the Company its Wastewater Treatment System for 25 years. The City will remain owner of the system and will continue to establish and collect all sewer fees. The Company will be responsible for providing wastewater treatment services to the City for that time period; operating and maintaining the City’s wastewater treatment facility, pumping stations, force mains, sewer interceptors and the rest of the collection system; designing, constructing and testing certain system improvements; and administering the City’s municipal industrial pre-treatment program (MIPP).

The contract required the Company to pay the City a one-time payment as consideration for the lease. The payment of \$48.0 million represents a prepayment of the lease payments due to the City over the next 25 years. These lease payments are “earned” over the life of the lease. Accordingly, unearned revenue has been recorded in the Sewer Enterprise Fund which will be realized on a straight-line basis over the life of the lease (25 years).

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

At June 30, 2020, the balance of unearned revenue related to this was approximately \$4,007,000 which is comprised of a short-term portion of \$1,920,000 and a long-term portion of approximately \$2,087,000.

During the term of the agreement, the City pays the Company a service fee, which is calculated based on definitive components and amounts, as adjusted in accordance with guidelines established in the agreement. The service fee is generally fixed at the beginning of each fiscal year. During 2020, the City paid service fees totaling approximately \$17 million. The City also recognized 4% of the lease payment (\$1,920,000) as revenue for the year ended June 30, 2020.

This transaction was financed with conduit debt "1997 Series Bonds" which were advance refunded on February 28, 2017. On January 31, 2017, there was another conduit debt transaction on the "2017 Series Bonds." This transaction resulted in refunding credit savings of \$4,403,930 over the term of the bond which is due September 2022. This debt is not due and payable from the City of Cranston, Rhode Island but they were a party to the transaction.

C. Commitments and Litigation

Construction and other significant commitments have been reported as reserve for commitments in the fund equity section of the balance sheet.

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the City attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

D. Employee Retirement System

Summary

The City contributes to five defined benefit pension plans - the Police and Fire Employees' Pension Plan of the City of Cranston (PFERS), a single-employer plan; the Municipal Employees' Retirement System (MERS), an agent multiple-employer plan; the Employees' Retirement System of the State of Rhode Island (ERS), a cost-sharing multiple employer plan; the Teacher's Survivor Benefits of the State of Rhode Island (TSB), a cost-sharing multi-employer plan; the National (Industrial) Pension Plan, a cost-sharing multi-employer defined benefit plan; and the New England Teamsters & Trucking Industry Pension Plan, a cost-sharing multiple-employer plan. The PFERS is presented in the accompanying financial statements as a fiduciary fund. MERS, ERS, TSB, the National Industrial Pension Plan and the New England Teamsters & Trucking Industry Pension Plan are not included in the City's financial

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

statements. Financial information can be obtained for those plans by contacting the State of Rhode Island. As of and for the year ended June 30, 2020, the five plans had the following balances reported in the government-wide financial statements:

	<u>Measurement Date</u>	<u>Net Pension Liability/(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Police and Fire employees' retirement system	6/30/2020	\$ 228,648,597	\$ 4,036,646	\$	\$ 11,959,050
Municipal Employees' Retirement System - City of Cranston	6/30/2019	17,400,972	4,329,992	773,216	6,513,058
Municipal Employees' Retirement System - Police	6/30/2019	10,611,775	6,217,656	1,528,911	2,737,797
Municipal Employees' Retirement System - Fire	6/30/2019	(1,976,420)	3,418,922	4,367,019	2,067,862
Employees' retirement system	6/30/2019	143,724,256	37,020,704	5,574,840	15,321,148
Teacher Survivor Benefits	6/30/2019	(18,641,818)	4,137,967	5,595,080	(117,123)
		<u>\$ 379,767,362</u>	<u>\$ 59,161,887</u>	<u>\$ 17,839,066</u>	<u>\$ 38,481,792</u>

Police and Fire Employees' Pension Plan of the City of Cranston (PFERS)

Plan Administration

The City of Cranston (City) administers the City of Cranston Fire Department and Police Department Pension Plans (Plan), a defined benefit pension plan that provides pensions for all full-time firefighters and policemen of the City. Employees hired after July 1, 1995 become members of the State plan and do not participate in this plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

PFERS' financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contract requirements and investment income is recognized when earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the plan. As of June 30, 2020, there are no separate financial statements available for the PFERS plan.

Benefit Provisions

PFERS is a single-employer defined benefit pension plan that covers all Police and Fire Department personnel hired before July 1, 1995. The Plan provides retirement, disability and survivorship benefits to plan members and their beneficiaries. A member may retire after 20 years of service. The pension is equal to 2 ½% of the member's final compensation for each year of service up to 20 years and increases 2% for each year (up to 10 years) in excess of 20 years. An additional 5% of final compensation is added to the pension at 55 years of age. A deferred pension is available to employees completing 10 years of service.

Retirement eligibility and plan benefits - Effective July 1, 2012 the benefit accrual for all plans is 2.0% per year based on the five-year average compensation, exclusive of overtime. Retirement age is 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters who were at least 45 years old, had 10 or more years of contributing service and were eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit is calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act. Joint and survivor retirement benefit options are available.

**CITY OF CRANSTON, RHODE ISLAND
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Valuation of Investments

Investments are valued at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation.

Classes of Employees Covered

As of June 30, 2020, the plans' membership consists of:

Retirees, disability retirees and beneficiaries receiving benefits	419
Active plan members vested	11
	<hr/>
Totals	430
	<hr/> <hr/>

Contributions

Police personnel are required to contribute 10% of their base salary to the pension plan and fire personnel are required to contribute 10.5% of their base salary and longevity to the pension plan.

The City establishes contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, the City contributed \$21,463,003 to the Plan, including \$0 from the State.

Net Pension Liability

The components of the net pension liability of the plan as of June 30, 2020 (the date of the most recent actuarial valuation) was as follows:

Total Pension Liability	\$ 296,740,823
Plan fiduciary net position	68,092,226
Net Pension Liability (NPL)	<hr/> <u>\$ 228,648,597</u>
Plan fiduciary net position as a percentage of the total pension liability	22.95%
Covered payroll (active plan members)	\$ 1,266,066
NPL as a percentage of covered payroll	<hr/> <u>18059.77%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Actuarial Assumptions

The historical trend information was determined as part of the actuarial valuation as of the date indicated in the tabulation. Additional information as of the latest valuation is as follows:

The June 30, 2020, total pension liability was determined by rolling forward the June 30, 2019 valuation results, using the following actuarial assumptions, applied to all periods included in the measurement:

Census data was collected as of July 1, 2019. Liabilities measured as of the census date were projected to June 30, 2020 assuming no demographic gains or losses.

Mortality rates for health lives were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment and improvements projected to 2026 with Scale AA. The same tables were used for disabled lives but set forward three years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity (large cap)	11.13%	35.00%
Domestic Equity (mid cap)	13.16%	5.00%
Domestic Equity (small cap)	13.22%	5.00%
International Equity	9.86%	15.00%
Fixed income	4.16%	35.00%
Real estate	8.35%	5.00%
		100.00%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Discount Rate

The assumed discount rate used to measure liabilities for valuation purposes is 7.90%. The projection of cash flows used to determine the discount rate for GASB 67 purposes assumed that future City contributions will follow the contribution pattern of the most recent five years (see table below), which results in an assumption that the City will contribute approximately 95.3% of the actuarially determined contributions. Based on these assumptions, the pension plan's fiduciary net position is projected to fall short of meeting all future benefit obligations to current plan members. From the point where assets are projected to be depleted, a municipal bond rate of 2.71%, based on the S&P Municipal Bond 20 Year High Grade Rate Index, was used in the development of the blended GASB discount rate. The resulting blended rate of 7.90% was used to measure the Plan's total pension liability.

Changes in Net Pension Liability

Police and Fire Pension Plan			
	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2019	\$ 306,705,941	\$ 70,569,737	\$ 236,136,204
Changes for the year:			
Service cost	279,641		279,641
Interest on the total pension liability	23,281,092		23,281,092
Differences between expected and actual experience	(8,473,275)		(8,473,275)
Changes in assumptions			-
Employer contributions		21,463,003	(21,463,003)
Employee contributions		144,191	(144,191)
Net investment income		1,110,760	(1,110,760)
Benefit payments, including employee refunds	(25,052,576)	(25,052,576)	-
Administrative expense		(142,889)	142,889
Other changes			-
Net changes	<u>(9,965,118)</u>	<u>(2,477,511)</u>	<u>(7,487,607)</u>
Balances as of June 30, 2020	<u>\$ 296,740,823</u>	<u>\$ 68,092,226</u>	<u>\$ 228,648,597</u>

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

The following represents the net pension liability, calculated using the discount rate of 7.90%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.90%) or 1 percentage-point higher (8.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 257,932,983	\$ 228,648,597	\$ 203,762,719

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

For the year ended June 30, 2020, the employer recognized pension expense of \$11,959,050. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources																		
Net differences between expected and actual earnings	\$ 4,036,646	\$ -																		
<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Year Ending June, 30</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Net Deferred Outflows (Inflows) of Resources</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2021</td> <td style="text-align: right;">\$ 922,586</td> <td></td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: right;">1,109,291</td> <td></td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: right;">1,139,726</td> <td></td> </tr> <tr> <td style="text-align: center;">2024</td> <td style="text-align: right; border-bottom: 1px solid black;">865,043</td> <td></td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right; border-bottom: 3px double black;">\$ 4,036,646</td> <td></td> </tr> </tbody> </table>			Year Ending June, 30	Net Deferred Outflows (Inflows) of Resources		2021	\$ 922,586		2022	1,109,291		2023	1,139,726		2024	865,043		Total	\$ 4,036,646	
Year Ending June, 30	Net Deferred Outflows (Inflows) of Resources																			
2021	\$ 922,586																			
2022	1,109,291																			
2023	1,139,726																			
2024	865,043																			
Total	\$ 4,036,646																			

Municipal Employees’ Retirement System of the State of Rhode Island (MERS) - General, Police and Fire

Plan Description

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

Benefits Provided

General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

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

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

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

General employees

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

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

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

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

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

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

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

Police and Fire employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

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

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

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions

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

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

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

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Special Provisions Applying to Specific Units

Prior to July 1, 2012, some units had specific provisions that apply only to that unit. Per section 45-21.2-5 benefits for members eligible to retire prior to June 30, 2012 are preserved for the calculation of the retirement benefits. For service accrued after July 1, 2012, retirement benefits will be calculated in accordance with section 45-21.2-2 and adjustments to benefits will be provided as set forth in 45-21-52. The following summarizes those provisions:

Cranston fire department hired after July 1, 1995 or with less than 5 years of service at that date - Rhode Island General Law § 45-21.2-5 (7) and § 45-21.2-14 9 (e).

Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three percent (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. The member contribution rate is 10.00%. Compensation for benefit purposes includes base, longevity, and holiday pay.

**CITY OF CRANSTON, RHODE ISLAND
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Cranston police department hired after July 1, 1995 or with less than 5 years of service at that date - Rhode Island General Law §§ 45-21.2-5 (8) and § 45-21.2-14 (f).

Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three percent (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. The member contribution rate is 10.00%. Compensation for benefit purposes includes base, longevity, and holiday pay.

Employees Covered by Benefit Terms

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>
Inactive, Nonretired Members	322	11	2
Retirees and Beneficiaries	611	23	18
Active Members	<u>637</u>	<u>147</u>	<u>180</u>
Total	<u>1,570</u>	<u>181</u>	<u>200</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The City of Cranston contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City of Cranston contributed \$2,161,31 in the year ended June 30, 2020 which was 8.75% of annual covered payroll.

**CITY OF CRANSTON, RHODE ISLAND
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Net Pension Liability (Asset)

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

Actuarial Cost Method	Entry Age Normal-the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll-Closed
Remaining Amortization:	
General & Police Employees	19 Years
Fire Employees	23 Years
Asset Valuation Method	5-Year Smooth Market
Investment Rate of Return	7.5%
Projected Salary Increases:	
General Employees	3.5%-7.5%
Police & Fire Employees	4%-14%
Inflation	2.75%
Mortality	Male employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

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

CITY OF CRANSTON, RHODE ISLAND
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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Growth		
Global Equity		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Sub-total	15.00%	
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	8.00%	
Stability		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	21.00%	
	100.00%	

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

Discount Rate

The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2018	\$ 156,257,987	\$ 139,688,091	\$ 16,569,896
Changes for the year:			
Service cost	2,386,996		2,386,996
Interest on the total pension liability	10,683,189		10,683,189
Differences between expected and actual experience	(374,386)		(374,386)
Changes in assumptions			-
Employer contributions		2,367,241	(2,367,241)
Employee contributions		787,306	(787,306)
Net investment income		8,862,094	(8,862,094)
Benefit payments, including employee refunds	(9,669,007)	(9,669,007)	-
Administrative expense		(138,533)	138,533
Other changes		(13,385)	13,385
Net changes	<u>3,026,792</u>	<u>2,195,716</u>	<u>831,076</u>
Balances as of June 30, 2019	<u>\$ 159,284,779</u>	<u>\$ 141,883,807</u>	<u>\$ 17,400,972</u>

**CITY OF CRANSTON, RHODE ISLAND
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Municipal Employee's Retirement System - Police

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2018	\$ 53,367,676	\$ 42,934,978	\$ 10,432,698
Changes for the year:			
Service cost	2,238,638		2,238,638
Interest on the total pension liability	3,773,606		3,773,606
Differences between expected and actual experience	(392,714)		(392,714)
Changes in assumptions			-
Employer contributions		1,439,364	(1,439,364)
Employee contributions		1,097,900	(1,097,900)
Net investment income		2,949,295	(2,949,295)
Benefit payments, including employee refunds	(1,156,667)	(1,156,667)	-
Administrative expense		(46,104)	46,104
Other changes		(2)	2
Net changes	<u>4,462,863</u>	<u>4,283,786</u>	<u>179,077</u>
Balances as of June 30, 2019	<u>\$ 57,830,539</u>	<u>\$ 47,218,764</u>	<u>\$ 10,611,775</u>

Municipal Employee's Retirement System - Fire

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2018	\$ 69,620,526	\$ 70,998,339	\$ (1,377,813)
Changes for the year:			
Service cost	3,063,391		3,063,391
Interest on the total pension liability	4,943,164		4,943,164
Differences between expected and actual experience	(1,584,171)		(1,584,171)
Changes in assumptions			-
Employer contributions		819,835	(819,835)
Employee contributions		1,470,003	(1,470,003)
Net investment income		4,806,199	(4,806,199)
Benefit payments, including employee refunds	(1,071,175)	(1,071,175)	-
Administrative expense		(75,131)	75,131
Other changes		85	(85)
Net changes	<u>5,351,209</u>	<u>5,949,816</u>	<u>(598,607)</u>
Balances as of June 30, 2019	<u>\$ 74,971,735</u>	<u>\$ 76,948,155</u>	<u>\$ (1,976,420)</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employee \$	34,327,632	\$ 17,400,972	\$ 3,545,955
Police	16,509,872	10,611,775	5,785,990
Fire	5,624,424	(1,976,420)	(8,194,999)

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2020 the employer recognized pension expense of \$11,318,717. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Police	Fire	Total
Deferred outflow of resources:				
Difference in experience	\$ 110,935	\$ 2,502,574	\$ 141,990	\$ 2,755,499
Difference in assumptions	1,775,101	1,873,008	2,079,535	5,727,644
Contributions subsequent to the measurement date	2,443,956	1,842,074	1,197,397	5,483,427
Total Deferred Outflow of Resources	\$ 4,329,992	\$ 6,217,656	\$ 3,418,922	\$ 13,966,570
Deferred inflow of resources:				
Difference in experience	\$ (521,287)	\$ (918,701)	\$ (3,562,745)	\$ (5,002,733)
Difference in assumptions		(292,921)	(301,187)	(594,108)
Net excess (deficit) investment returns	(251,929)	(317,289)	(503,087)	(1,072,305)
Total Deferred Inflow of Resources	\$ (773,216)	\$ (1,528,911)	\$ (4,367,019)	\$ (6,669,146)

\$5,483,427 reported as deferred outflows of resources related to pensions resulting from the (name of employer unit) contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Year Ending June 30	Municipal	Police	Fire	Total
2021	\$ 2,492,828	\$ 511,609	\$ (59,956)	\$ 2,944,481
2022	(1,330,923)	12,029	(886,160)	(2,205,054)
2023	(185,634)	319,852	(370,661)	(236,443)
2024	136,549	414,357	(216,906)	334,000
2025		397,293	(257,460)	139,833
Thereafter		1,191,531	(354,351)	837,180
Total	\$ 1,112,820	\$ 2,846,671	\$ (2,145,494)	\$ 1,813,997

General Employee (Non-Certified) Defined Contribution Plan

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees with less than 20 years of service contribute 5% of their annual covered salary. Employers contribute 1.25% for employees with at least 10 years of service but less than 15 years of service as of June 30, 2012 of annual covered salary. Employers contribute 1.50% for employees with at least 15 years of service but less than 20 years of service as of June 30, 2012 of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The City of Cranston recognized pension expense of \$982,129 for the fiscal year ended June 30, 2020.

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

Employees' Retirement System of the State of Rhode Island (ERS)

Plan Description

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

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

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Benefit Provisions

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2016.

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, Cranston School District teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Cranston School District are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Cranston School Department; the rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the State and Cranston School Department, respectively. The School Department contributed \$12,545,887, \$11,597,002 and \$11,085,649 for the fiscal years ended June 30, 2020, 2019, and 2018, respectively, equal to 100% of the required contributions for each year.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

The Cranston School District reported a liability of \$143,724,256 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Cranston School District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Cranston School District were as follows:

Cranston School District proportionate share of net pension liability:	\$ 143,724,256
State's proportionate share of the net pension liability associated with the Cranston District:	<u>107,664,351</u>
Total Net Pension Liability	<u><u>\$ 251,388,607</u></u>

The net pension liability was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The Cranston School District proportion of the net pension liability was based on a projection of the Cranston School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2018 the Cranston School District's proportion was 4.50%.

For the year ended June 30, 2020, the Cranston School District recognized gross pension expense of \$27,265,134 and revenue of \$11,943,986 for support provided by the State. At June 30, 2020 the Cranston School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date:	\$ 12,545,887
Difference between expected and actual experience	1,750,192
Changes of assumptions	8,410,137
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,768,601</u>
	<u><u>\$ 24,474,817</u></u>
Deferred inflows of resources	
Difference between expected and actual experience:	\$ 2,400,191
Changes of assumptions	1,134,325
Net difference between projected and actual earnings on pension plan investments	226,160
Changes in proportion and differences between employer contributions and proportionate share of contributions:	<u>1,814,164</u>
Total	<u><u>\$ 5,574,840</u></u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

\$12,545,887 reported as deferred outflows of resources related to pensions resulting from the Cranston School District contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2020	\$ 2,285,765
2021	(206,086)
2022	1,647,660
2023	1,931,563
2024	666,411
Thereafter	28,777
Total	\$ 6,354,090

Actuarial Assumptions

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

Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

Mortality

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Growth		
Global Equity		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Sub-total	15.00%	
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	8.00%	
Stability		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	21.00%	
	100%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 177,618,751	\$ 143,724,256	\$ 115,978,198

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee’s total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Cranston School District recognized pension expense of \$1,169,621 for the fiscal year ended June 30, 2020.

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

Teacher’s Survivors Benefits of the State of Rhode Island (TSB)

Plan Description

Certain employees of the Cranston School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers’ Survivors Benefit plan - administered by the Employees’ Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers’ payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Eligibility and Plan Benefits

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

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

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

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

Highest Annual Salary:	Basic Monthly Spouse's Benefit:
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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

Parent and One Child	Parent and Two or More Children	One Child Alone	Two Children Alone	Three or More Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member’s annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Cranston School District contributed \$123,737, \$122,562 and \$97,874 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2020 the Cranston School District reported an asset of \$18,641,818 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The Cranston School District proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2019 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019 the Cranston School District proportion was 16.43%.

For the year ended June 30, 2020, the Cranston School District recognized pension expense of \$(356,720). At June 30, 2020, the Cranston School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Contributions subsequent to the measurement date	\$ 123,737
Difference between expected and actual experience	2,031,534
Changes in assumptions	1,624,353
Changes in proportion and differences between employer contributions and proportionate share of contributions	234,606
	<u>234,606</u>
Total	<u>\$ 4,014,230</u>
Deferred inflows of resources:	
Difference between expected and actual experience	\$ (4,950,910)
Net difference between projected and actual earnings on pension plan investments	(183,577)
Changes in proportion and differences between employer contributions and proportionate share of contributions	(460,593)
	<u>(460,593)</u>
Total	<u>\$ (5,595,080)</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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\$123,737 reported as deferred outflows of resources related to pensions resulting from the Cranston School District contributions in fiscal year 2020 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2021	\$ 211,891
2022	(505,021)
2023	(107,909)
2024	(8,648)
2025	(418,275)
Thereafter	(876,625)
Total	\$ (1,704,587)

Actuarial Assumptions

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

Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

Cost of living adjustment - eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment - for valuation purposes, a 2.5% cost of living adjustment is assumed.

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Growth		
Global Equity		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Sub-total	15.00%	
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	8.00%	
Stability		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	21.00%	
	100.00%	

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

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the discount rate of 7.0% as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ (14,365,231)	\$ (18,641,818)	\$ (21,826,064)

Pension Plan Fiduciary Net Position

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

National (Industrial) Pension Plan

Plan Description

Upon the date of hire, most of the City’s public works’ employees and all School Department bus drivers are eligible to participate in the National (Industrial) Pension Fund, a cost-sharing multiple-employer defined benefit plan. The plan also provides the following types of pensions which pay benefits to a retired participant during their lifetime and thereafter pay benefits to the participant’s surviving spouse or other beneficiary: husband-and-wife pension, survivor’s option pension, and 120 certain payments option pension. The Plan also provides for a widow/widower’s pension. Employees who retire at or after age 62 with at least 5 years of pension credit and have earned at least one of the years of pension credit during the period that their employer is contributing to the pension fund are eligible for benefits through the regular pension that is payable monthly for life. The retirement benefit is determined by the highest contribution rate at which the employee earned pension credit and the years of pension credits they have earned (up to a maximum of 30 years of pension credits). The Plan also provides death and disability benefits. Benefits are established by the Board of Trustees of the Pension Fund. Financial statements for the Plan can be obtained by contacting the Laborers’ National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC, 20106.

Funding Policy

Covered employees are not required to contribute to the Plan. For Fiscal Year ended June 30, 2020, the City was required to contribute \$1.87 per hour, and the School Department was required to contribute \$.99 per hour for each hour worked by the employees to the Plan.

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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Contributions

Contributions for the past three years were as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
City			
6/30/2018	\$ 333,152	\$ 333,152	100%
6/30/2019	346,921	346,921	100%
6/30/2020	399,417	399,417	100%
School Department			
6/30/2018	155,558	155,558	100%
6/30/2019	181,422	181,422	100%
6/30/2020	207,027	207,027	100%

New England Teamsters & Trucking Industry Pension Plan

Plan Description

Upon the date of hire, most workers within City Hall and other clerical staff throughout the City are eligible to participate in the New England Teamsters & Trucking Industry Pension Plan, a cost-sharing multiple-employer defined benefit plan. Benefits under the plan are provided through a trust fund. A copy of the annual report can be obtained by contacting the trustees at: New England Teamsters & Trucking Industry Pension Fund, 1 Wall Street, Burlington, MA 01803.

Funding Policy

Covered employees are currently not required to contribute to the Plan. For the Fiscal Year ended June 30, 2020, the City was required to contribute \$1.35 per hour for each hour worked by the employees to the Plan.

Contributions

Contributions for the past three years were as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
6/30/2018	\$ 342,232	\$ 342,232	100%
6/30/2019	364,025	364,025	100%
6/30/2020	390,673	390,673	100%

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

E. Other Post-Employment Benefit (OPEB) Obligations

The City contributes to two defined benefit OPEB plans, the City of Cranston Public Safety OPEB Plan, and the City of Cranston’s Cranston Public School OPEB Plan, both which are a single-employer plan. As of and for the year ended June 30, 2020, the two plans had the following balances reported in the government-wide financial statements:

	<u>Measurement Date</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Public Safety Employees OPEB Plan	6/30/2020	\$ 37,833,932	\$ 4,009,701	\$ 4,096,458	\$ 2,175,192
Cranston Public Schools OPEB Plan	6/30/2020	14,091,508	3,501,269	606,941	1,691,884
		<u>\$ 51,925,440</u>	<u>\$ 7,510,970</u>	<u>\$ 4,703,399</u>	<u>\$ 3,867,076</u>

Other Post-Employment Benefits (OPEB) - Public Safety Employees

Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all public safety employees. The plan provides health benefits and life insurance benefits to eligible retired police and fire employees and their beneficiaries. The plans provisions may be amended by the City and the Trustees of the plan. The trust is accounted for as an OPEB trust fund in the City’s financial statements. As of June 30, 2020, there are no separate financial statements available for the Public Safety Employees OPEB plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The OPEB trust fund financial statements are prepared on the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits and administration) are recognized when they are due and payable in accordance with terms of the plan.

Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments of 5% or greater in any one organization.

Classes of Employees Covered

As of June 30, 2020 (date of the last actuarial valuation) membership data was as follows:

Active employees	339
Retirees	<u>340</u>
Total Plan Members	<u><u>679</u></u>

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

Funding Policy

The City established an Irrevocable Trust Agreement (OPEB Trust) effective July 1, 2006 and has started to pre-fund OPEB liabilities. The City pays certain medical premiums for a retiree and certain dependents until they reach the age of 65 years unless they are not covered by Medicare benefits, in that case, coverage continues for life. If a firefighter dies before reaching normal retirement age, the City pays for the benefit of the firefighter's family, if any, the full cost of family medical coverage (as in effect at the time of the firefighter's death) until the firefighter's normal retirement date. In addition, Police retirees are entitled to a City paid life insurance benefit of \$17,000 if they retired after July 1, 1982. Firemen retiring after July 1, 1981 are eligible for the \$17,000 benefit. Fire retirees retired between July 1, 2002 and June 30, 2007 are entitled to a City paid life insurance benefit of \$20,000 and if a fireman retires after July 1, 2007, a \$25,000 life insurance benefit is payable. In addition to the above, firefighters who retire with an occupational injury or illness receive a City paid life insurance benefit of \$50,000 if death occurs within 3 years of his/her retirement date.

Investments

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on plan investments, net of investment expense was 3.28%. The Money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

The following was the City's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Core Equities	15.0%
Large Cap Value Equities	10.0%
Large Cap Growth Equities	10.0%
Small/Mid Value Equities	5.0%
Small/Mid Growth Equities	5.0%
Non-U.S. Equities	15.0%
Real Estate Investment Trusts	5.0%
Fixed Income	35.0%
	<hr/>
	100.0%
	<hr/>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. These rates do not include inflation assumption which is assumed to be 2%. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
U.S. REIT	7.5%
International Stocks	7.0%
U.S. Cash	3.0%
U.S. Bonds	4.0%
U.S. Large Cap	7.5%
U.S. Mid Cap	8.0%
U.S. Small Cap	8.5%
Commodity	5.0%
Alternatives	4.2%
Emerging Markets	8.5%

Net OPEB Liability

The components of the net OPEB liability of the City of Cranston at June 30, 2020 were as follows:

Total OPEB Liability	\$ 46,954,533
Plan fiduciary net position	<u>9,120,601</u>
City's Net OPEB Liability	<u>\$ 37,833,932</u>
Plan fiduciary net position as percentage of total OPEB liability	19.42%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.9% per year, net of investment expense
Healthcare cost trend rates	5% for 2020 and years later

Mortality rates for pre-retirement were based on the RP-2000 Blue Collar mortality table with Scale AA improvement to 2026. Post retirement mortality is represented by the RP-2000 White Collar Mortality Table, adjusted 115% for males, 95% for females, with Scale AA improvements on the generational basis. Mortality for disabled members is represented by the RP-2000 Blue Collar Mortality Table with Scale AA adjustment to 2026 and set forward of 3 years.

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actual experience study for the period July 1, 2019 - June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.90 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.9%)	Current Discount Rate (7.9%)	1% Increase (8.9%)
Net OPEB Liability	\$ 41,022,985	\$ 37,833,932	\$ 34,969,851

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.9%)	Current Discount Rate (7.9%)	1% Increase (8.9%)
Net OPEB Liability	\$ 41,022,985	\$ 37,833,932	\$ 34,969,851

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 43,774,273	\$ 8,622,937	\$ 35,151,336
Changes for the year:			
Service cost	892,711		892,711
Interest on total OPEB liability	3,350,222		3,350,222
Change in terms	(556,407)		(556,407)
Experience (gain) and loss	4,099,493		4,099,493
Employer Contributions		4,488,978	(4,488,978)
Employee Contributions		396,346	(396,346)
Net investment income (loss)		242,263	(242,263)
Benefit payments	(4,605,759)	(4,605,759)	-
Administrative expenses		(24,164)	24,164
Net changes	<u>3,180,260</u>	<u>497,664</u>	<u>2,682,596</u>
Balances as of June 30, 2020	\$ <u>46,954,533</u>	\$ <u>9,120,601</u>	\$ <u>37,833,932</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,175,192. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 3,377,751	\$ (4,096,458)
Net difference between projected and actual earning on OPEB plan investments	<u>631,950</u>	<u> </u>
Total	<u>\$ 4,009,701</u>	<u>\$ (4,096,458)</u>

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

<u>Year Ending June 30</u>	
2021	\$ (448,041)
2022	(175,216)
2023	(132,963)
2024	178,680
2025	<u>490,783</u>
	<u>\$ (86,757)</u>

Other Post-Employment Benefits (OPEB) - School Department Employees

Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all School Department employees. The plan provides health benefits and dental insurance benefits to eligible retired employees and their beneficiaries. The plans provisions may be amended by the Cranston School Committee and the Trustees of the plan. The OPEB activity is accounted for in the School Unrestricted Fund in the City’s financial statements. As of June 30, 2020, there are no separate, audited GAAP-basis financial statements available for the Board of Education Employees OPEB plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The OPEB activity is accounted for on the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits and administration) are recognized when they are due and payable in accordance with terms of the plan. Administrative costs are generally financed through the School Unrestricted Fund.

Valuation of Investment

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments of 5% or greater in any one organization.

Classes of Employees Covered

As of June 30, 2020 (date of the last actuarial valuation) membership data was as follows:

Active employees	1,064
Inactive employees	
Retirees	<u>80</u>
Total Plan Members	<u><u>1,144</u></u>

Funding Policy

The City established an Irrevocable Trust Agreement effective July 1, 2015 and has started to pre-fund OPEB liabilities. The amounts due for these benefits are funded on a pay-as-you-go basis. The School Department pays 100% of the cost of individual health care insurance and dental insurance benefits for all retired eligible employees retiring before September 1, 2005 until the employee reaches the age of 65. Cost shares have been negotiated for teachers (5% of plan cost) for the retirement period September 1, 2005 and August 31, 2009. Teachers retiring between September 1, 2009 and August 31, 2011 are responsible for a 15% cost share of their benefits. Teachers retiring on or after September 1, 2011 are responsible for a 20% cost share of their benefits.

Administrators retiring prior to July 2005 have no cost share. Administrators retiring between July 1, 2005 and June 30, 2008 are responsible for a 10% cost share of their benefits. Administrators retiring between July 1, 2008 and June 30, 2010 are responsible for a 20% cost share of their benefits. Administrators retiring between July 1, 2010 and June 30, 2011 are responsible for a 22% cost share of benefits. Administrators retiring on or after July 1, 2010 are responsible for a 25% cost share of their benefits. No benefits are paid for employees retiring prior to 1988.

The School Department funds post-retirement benefits on a pay-as-you-go basis. Expenditures for the benefits described above for the year ended June 30, 2020 were \$750,281.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Investments

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on plan investments, net of investment expense was 5.88%. The Money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

The following was the City’s adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	53%
Fixed income	39%
Real Estate Investment Trusts	8%
	<u>100%</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The long-term expected rate of return on OPEB plan investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long Term Expected Rate of Return
U.S. Equities	7.8%
Non-U.S. Equities (Unhedged)	8.2%
Global Equities	8.1%
U.S. Bonds	3.5%
Non-U.S. Bonds (Hedged)	3.0%
Global Bonds (Hedged)	3.3%
U.S. High Yield Bonds	5.9%
Long-Term Credit Bonds	3.9%
Long-Term Government/Credit Index	3.6%
Intermediate-Term Credit Bonds	4.1%
Short-Term Credit Bonds	3.8%
Long -Term Treasuries	3.0%
Intermediate-Term Treasuries	2.9%
Short-Term Treasuries	3.0%
Extended Duration	2.4%
Treasury 10-Year	2.8%
TIPS-Intermediate-Term	2.6%
TIPS-Short-Term	2.6%
Real Estate Investment Trusts	6.6%
Commodities	5.8%
Market neutral	4.3%
Cash	2.9%
Inflation	1.9%

Net OPEB Liability

The following table shows the School Department’s annual OPEB liability as of June 30, 2020.

Total OPEB Liability	\$ 14,774,660
Plan fiduciary net position	<u>683,152</u>
School Department's Net OPEB Liability	<u><u>\$ 14,091,508</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	5%

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	2.9% of 2020, net of investment expense
Healthcare cost trend rates	4.5% for 2020 and years later

Mortality rates for pre-retirement and beneficiary mortality is represented by the RP-2014 White Collar Mortality with Scale MP-2016, fully generational. Mortality for disabled members were represented by the RP-2014 Disabled Mortality with Scale MP-2016, full generational.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2017 - June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.90 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (1.9%)	Current Discount Rate (2.9%)	1% Increase (3.9%)
Net OPEB Liability	\$ 15,149,659	\$ 14,091,508	\$ 13,059,382

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.0%)	Current Trend (5.0%)	1% Increase (6.0%)
Net OPEB Liability	\$ 12,329,021	\$ 14,091,508	\$ 16,179,470

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Net OPEB Liability

The Board of Education’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer and employees who elect dependent coverage (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

	School Liability (a)	Charter Liability (b)	Increase (Decrease) Total OPEB Liability (a)+(b)	Plan Fiduciary Net Position (c)	Net OPEB Liability (a)+(b)-(c)
Balances as of July 1, 2019	\$ 13,743,699	\$ 188,593	\$ 13,932,292	\$ 646,720	\$ 13,285,572
Changes for the year:					
Service cost	747,902	10,263	758,165		758,165
Interest on total OPEB liability	536,750	7,365	544,115		544,115
Change in assumptions	917,860	12,595	930,455		930,455
Experience (gain) and loss	(631,422)	(8,664)	(640,086)		(640,086)
Employer contributions			-	519,171	(519,171)
Net investment income (loss)			-	38,077	(38,077)
Benefit payments	(740,125)	(10,156)	(750,281)	(519,171)	(231,110)
Administrative expenses			-	(1,645)	1,645
Net changes	<u>830,965</u>	<u>11,403</u>	<u>842,368</u>	<u>36,432</u>	<u>805,936</u>
Balances as of June 30, 2020	\$ 14,574,664	\$ 199,996	\$ 14,774,660	\$ 683,152	\$ 14,091,508

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$1,691,884. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 2,681,582	\$ (563,885)
Difference in assumptions	819,687	
Net difference between projected and actual earning on OPEB plan investments		(43,056)
Total	<u>\$ 3,501,269</u>	<u>\$ (606,941)</u>

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

Year Ending June 30	
2021	\$ 412,505
2022	422,220
2023	427,416
2024	431,459
2025	434,164
Thereafter	766,564
	\$ 2,894,328

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Combining Schedule of Fiduciary Net Position

	<u>Pension Trust Fund</u>	<u>City OPEB Trust Fund</u>	<u>School OPEB Trust Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,423,238	\$ 1,930,703	\$	\$ 3,353,941
Investments:				
Guaranteed Investment Contracts	3,159,684			3,159,684
Real Estate Investment Trust			54,652	54,652
Common Stock	13,180,381			13,180,381
Pooled Equity Index Funds			362,071	362,071
Pooled Fixed Income Index Funds			266,429	266,429
International Equity Mutual Funds		1,768,565		1,768,565
U.S. Equity Mutual Funds	29,011,497	2,862,636		31,874,133
Fixed Income Mutual Funds	21,317,426	2,226,200		23,543,626
Contribution receivable		436,322		436,322
Total assets	<u>68,092,226</u>	<u>9,224,426</u>	<u>683,152</u>	<u>77,999,804</u>
Liabilities:				
Accounts payable		103,825		103,825
Due to primary government				
Total liabilities	<u>-</u>	<u>103,825</u>	<u>-</u>	<u>103,825</u>
Net Position				
Restricted for:				
Pensions	68,092,226			68,092,226
Postemployment benefits other than pensions		9,120,601	683,152	9,803,753
Total Net Position	<u>\$ 68,092,226</u>	<u>\$ 9,120,601</u>	<u>\$ 683,152</u>	<u>\$ 77,895,979</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Combining Schedule of Changes in Fiduciary Net Position

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer contributions	\$ 21,463,003	\$ 4,488,978	\$	\$ 25,951,981
Plan member contributions	144,191	396,346	485,769	1,026,306
Other				
Total contributions	<u>21,607,194</u>	<u>4,885,324</u>	<u>485,769</u>	<u>26,978,287</u>
Investment Income:				
Interest and dividends	1,514,842	162,317	38,077	1,715,236
Net appreciation in the fair value of investments	<u>(404,082)</u>	<u>79,946</u>	<u></u>	<u>(324,136)</u>
Total investment income	<u>1,110,760</u>	<u>242,263</u>	<u>38,077</u>	<u>1,391,100</u>
Total additions	<u>22,717,954</u>	<u>5,127,587</u>	<u>523,846</u>	<u>28,369,387</u>
Deductions:				
Benefits	25,052,576	4,605,759	485,769	30,144,104
Administrative expenses	<u>142,889</u>	<u>24,164</u>	<u>1,645</u>	<u>168,698</u>
Total deductions	<u>25,195,465</u>	<u>4,629,923</u>	<u>487,414</u>	<u>30,312,802</u>
Change in Net Position	(2,477,511)	497,664	36,432	(1,943,415)
Net Position - July 1, 2019	<u>70,569,737</u>	<u>8,622,937</u>	<u>646,720</u>	<u>79,839,394</u>
Net Position - June 30, 2020	<u>\$ 68,092,226</u>	<u>\$ 9,120,601</u>	<u>\$ 683,152</u>	<u>\$ 77,895,979</u>

City of Cranston Defined Contribution Plan

Plan Description

The Plan name is "City of Cranston Defined Contribution Plan" ID # is 05-6000110, Determination Letter Form 5300 is filed with IRS, and ING Specimen Adoption Agreement for 401(a) Defined Contribution Plan. Defined Contribution Plan for the Teamsters Bargaining Union and Laborers International Union of North America where the employee and the employer contribute 3% of earnings all stated in Form 5300 and the ING Plan Document. Plan based on approved enabling legislation presented in January 2010 and approved in that session. Total employer contributions made to the plan during June 30, 2020 were \$108,727. Total employee contributions made to the plan during June 30, 2020 were \$108,727.

**CITY OF CRANSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

School Department Defined Contribution Plan

Plan Description

The Plan name is “Cranston Public Schools 401(a) Retirement Plan”. ID # is 801343, effective July 1, 2012. Defined Contribution Plan for the Local Rhode Island 153 Bargaining Union where the employee and employer contribute 3% of earnings all stated in the Security Benefit Plan Document. Total employer contributions made to the plan during the fiscal year ending June 30, 2020 was \$37,235. Total employee contributions made to the plan during the fiscal year ending June 30, 2020 was \$37,235.

On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the City’s teachers to the Employees’ Retirement System of the State of Rhode Island was \$8,671,562.

F. Tax Abatements

The City of Cranston enters into tax abatement agreements with local businesses under its Economic Development Tax Incentive Program for Commercially Zoned Property. Under the Program, new businesses locating in commercially zoned property with the City of Cranston or existing businesses that are expanding may qualify for a tax incentive.

For the fiscal year ended June 30, 2020, the City of Cranston abated property taxes totaling \$195,163 under this program, including the following tax abatement agreements to new businesses locating in a commercially zoned property or existing businesses that are expanding:

Purpose	Percentage of taxes abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
Increase size and employment of manufacturing business	8%	\$ 24,452
Renovation of a building	6%	14,821
Additional manufacturing facility for medical device company	11%	15,127
Renovation of restaurant	4%	730
Wholesale distribution facility for restaurant supplies company	39%	53,499
Global Supply Chain and Warehouse (Purchase of Building)	28%	39,970
Increase in employment of services business	69%	46,564

G. Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19).

The City derives a significant portion of its revenues from property taxes. While the City has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the City's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

H. Subsequent Events

In October 2020, the City of Cranston issued \$8,890,000 in general obligation refunding bonds. The proceeds will be used by the City to refund the series 2010A, 2012A and 2013A series bonds. The bonds will be payable over the next 15 years at interest rates between 0.5-2.4%.



Required Supplementary Information

**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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
Revenues:				
General property taxes	\$ 187,769,815	\$ 187,769,815	\$ 188,836,127	\$ 1,066,312
Intergovernmental	25,858,503	25,858,503	24,637,543	(1,220,960)
Charges for services:				
Licenses and permits	3,332,704	3,332,704	3,636,447	303,743
Fines and forfeitures	1,685,000	1,685,000	1,528,472	(156,528)
Departmental	9,504,073	9,504,073	9,668,743	164,670
Investment income	793,500	793,500	658,628	(134,872)
Education	67,121,366	67,121,366	67,121,366	-
Other	2,284,018	2,284,018	1,329,599	(954,419)
Total revenues	<u>298,348,979</u>	<u>298,348,979</u>	<u>297,416,925</u>	<u>(932,054)</u>
Expenditures:				
Current:				
Executive	595,298	595,298	582,962	12,336
City Council	347,790	347,790	311,468	36,322
Law	620,865	620,865	820,373	(199,508)
Personnel	207,474	207,474	187,196	20,278
City Clerk	1,540,485	1,540,485	2,052,724	(512,239)
Probate Court	19,339	19,339	19,010	329
Municipal Court	365,801	365,801	362,402	3,399
Board of Canvassers	318,924	318,924	287,276	31,648
City Planning	787,111	787,111	428,248	358,863
Economic Development	189,151	189,151	180,648	8,503
Inspections	1,213,790	1,213,790	999,383	214,407
Finance	5,193,648	5,193,648	4,888,569	305,079
Fire	32,224,971	32,224,971	34,794,817	(2,569,846)
Rescue Fund	2,200,000	2,200,000	1,233,053	966,947
Police	25,835,110	25,835,110	25,533,161	301,949
Long-term debt	25,774,589	25,774,589	25,774,589	-
Public works	16,660,766	16,660,766	15,946,202	714,564
Parks and recreation	2,968,644	2,968,644	2,937,963	30,681
Public libraries	3,624,006	3,624,006	3,624,008	(2)
Senior services	3,417,982	3,417,982	2,989,470	428,512
Municipal Debt	11,355,070	11,355,070	10,832,606	522,464
Education	162,663,706	162,663,706	162,663,706	-
Community Grants	193,500	193,500	193,500	-
Boards and Commissions	25,189	25,189	7,123	18,066
Harbor Master	5,770	5,770	3,841	1,929
Total Expenditures	<u>298,348,979</u>	<u>298,348,979</u>	<u>297,654,298</u>	<u>694,681</u>
Excess (Deficiency) of Budgeted Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(237,373)</u>	<u>(237,373)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(237,373)</u>	<u>\$ (237,373)</u>
Fund Balance - July 1, 2019			<u>18,249,090</u>	
Fund Balance - June 30, 2020			<u>\$ 18,011,717</u>	

**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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
Revenues:				
State aid	\$ 64,715,767	\$ 64,715,767	\$ 62,411,484	\$ (2,304,283)
Federal through State	1,350,000	1,350,000	1,386,329	36,329
Tuition	1,090,000	1,090,000	1,388,172	298,172
Miscellaneous	475,000	475,000	234,698	(240,302)
Total revenues	<u>67,630,767</u>	<u>67,630,767</u>	<u>65,420,683</u>	<u>(2,210,084)</u>
Expenditures:				
Salaries	101,115,367	100,278,666	99,197,224	1,081,442
Employee benefits	38,565,733	38,656,833	37,784,417	872,416
Purchased services	17,608,201	17,506,561	16,794,645	711,916
Supplies and materials	4,463,686	4,331,704	4,613,482	(281,778)
Capital outlay	2,394,513	2,301,013	1,802,000	499,013
Other	(974,393)	98,330	90,495	7,835
Total expenditures	<u>163,173,107</u>	<u>163,173,107</u>	<u>160,282,263</u>	<u>2,890,844</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(95,542,340)</u>	<u>(95,542,340)</u>	<u>(94,861,580)</u>	<u>680,760</u>
Other Financing Sources:				
Transfers in City of Cranston	95,542,340	95,542,340	95,542,340	-
Transfers from other funds			184,399	184,399
Transfers out to capital reserve			(750,000)	(750,000)
Total other financing sources	<u>95,542,340</u>	<u>95,542,340</u>	<u>94,976,739</u>	<u>(565,601)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	115,159	<u>\$ 115,159</u>
Fund Balance - July 1, 2019			<u>4,578,440</u>	
Fund Balance - June 30, 2020			<u>\$ 4,693,599</u>	

CITY OF CRANSTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit IV), and budgetary requirements (RSI), is as follows:

	General Fund			School Unrestricted Fund		
	Revenues	Expenditures	Fund Balance	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis, June 30, 2020	\$ 297,416,925	\$ 297,654,298	\$ 18,011,717	\$ 65,420,683	\$ 160,282,263	\$ 4,693,599
Revenues/Expenditures accounted for on the budgetary basis associated with Education funds	(67,121,366)	(162,663,706)	-			-
Encumbrances outstanding at June 30, 2020 charged to budgetary expenditures			-		(749,312)	749,312
Encumbrances outstanding at June 30, 2019 liquidated during the year June 30, 2020			-		197,142	(197,142)
Expenditures in the school department capital reserve fund - not budgeted in general fund			-	553,343	824,774	(271,431)
Fund balance restricted for capital reserve and other purposes and removed from budgetary fund balance.			-			(299,221)
Transfer to school department capital reserve - not budgeted in the school unrestricted			-			750,000
Transfer in from budget stabilization fund included in the City's general fund budget	(39,252)	(39,252)	-			
Opening balances for funds that do not meet the GASB 54 definition for a special revenue fund Deficit reduction payment			690,815			-
Current year activity for funds that do not meet the GASB 54 definition for a special revenue fund	932,909	1,107,719	(174,810)			-
State Teachers' Retirement on-behalf payment			-	8,671,562	8,671,562	-
BALANCE, GAAP BASIS, JUNE 30, 2020	\$ 231,189,216	\$ 136,059,059	\$ 18,527,722	\$ 74,645,588	\$ 169,226,429	\$ 5,425,117

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
CRANSTON RETIREMENT SYSTEM - POLICE AND FIRE PENSION
LAST SEVEN FISCAL YEARS*

(1 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability							
Service cost	\$ 279,641	\$ 434,021	\$ 517,492	\$ 561,127	\$ 550,317	\$ 696,010	\$ 802,841
Interest on the Total Pension Liability	23,281,092	22,902,534	23,006,008	23,599,906	23,368,984	22,826,090	22,844,850
Changes of benefit terms							
Difference between expected and actual experience of the Total Pension Liability	(8,473,275)	6,629,821	(98,273)	(5,783,927)	1,233,114	(2,386,467)	
Changes of assumptions				(1,790,318)	(4,978,421)	(8,277,796)	
Benefit payments, including refunds of employee contributions	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)	(23,747,994)
Net change in total pension liability	(9,965,118)	4,977,499	(901,569)	(7,218,036)	(3,879,366)	(11,209,857)	(100,303)
Total pension liability - beginning	<u>306,705,941</u>	<u>301,728,442</u>	<u>302,630,011</u>	<u>309,848,047</u>	<u>313,727,413</u>	<u>324,937,270</u>	<u>325,037,573</u>
Total pension liability - ending (a)	<u>\$ 296,740,823</u>	<u>\$ 306,705,941</u>	<u>\$ 301,728,442</u>	<u>\$ 302,630,011</u>	<u>\$ 309,848,047</u>	<u>\$ 313,727,413</u>	<u>\$ 324,937,270</u>
B. Plan fiduciary net position							
Contributions - employer	\$ 21,463,003	\$ 21,569,803	\$ 22,568,319	\$ 21,403,849	\$ 21,316,456	\$ 21,994,344	\$ 21,994,344
Contributions - employee	144,191	201,448	240,058	279,548	257,734	336,937	368,575
Net investment income (loss)	1,110,760	4,016,741	5,322,330	5,803,466	(2,072,781)	2,983,286	9,690,430
Benefit payments, including refunds of employee contributions	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)	(23,747,994)
Pension Plan Administrative Expense	(142,889)	(73,636)	(293,500)	(65,569)	(598,630)	(451,177)	(629,880)
Other				1		429,963	381,765
Net change in plan fiduciary net position	(2,477,511)	725,479	3,510,411	3,616,471	(5,150,581)	1,225,659	8,057,240
Plan fiduciary net position - beginning	<u>70,569,737</u>	<u>69,844,258</u>	<u>66,333,847</u>	<u>62,717,376</u>	<u>67,867,957</u>	<u>66,642,298</u>	<u>58,585,058</u>
Plan fiduciary net position - ending (b)	<u>68,092,226</u>	<u>70,569,737</u>	<u>69,844,258</u>	<u>66,333,847</u>	<u>62,717,376</u>	<u>67,867,957</u>	<u>66,642,298</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 228,648,597</u>	<u>\$ 236,136,204</u>	<u>\$ 231,884,184</u>	<u>\$ 236,296,164</u>	<u>\$ 247,130,671</u>	<u>\$ 245,859,456</u>	<u>\$ 258,294,972</u>
D. Plan fiduciary net position as a percentage of the total pension liability	22.95%	23.01%	23.15%	21.92%	20.24%	21.63%	20.51%
E. Covered payroll	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734	\$ 2,905,865
F. Net pension liability as a percentage of covered payroll	18059.77%	11552.75%	9649.52%	8760.23%	9276.77%	8360.48%	8888.75%

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - GENERAL EMPLOYEES
LAST SIX FISCAL YEARS*

(2 of 6)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Service cost	\$ 2,386,996	\$ 2,449,869	\$ 2,350,820	\$ 2,362,034	\$ 2,346,927	\$ 2,376,369
Interest on the Total Pension Liability	10,683,189	10,473,985	10,359,681	10,231,218	9,977,843	9,687,460
Changes of benefit terms					2,581,501	
Difference between expected and actual experience	(374,386)	(494,724)	468,058	(1,706,718)		
Changes of assumptions			7,489,555		(2,865,321)	233,636
Benefit payments, including refunds of employee contributions	(9,669,007)	(9,149,144)	(9,287,558)	(9,048,633)	(8,291,699)	(8,530,234)
Net change in total pension liability	<u>3,026,792</u>	<u>3,279,986</u>	<u>11,380,556</u>	<u>1,837,901</u>	<u>3,749,251</u>	<u>3,767,231</u>
Total pension liability - beginning	<u>156,257,987</u>	<u>152,978,001</u>	<u>141,597,445</u>	<u>139,759,544</u>	<u>136,010,293</u>	<u>132,243,062</u>
Total pension liability - ending (a)	<u>\$ 159,284,779</u>	<u>\$ 156,257,987</u>	<u>\$ 152,978,001</u>	<u>\$ 141,597,445</u>	<u>\$ 139,759,544</u>	<u>\$ 136,010,293</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 2,367,241	\$ 2,161,301	\$ 2,342,837	\$ 2,403,173	\$ 2,479,865	\$ 2,276,531
Contributions - employee	787,306	812,598	836,339	847,508	488,592	478,002
Net investment income	8,862,094	10,452,584	14,401,043	30,596	3,119,891	18,017,830
Benefit payments, including refunds of employee contributions	(9,669,007)	(9,149,144)	(9,287,558)	(9,048,633)	(8,291,699)	(8,530,234)
Pension Plan Administrative Expense	(138,533)	(139,150)	(136,055)	(193,515)	(124,435)	(112,827)
Other	(13,385)	(57,545)	254,209	28,596	176,372	7,388
Net change in plan fiduciary net position	<u>2,195,716</u>	<u>4,080,644</u>	<u>8,410,815</u>	<u>(5,932,275)</u>	<u>(2,151,414)</u>	<u>12,136,690</u>
Plan fiduciary net position - beginning	<u>139,688,091</u>	<u>135,607,447</u>	<u>127,196,632</u>	<u>133,128,907</u>	<u>135,280,321</u>	<u>123,143,631</u>
Plan fiduciary net position - ending (b)	<u>141,883,807</u>	<u>139,688,091</u>	<u>135,607,447</u>	<u>127,196,632</u>	<u>133,128,907</u>	<u>135,280,321</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 17,400,972</u>	<u>\$ 16,569,896</u>	<u>\$ 17,370,554</u>	<u>\$ 14,400,813</u>	<u>\$ 6,630,637</u>	<u>\$ 729,972</u>
D. Plan fiduciary net position as a percentage of the total pension liability	89.08%	89.40%	88.65%	89.83%	95.26%	99.46%
E. Covered payroll	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205	\$ 23,528,405
F. Net pension liability as a percentage of covered payroll	70.06%	67.09%	71.60%	59.44%	27.43%	3.10%

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - POLICE
LAST SIX FISCAL YEARS*

(3 of 6)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Service Cost	\$ 2,238,638	\$ 2,148,101	\$ 2,014,684	\$ 1,964,581	\$ 1,375,751	\$ 1,316,743
Interest on the Total Pension Liability	3,773,606	3,498,259	3,011,196	2,735,086	2,278,196	2,112,199
Changes of benefit terms					2,566,626	
Difference between expected and actual experience of the Total Pension Liability	(392,714)	(648,949)	3,152,114	(61,897)		
Changes of assumptions			2,582,739		386,791	(648,637)
Benefit payments, including refunds of employee contributions	<u>(1,156,667)</u>	<u>(1,061,625)</u>	<u>(941,558)</u>	<u>(1,021,160)</u>	<u>(598,672)</u>	<u>(594,343)</u>
Net change in total pension liability	4,462,863	3,935,786	9,819,175	3,616,610	6,008,692	2,185,962
Total pension liability - beginning	<u>53,367,676</u>	<u>49,431,890</u>	<u>39,612,715</u>	<u>35,996,105</u>	<u>29,987,413</u>	<u>27,801,451</u>
Total pension liability - ending (a)	<u>\$ 57,830,539</u>	<u>\$ 53,367,676</u>	<u>\$ 49,431,890</u>	<u>\$ 39,612,715</u>	<u>\$ 35,996,105</u>	<u>\$ 29,987,413</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 1,439,364	\$ 1,199,854	\$ 1,040,242	\$ 1,109,071	\$ 857,531	\$ 687,959
Contributions - employee	1,097,900	1,057,127	1,099,252	1,087,172	641,751	619,646
Net investment income (loss)	2,949,295	3,212,740	4,095,964	(11,700)	763,454	4,119,654
Benefit payments, including refunds of employee contributions	(1,156,667)	(1,061,625)	(941,558)	(1,021,160)	(598,672)	(594,343)
Pension Plan Administrative Expense	(46,104)	(42,770)	(38,697)	(31,476)	(30,599)	(25,797)
Other	<u>(2)</u>	<u>2</u>	<u>(394,850)</u>	<u>(2)</u>	<u>13,001</u>	
Net change in plan fiduciary net position	4,283,786	4,365,328	4,860,353	1,131,905	1,646,466	4,807,119
Plan fiduciary net position - beginning	<u>42,934,978</u>	<u>38,569,650</u>	<u>33,709,297</u>	<u>32,577,392</u>	<u>30,930,926</u>	<u>26,123,807</u>
Plan fiduciary net position - ending (b)	<u>47,218,764</u>	<u>42,934,978</u>	<u>38,569,650</u>	<u>33,709,297</u>	<u>32,577,392</u>	<u>30,930,926</u>
C. Net pension liability (asset) - ending (a) - (b)	<u>\$ 10,611,775</u>	<u>\$ 10,432,698</u>	<u>\$ 10,862,240</u>	<u>\$ 5,903,418</u>	<u>\$ 3,418,713</u>	<u>\$ (943,513)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	81.65%	80.45%	78.03%	85.10%	90.50%	103.15%
E. Covered payroll	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870	\$ 7,745,546
F. Net pension liability as a percentage of covered payroll	96.65%	98.69%	99.91%	56.25%	42.62%	-12.18%

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION ASSET AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - FIRE
LAST SIX FISCAL YEARS*

(4 of 6)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
A. Total pension liability						
Service Cost	\$ 3,063,391	\$ 2,942,326	\$ 2,469,994	\$ 2,326,126	\$ 2,143,259	\$ 2,109,017
Interest on the Total Pension Liability	4,943,164	4,470,059	4,169,635	3,925,426	3,436,541	3,126,099
Changes of benefit terms					1,629,797	
Difference between expected and actual experience of the Total Pension Liability	(1,584,171)	181,502	(928,566)	(2,398,843)	(249,261)	
Changes of assumptions			3,052,432			(649,235)
Benefit payments, including refunds of employee contributions	(1,071,175)	(720,365)	(753,251)	(583,801)	(482,813)	(444,721)
Net change in total pension liability	5,351,209	6,873,522	8,010,244	3,268,908	6,477,523	4,141,160
Total pension liability - beginning	69,620,526	62,747,004	54,736,760	51,467,852	44,990,329	40,849,169
Total pension liability - ending (a)	<u>\$ 74,971,735</u>	<u>\$ 69,620,526</u>	<u>\$ 62,747,004</u>	<u>\$ 54,736,760</u>	<u>\$ 51,467,852</u>	<u>\$ 44,990,329</u>
B. Plan fiduciary net position						
Contributions - employer	\$ 819,835	\$ 792,107	\$ 971,858	\$ 991,610	\$ 1,226,727	\$ 1,006,080
Contributions - employee	1,470,003	1,406,154	1,300,194	1,189,766	943,698	933,528
Net investment income (loss)	4,806,199	5,312,666	6,811,465	(19,290)	1,266,662	6,811,997
Benefit payments, including refunds of employee contributions	(1,071,175)	(720,365)	(753,251)	(583,801)	(482,813)	(444,721)
Pension Plan Administrative Expense	(75,131)	(70,725)	(64,352)	(51,895)	(50,779)	(42,657)
Other	85	138,343	297,336	786	830	727
Net change in plan fiduciary net position	5,949,816	6,858,180	8,563,250	1,527,176	2,904,325	8,264,954
Plan fiduciary net position - beginning	70,998,339	64,140,159	55,576,909	54,049,733	51,145,398	42,880,444
Plan fiduciary net position - ending (b)	<u>76,948,155</u>	<u>70,998,339</u>	<u>64,140,159</u>	<u>55,576,909</u>	<u>54,049,723</u>	<u>51,145,398</u>
C. Net pension asset - ending (a) - (b)	<u>\$ (1,976,420)</u>	<u>\$ (1,377,813)</u>	<u>\$ (1,393,155)</u>	<u>\$ (840,149)</u>	<u>\$ (2,581,871)</u>	<u>\$ (6,155,069)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	102.64%	101.98%	102.22%	101.53%	105.02%	113.68%
E. Covered payroll	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323	\$ 11,626,334
F. Net pension asset as a percentage of covered payroll	-13.45%	-9.81%	-10.75%	-6.91%	-21.97%	-52.94%

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

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
 LAST SIX FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	4.50%	4.52%	4.51%	4.63%	4.51%	4.52%
City's proportionate share of the net pension liability	\$ 143,724,256	\$ 143,161,570	\$ 142,133,353	\$ 138,136,783	\$ 124,172,981	\$ 109,977,503
State's proportionate share of the net pension liability associated with the school district	<u>107,664,351</u>	<u>106,788,248</u>	<u>107,418,666</u>	<u>94,603,413</u>	<u>84,831,083</u>	<u>75,416,640</u>
Total	<u>\$ 251,388,607</u>	<u>\$ 249,949,818</u>	<u>\$ 249,552,019</u>	<u>\$ 232,740,196</u>	<u>\$ 209,004,064</u>	<u>\$ 185,394,143</u>
City's covered payroll	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 65,343,396	\$ 75,293,840	\$ 71,583,452
City's proportionate share of the net pension liability as a percentage of its covered payroll	171.71%	176.31%	179.37%	211.40%	164.92%	153.64%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.30%	54.00%	54.06%	57.55%	61.40%

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

Note:

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER'S SURVIVOR BENEFIT COST - SHARING PLAN
LAST SIX FISCAL YEARS*

(6 of 6)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension asset	16.43%	16.44%	16.59%	16.33%	15.92%	16.15%
City's proportionate share of the net pension asset	\$ <u>(18,641,818)</u>	\$ <u>(14,668,001)</u>	\$ <u>(13,726,036)</u>	\$ <u>(16,261,491)</u>	\$ <u>(14,863,013)</u>	\$ <u>(20,076,310)</u>
City's covered payroll	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 71,583,452	\$ 75,293,840	\$ 66,347,524
City's proportionate share of the net pension asset as a percentage of its covered payroll	22.27%	18.06%	17.32%	22.72%	19.74%	30.26%
Plan fiduciary net position as a percentage of the total pension asset	136.10%	136.10%	136.10%	153.30%	146.60%	173.30%

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

Note:

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

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
CRANSTON RETIREMENT SYSTEM - POLICE AND FIRE PENSION
LAST SEVEN FISCAL YEARS***

(1 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 21,463,003	\$ 21,569,803	\$ 22,568,319	\$ 21,403,849	\$ 21,316,456	\$ 21,353,591	\$ 21,006,057
Contributions in relation to the actuarially determined contribution	<u>21,463,003</u>	<u>21,569,803</u>	<u>22,568,319</u>	<u>21,403,849</u>	<u>21,316,456</u>	<u>22,376,110</u>	<u>22,376,109</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1,022,519)</u>	\$ <u>(1,370,052)</u>
Covered payroll	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734	\$ 2,905,865
Contributions as a percentage of covered payroll	1695.25%	1055.28%	939.15%	793.51%	800.18%	760.90%	770.03%

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

Notes to Schedule:

Valuation date: June 30, 2020

Measurement date: June 30, 2020

Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rate:

Actuarial cost method Entry age normal

Amortization method Level dollar basis,

Court approved plan: Closed 28-year period beginning with the July 1, 2013 valuation. Opted out of Court approved plan: Closed 23-year period beginning with the July 1, 2013 valuation

Asset valuation method Market value of assets

Inflation 3.00%

Salary increases 3%

Investment rate of return 7.90%

Cost of living adjustments Eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment-for valuation purposes, a 3% cost of living adjustments is assumed.

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF CITY CONTRIBUTIONS
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - GENERAL EMPLOYEES
 LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,443,956	\$ 2,367,241	\$ 2,161,301	\$ 2,342,837	\$ 2,403,173	\$ 2,479,865	\$ 2,276,531
Contributions in relation to the actuarially determined contribution	<u>2,443,956</u>	<u>2,367,241</u>	<u>2,161,301</u>	<u>2,342,837</u>	<u>2,403,173</u>	<u>2,479,865</u>	<u>2,276,531</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 25,583,833	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205	\$ 23,528,405
Contributions as a percentage of covered payroll	9.55%	9.53%	8.75%	9.66%	9.92%	10.26%	9.68%

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

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
 Amortization method Level percentage of payroll, closed
 Remaining amortization period 20 years
 Asset valuation method 5-year smoothed market
 Inflation 2.75%
 Salary Increases General Employees - 3.50% to 7.50%
 Police & Fire Employees - 4.00% to 14.00%
 Investment rate of return 7.50%
 Retirement age

Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.

Mortality

Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - POLICE
LAST SEVEN FISCAL YEARS***

(3 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,842,074	\$ 1,439,364	\$ 1,199,854	\$ 1,040,242	\$ 1,109,071	\$ 857,531	\$ 687,959
Contributions in relation to the actuarially determined contribution	<u>1,842,074</u>	<u>1,439,364</u>	<u>1,199,854</u>	<u>1,040,242</u>	<u>1,109,071</u>	<u>857,531</u>	<u>687,959</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 11,308,468	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870	\$ 7,745,546
Contributions as a percentage of covered payroll	16.29%	13.11%	11.35%	9.57%	10.57%	10.69%	8.88%

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

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, closed
Remaining amortization period 20 years
Asset valuation method 5-year smoothed market
Inflation 2.75%
Salary Increases General Employees - 3.50% to 7.50%
 Police & Fire Employees - 4.00% to 14.00%
Investment rate of return 7.50%

Retirement age

Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.

Mortality

Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - FIRE
LAST SEVEN FISCAL YEARS***

(4 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,197,397	\$ 819,835	\$ 792,107	\$ 971,858	\$ 991,610	\$ 1,226,727	\$ 1,006,080
Contributions in relation to the actuarially determined contribution	<u>1,197,397</u>	<u>819,835</u>	<u>792,107</u>	<u>971,858</u>	<u>991,610</u>	<u>1,226,727</u>	<u>1,006,080</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 15,133,300	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323	\$ 11,626,334
Contributions as a percentage of covered payroll	7.91%	5.58%	5.64%	7.50%	8.15%	10.44%	8.65%

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

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Level percentage of payroll, closed

Remaining amortization period 20 years

Asset valuation method 5-year smoothed market

Inflation 2.75%

Salary Increases General Employees - 3.50% to 7.50%

Police & Fire Employees - 4.00% to 14.00%

Investment rate of return 7.50%

Retirement age

Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2014 valuation.

Mortality

Males: 115% of PR-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST SIX FISCAL YEARS***

(5 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 12,545,887	\$ 11,597,002	\$ 11,085,649	\$ 10,443,656	\$ 8,928,408	\$ 8,897,203
Contributions in relation to the actuarially determined contribution	<u>12,545,887</u>	<u>11,597,002</u>	<u>11,085,649</u>	<u>10,443,656</u>	<u>8,928,408</u>	<u>8,897,203</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 65,343,396	\$ 75,293,840
Contributions as a percentage of covered payroll	14.55%	13.86%	13.65%	13.18%	13.66%	11.82%

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

Notes:

1) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
Amortization method Level percentage of payroll, closed
Inflation 2.50%
Salary Increases Teachers - 3.0% to 13.0%
Investment rate of return 7.00%
Mortality Males: PR-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
TEACHERS' SURVIVOR BENEFIT COST-SHARING PLAN
LAST SIX FISCAL YEARS***

(6 of 6)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 123,737	\$ 122,562	\$ 122,309	\$ 104,893	\$ 96,065	\$ 98,373
Contributions in relation to the actuarially determined contribution	<u>123,737</u>	<u>122,562</u>	<u>122,309</u>	<u>104,893</u>	<u>96,065</u>	<u>98,373</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 71,583,452	\$ 75,293,840
Contributions as a percentage of covered payroll	0.14%	0.15%	0.15%	0.13%	0.13%	0.13%

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

Notes:

1) Employers participating in the Teachers' Survivor Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

Notes to Schedule:

Valuation date: June 30, 2018

Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal-the individual Entry Age Actuarial Cost methodology is used

Inflation 2.50%

Salary Increases 3.0% to 13.0%

Investment rate of return 7.00%

Mortality Male Employees, RP-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.

Female Employees, RP-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

Cost of Living Adjustment

Eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment - for valuation purposes, a 2.50% cost of living adjustment is assumed.

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
LAST FOUR FISCAL YEARS*

(1 of 2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 892,711	\$ 954,238	\$ 930,661	\$ 890,585
Interest on the total OPEB liability	3,350,222	3,776,605	3,867,250	3,830,040
Change in terms	(556,407)			
Differences between expected and actual experience	4,099,493	(5,576,847)	(1,729,986)	
Benefit payments	(4,605,759)	(4,378,012)	(4,104,990)	(4,467,496)
Net change in total OPEB liability	3,180,260	(5,224,016)	(1,037,065)	253,129
Total OPEB liability - beginning	43,774,273	48,998,289	50,035,354	49,782,225
Total OPEB liability - ending	<u>\$ 46,954,533</u>	<u>\$ 43,774,273</u>	<u>\$ 48,998,289</u>	<u>\$ 50,035,354</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions - retired members	396,346	385,781	368,718	362,505
Net investment income	242,263	410,584	316,629	174,087
Benefit payments	(4,605,759)	(4,378,012)	(4,104,989)	(4,467,496)
OPEB Plan Administrative Expense	(24,164)	(23,396)	(19,792)	(17,471)
Net change in plan fiduciary net position	497,664	821,678	1,669,406	1,107,341
Plan fiduciary net position - beginning	8,622,937	7,801,259	6,131,853	5,024,512
Plan fiduciary net position - ending (b)	<u>9,120,601</u>	<u>8,622,937</u>	<u>7,801,259</u>	<u>6,131,853</u>
Net OPEB liability - ending	<u>\$ 37,833,932</u>	<u>\$ 35,151,336</u>	<u>\$ 41,197,030</u>	<u>\$ 43,903,501</u>
Plan fiduciary net position as a percentage of the total OPEB liability	19.42%	19.70%	15.92%	12.26%
Covered payroll	\$ 24,369,602	\$ 24,825,724	\$ 24,041,185	\$ 23,228,198
Net OPEB liability as a percentage of covered payroll	155.25%	141.59%	171.36%	189.01%

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
LAST FOUR FISCAL YEARS*

(2 of 2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service Cost	\$ 758,165	\$ 570,694	\$ 546,119	\$ 538,422
Interest on the total OPEB liability	544,115	400,456	380,630	363,147
Changes of assumptions	930,455			
Differences between expected and actual experience	(640,086)	3,327,983	172,483	
Benefit payments	<u>(750,281)</u>	<u>(662,755)</u>	<u>(542,485)</u>	<u>(357,642)</u>
Net change in total OPEB liability	842,368	3,636,378	556,747	543,927
Total OPEB liability - beginning	<u>13,932,292</u>	<u>10,295,914</u>	<u>9,739,167</u>	<u>9,195,240</u>
Total OPEB liability - ending	<u>\$ 14,774,660</u>	<u>\$ 13,932,292</u>	<u>\$ 10,295,914</u>	<u>\$ 9,739,167</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Contributions - retired members				
Net investment income	38,077	43,177	37,929	49,267
Benefit payments	(519,171)	(449,828)	(368,198)	(512,786)
OPEB Plan Administrative Expense	<u>(1,645)</u>	<u>(1,530)</u>		
Net change in plan fiduciary net position	36,432	41,647	537,929	49,267
Plan fiduciary net position - beginning	<u>646,720</u>	<u>605,073</u>	<u>67,144</u>	<u>17,877</u>
Plan fiduciary net position - ending (b)	<u>683,152</u>	<u>646,720</u>	<u>605,073</u>	<u>67,144</u>
Net OPEB liability - ending	<u>\$ 14,091,508</u>	<u>\$ 13,285,572</u>	<u>\$ 9,690,841</u>	<u>\$ 9,672,023</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.62%	4.64%	5.88%	0.69%
Covered payroll	\$ 87,331,208	\$ 86,830,931	\$ 83,894,619	\$ 82,578,112
Net OPEB liability as a percentage of covered payroll	16.14%	15.30%	11.55%	11.71%

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

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF CITY CONTRIBUTIONS
 CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
 LAST FOUR FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution (1)	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions in relation to the actuarially determined contribution	<u>4,488,978</u>	<u>4,426,721</u>	<u>5,108,840</u>	<u>5,055,716</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,369,602	\$ 24,825,724	\$ 24,041,185	\$ 23,228,198
Contributions as a percentage of covered payroll	18.42%	17.83%	21.25%	21.77%

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

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2016 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule:

Valuation date: June 30, 2020

Measurement date: June 30, 2020

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF CITY CONTRIBUTIONS
 CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
 LAST FOUR FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution (1)	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Contributions in relation to the actuarially determined contribution	<u>519,171</u>	<u>449,828</u>	<u>868,198</u>	<u>512,786</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 87,331,208	\$ 86,830,931	\$ 83,894,619	\$ 82,578,112
Contributions as a percentage of covered payroll	0.59%	0.52%	1.03%	0.62%

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

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2016 is based on the Annual Required Contribution (ARC) as per R.I. General Laws Chapter 45B, Section 45B-45-10.1.

Valuation date: June 30, 2020
 Measurement date: June 30, 2020

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY INVESTMENT RETURNS
CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
LAST THREE FISCAL YEARS***

(1 of 2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	3.28%	5.92%	6.15%


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

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF CRANSTON PUBLIC SCHOOLS INVESTMENT RETURNS
 CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
 LAST THREE FISCAL YEARS***

(2 of 2)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	5.88%	7.14%	6.47%

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



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



**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for revenues from specific taxes and other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Education - This fund accounts for education programs financed with grants from private parties and the federal and state government, which are restricted as governed by the grant agreements.

Community Services - These funds account for various grants and donations that are used throughout the City for the general betterment of the City. Included in this category are the following funds:

- **Flood Mitigation** - This fund was established to help mitigate flooding in low lying areas throughout the City.
- **UDAG** - This fund accounts for the repayment of principal and interest payments from commercial loans funded by a grant from the Department of Housing and Urban Development.
- **Economic Development Revolving Loan** - This fund accounts for the repayment of principal and interest payments from commercial loans funded by a grant from the Department of Housing and Urban Development.
- **Public Libraries** - This fund is used to account for gifts, bequests and grants received by the library for the betterment of the public library system.

Public Services - These funds account for public safety activities financed by grants, donations and charges received from private parties and federal and state agencies. This category includes the following funds:

- Emergency Management
- Harbor Master
- Fire Revolving Loan Fund
- Special Duty Fire
- Animal Shelter
- Police Grants/Donations
- Police Federal Forfeiture-Justice
- Police Evidence
- Police State Seizure
- Police Federal Forfeiture-Treasury
- Training Academy
- Special Duty Police

Special Revenue Funds (Continued)

Senior Services -The following funds were established to account for the receipt and disbursement of funds for specific activities sponsored by the Senior Citizens Center:

- RSVP
- Multipurpose Center
- Adult Day Care
- Senior Service Special Project
- Cranston Senior Games

Governmental Special Revenue -This fund accounts for special grants and non-capital projects and includes the following funds:

- Connetta Park
- Parks and Recreation
- Inaugural Committee
- Capital Facilities Development Impact Fees
- Cemetery Trust
- Historical Records

Community Development Block Grant -This fund accounts for Federal Community Development Block Grants.

WIA Job Development -This fund is a joint venture with the City of Providence to help unemployed and underemployed individuals.

Capital Project Funds

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

School Bond Fund - This fund accounts for the construction and improvements to school buildings, and for the acquisition of equipment for the Cranston School District.

Police and Fire Bond Fund - This fund accounts for the construction and improvements to police and fire stations and for the acquisition of police and fire equipment.

Public Building Bond Fund - This fund accounts for the construction and improvements of City buildings and the acquisition of equipment for City Hall.

Recreation Bond Fund - This fund accounts for the construction and improvements of the City's recreation facilities and for the acquisition of open space.

Highway Bond Fund - This fund accounts for construction and improvements to roads and highways within the City.

Storm Drains Bond Fund - This fund accounts for the installation and repair of storm drains within the City.

Library Bond Fund - This fund accounts for the construction and improvements to the Library's within the City.

Neighborhood Infrastructure Bond Fund - This fund accounts for neighborhood improvement projects.

Open Space Bond Fund - This fund accounts for the acquisition of open space.

**CITY OF CRANSTON, RHODE ISLAND
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Special Revenue Funds						
	Education	Community Services	Public Service	Senior Services	Governmental Special Revenue Funds	Community Development Block Grant	WIOA Job Development
Assets:							
Cash and cash equivalents	\$ 842,100	\$ 1,590,222	\$ 521,461	\$ 131,239	\$ 1,347,909	\$	\$ 77,819
Receivables:							
Intergovernmental	3,275,188						
Loans		483,454				2,170,300	
Other	3,317		570,115				
Security deposits	9,282						
Due from:							
Other funds	60,786	2,276					
Total Assets	\$ 4,190,673	\$ 2,075,952	\$ 1,091,576	\$ 131,239	\$ 1,347,909	\$ 2,170,300	\$ 77,819
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 291,624	\$ 1,750	\$ 1,236	\$ 9,219	\$ 101,822	\$ 847	\$ 1,752
Accrued payroll			91,720			7,500	5,401
Due to other funds	3,082,900	5,000	278,283			27,661	136,868
Unearned revenues	761,864	378,183				2,170,300	
Total liabilities	4,136,388	384,933	371,239	9,219	101,822	2,206,308	144,021
Fund Balances:							
Restricted	54,285	1,691,019	720,337	122,020	1,246,087		
Committed							
Unassigned						(36,008)	(66,202)
Total fund balances	54,285	1,691,019	720,337	122,020	1,246,087	(36,008)	(66,202)
Total Liabilities and Fund Balances	\$ 4,190,673	\$ 2,075,952	\$ 1,091,576	\$ 131,239	\$ 1,347,909	\$ 2,170,300	\$ 77,819

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020**

	Capital Project Funds									Total Nonmajor Governmental Funds
	School Bond Fund	Police and Fire Bond Fund	Public Building Bond Fund	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Library Bond Fund	Neighborhood Infrastructure Bond Fund	Open Space Bond Fund	
Assets:										
Cash and cash equivalents	\$ 202,146	\$ 454,641	\$ 12,640	\$ 622,383	\$ 4,701,308	\$ 1,465,970	\$ 52,593	\$ 250,355	\$ 118,861	\$ 12,391,647
Receivables:										
Intergovernmental	1,096,043									4,371,231
Loans										2,653,754
Other										573,432
Security deposits										9,282
Due from:										
Other funds										63,062
Total Assets	\$ 1,298,189	\$ 454,641	\$ 12,640	\$ 622,383	\$ 4,701,308	\$ 1,465,970	\$ 52,593	\$ 250,355	\$ 118,861	\$ 20,062,408
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$	\$	\$	\$	\$ 870,790	\$ 52,315	\$	\$	\$	\$ 1,331,355
Accrued payroll										104,621
Due to other funds										3,530,712
Unearned revenues										3,310,347
Total liabilities	-	-	-	-	870,790	52,315	-	-	-	8,277,035
Fund Balances:										
Restricted	1,298,189	454,641	12,640	622,383	3,830,518	1,413,655	52,593	250,355	118,861	11,887,583
Committed										
Unassigned										(102,210)
Total fund balances	1,298,189	454,641	12,640	622,383	3,830,518	1,413,655	52,593	250,355	118,861	11,785,373
Total Liabilities and Fund Balances	\$ 1,298,189	\$ 454,641	\$ 12,640	\$ 622,383	\$ 4,701,308	\$ 1,465,970	\$ 52,593	\$ 250,355	\$ 118,861	\$ 20,062,408

**CITY OF CRANSTON, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						
	Education	Community Services	Public Service	Senior Services	Governmental Special Revenue Funds	Community Development Block Grant	WIOA Job Development
Revenues:							
Intergovernmental	\$ 10,974,183	\$	\$ 150,050	\$	\$	\$ 538,126	\$ 442,443
Charges for services			2,008,191	45,694	300,871		
Investment income		247,145	1,909	246	8,325	506,675	23
Other		89,528	36,572				
Total revenues	<u>10,974,183</u>	<u>336,673</u>	<u>2,196,722</u>	<u>45,940</u>	<u>309,196</u>	<u>1,044,801</u>	<u>442,466</u>
Expenditures:							
Current:							
General government		8,485			327,992		356,997
Public safety			2,282,510		10,000		
Education	10,774,680						
Public libraries		84,477			22,309		
Senior services				58,821			
Community development						1,051,204	
Debt service:							
Interest and other costs							
Capital:							
Capital expenditures							
Total expenditures	<u>10,774,680</u>	<u>92,962</u>	<u>2,282,510</u>	<u>58,821</u>	<u>360,301</u>	<u>1,051,204</u>	<u>356,997</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>199,503</u>	<u>243,711</u>	<u>(85,788)</u>	<u>(12,881)</u>	<u>(51,105)</u>	<u>(6,403)</u>	<u>85,469</u>
Other Financing Sources (Uses):							
Issuance of general obligation bond							
Bond premium							
Transfer out	(184,399)						
Net other financing sources (uses)	<u>(184,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	15,104	243,711	(85,788)	(12,881)	(51,105)	(6,403)	85,469
Fund Balances - July 1, 2019	<u>39,181</u>	<u>1,447,308</u>	<u>806,125</u>	<u>134,901</u>	<u>1,297,192</u>	<u>(29,605)</u>	<u>(151,671)</u>
Fund Balances - June 30, 2020	<u>\$ 54,285</u>	<u>\$ 1,691,019</u>	<u>\$ 720,337</u>	<u>\$ 122,020</u>	<u>\$ 1,246,087</u>	<u>\$ (36,008)</u>	<u>\$ (66,202)</u>

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Capital Projects Fund								Total Nonmajor Governmental Funds
	School Bond Fund	Police and Fire Bond Fund	Public Building Bond Fund	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Library Bond Fund	Neighborhood Infrastructure Bond Fund	
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services									12,104,802
Investment income							0		2,354,756
Other									764,323
Total revenues	-	-	-	-	-	-	-	-	126,100
Expenditures:									
Current:									
General government									693,474
Public safety									2,292,510
Education									10,774,680
Public libraries									106,786
Senior services									58,821
Community development									1,051,204
Debt service:									
Interest and other costs		20,064	21	25,176	132,032	18,780	2	40,273	236,348
Capital:									
Capital expenditures	6,749,862	1,306,474	29,412	1,973,734	4,300,547	260,444		4,505	14,624,978
Total expenditures	6,749,862	1,326,538	29,433	1,998,910	4,432,579	279,224	2	40,273	4,505
Excess (Deficiency) of Revenues Over Expenditures	(6,749,862)	(1,326,538)	(29,433)	(1,998,910)	(4,432,579)	(279,224)	(2)	(40,273)	(4,505)
Other Financing Sources (Uses):									
Issuance of general obligation bond		1,371,867		1,714,834	9,037,174	1,286,125	0		13,410,000
Bond premium		248,665	0	310,831	1,638,080	233,123	0		2,430,699
Transfer out									(184,399)
Net other financing sources (uses)	-	1,620,532	-	2,025,665	10,675,254	1,519,248	-	-	15,656,300
Net Change in Fund Balances	(6,749,862)	293,994	(29,433)	26,755	6,242,675	1,240,024	(2)	(40,273)	(4,505)
Fund Balances - July 1, 2019	8,048,051	160,647	42,073	595,628	(2,412,157)	173,631	52,595	290,628	123,366
Fund Balances - June 30, 2020	\$ 1,298,189	\$ 454,641	\$ 12,640	\$ 622,383	\$ 3,830,518	\$ 1,413,655	\$ 52,593	\$ 250,355	\$ 118,861
									\$ 11,785,373

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR BUDGETARY FUNDS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

COMMUNITY DEVELOPMENT BLOCK GRANT

	<u>Originally Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues:				
Program income	\$ 350,000	\$ 350,000	\$ 506,675	\$ 156,675
Federal grants	<u>1,191,000</u>	<u>1,191,000</u>	<u>538,126</u>	<u>(652,874)</u>
Total revenues	1,541,000	1,541,000	1,044,801	(496,199)
Expenditures:				
Current:				
Program activities	<u>1,541,000</u>	<u>1,541,000</u>	<u>1,051,204</u>	<u>489,796</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,403)</u>	\$ <u>(6,403)</u>

WORKFORCE INVESTMENT ACT

	<u>Originally Adopted Budget</u>	<u>Final Approved Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues:				
Program income	\$ 451,351	\$ 451,351	\$ 442,443	\$ (8,908)
Investment income	<u> </u>	<u> </u>	<u>23</u>	<u>23</u>
Total revenues	451,351	451,351	442,466	(8,885)
Expenditures:				
Current:				
Program activities	<u>451,351</u>	<u>451,351</u>	<u>356,997</u>	<u>94,354</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>85,469</u>	\$ <u>85,469</u>



Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise or where the City has decided that periodic determination of net income is appropriate for capital maintenance, management control, accountability, public policy or other purposes.

The following is a list of Nonmajor enterprise funds in this section:

School Lunch Fund - This fund accounts for the school lunch program.

Charter School - This fund accounts for the New England Laborers / Cranston Public Schools Construction & Career Academy.

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS (NONMAJOR)
JUNE 30, 2020

	Business-Type Activities		
	School Lunch	Charter School	Totals
Assets			
Current Assets:			
Cash and cash equivalents	\$ 215,873	\$ 641,760	\$ 857,633
Prepaid expenses		30,706	30,706
Inventory	78,433		78,433
Receivables:			
Due from other funds		32,569	32,569
Intergovernmental	88,145	156,514	244,659
Total current assets	<u>382,451</u>	<u>861,549</u>	<u>1,244,000</u>
Noncurrent Assets:			
Net pension asset	-	244,579	244,579
Subtotal noncurrent assets	-	244,579	244,579
Capital Assets:			
Capital assets, net of accumulated depreciation	963,420	30,107	993,527
Total noncurrent assets	<u>963,420</u>	<u>274,686</u>	<u>1,238,106</u>
Total assets	<u>1,345,871</u>	<u>1,136,235</u>	<u>2,482,106</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to pensions		389,026	389,026
Deferred outflows of resources related to OPEB		48,969	48,969
Total deferred outflows of resources	-	<u>437,995</u>	<u>437,995</u>
Total assets and deferred outflow of resources	<u>1,345,871</u>	<u>1,574,230</u>	<u>2,920,101</u>
Liabilities			
Current Liabilities:			
Accounts payable	112,045	23,166	135,211
Due to other funds		14,725	14,725
Compensated absences		34,989	34,989
Unearned revenue	73,619	16,250	89,869
Total current liabilities	<u>185,664</u>	<u>89,130</u>	<u>274,794</u>
Noncurrent Liabilities:			
Net OPEB liability		197,084	197,084
Net pension liability		1,939,864	1,939,864
Total noncurrent liabilities	-	<u>2,136,948</u>	<u>2,136,948</u>
Total liabilities	<u>185,664</u>	<u>2,226,078</u>	<u>2,411,742</u>
Deferred Inflows of Resources:			
Deferred inflows of resources related to pensions		149,306	149,306
Deferred inflows of resources related to OPEB		8,489	8,489
Total deferred inflows of resources	-	<u>157,795</u>	<u>157,795</u>
Total liabilities and deferred inflows of resources	<u>185,664</u>	<u>2,383,873</u>	<u>2,569,537</u>
Net Position:			
Net Investment in capital assets	963,420	30,107	993,527
Unrestricted (deficit)	196,787	(839,750)	(642,963)
Total net position	<u>1,160,207</u>	<u>(809,643)</u>	<u>350,564</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,345,871</u>	<u>\$ 1,574,230</u>	<u>\$ 2,920,101</u>

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS (NONMAJOR)
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities		
	School Lunch	Charter School	Totals
Operating Revenues:			
Charges for usage and service	\$ 714,203	\$	\$ 714,203
Intergovernmental	2,256,576		2,256,576
Tuition		2,556,253	2,556,253
On-behalf pension contribution		155,775	155,775
Miscellaneous	18,098		18,098
Total operating revenues	<u>2,988,877</u>	<u>2,712,028</u>	<u>5,700,905</u>
Operating Expenses:			
Operations	2,830,281	1,165,002	3,995,283
Personnel	45,325	1,769,132	1,814,457
Claims	-	17,838	17,838
Depreciation	175,595	9,181	184,776
Total operating expenses	<u>3,051,201</u>	<u>2,961,153</u>	<u>6,012,354</u>
Operating Loss	<u>(62,324)</u>	<u>(249,125)</u>	<u>(311,449)</u>
Nonoperating Revenues:			
Investment income	32	5,184	5,216
Grant income		173,223	173,223
Total nonoperating revenues	<u>32</u>	<u>178,407</u>	<u>178,439</u>
Change in Net Position	(62,292)	(70,718)	(133,010)
Net Position - July 1, 2019	<u>1,222,499</u>	<u>(738,925)</u>	<u>483,574</u>
Net Position - June 30, 2020	<u>\$ 1,160,207</u>	<u>\$ (809,643)</u>	<u>\$ 350,564</u>

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS (NONMAJOR)
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities		
	School Lunch	Charter School	Totals
Cash Flows from Operating Activities:			
Cash received from customers	\$ 3,077,146	\$ 2,555,290	\$ 5,632,436
Cash paid to suppliers		(1,133,278)	(1,133,278)
Cash paid to employees	(45,325)	(1,566,676)	(1,612,001)
Cash paid for other operating expenses	(3,349,096)		(3,349,096)
Net cash used in operating activities	<u>(317,275)</u>	<u>(144,664)</u>	<u>(461,939)</u>
Cash Flows from Noncapital Financing Activities:			
Non-operating grant		17,618	17,618
Advances from interfund loans		(5,146)	(5,146)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>12,472</u>	<u>12,472</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(595,607)	-	(595,607)
Net cash used in capital and related financing activities	<u>(595,607)</u>	<u>-</u>	<u>(595,607)</u>
Cash Flows from Investing Activities:			
Income from investments	32	5,184	5,216
Net cash provided by investing activities	<u>32</u>	<u>5,184</u>	<u>5,216</u>
Net Decrease in Cash	(912,850)	(127,008)	(1,039,858)
Cash - July 1, 2019 (Including Restricted Cash)	<u>1,128,723</u>	<u>768,768</u>	<u>1,897,491</u>
Cash - June 30, 2020 (Including Restricted Cash)	<u>\$ 215,873</u>	<u>\$ 641,760</u>	<u>\$ 857,633</u>
Reconciliation of Operating Income to Net Cash			
Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (62,324)	\$ (249,125)	\$ (311,449)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	175,595	9,181	184,776
Increase in net pension asset		(51,139)	(51,139)
Increase in deferred outflows related to pension plans		86,355	86,355
Decrease in deferred inflows related to pension plans		19,158	19,158
Increase in deferred outflows related to OPEB plans		(7,494)	(7,494)
Decrease in deferred inflows related to OPEB plans		7,800	7,800
(Increase) decrease in accounts receivable	-	-	-
Increase in prepaid expenses		14,402	14,402
Increase in inventory	(14,244)		(14,244)
(Increase) decrease in intergovernmental receivables	57,524		57,524
Increase (decrease) in accounts payable	(504,571)	17,322	(487,249)
Increase in compensated absences		(1,326)	(1,326)
Increase (decrease) in OPEB		17,532	17,532
Increase in unearned revenue	30,745	(963)	29,782
Increase in net pension liability		(6,367)	(6,367)
Net Provided by (Used in) Operating Activities	<u>\$ (317,275)</u>	<u>\$ (144,664)</u>	<u>\$ (461,939)</u>



Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.

School Department Internal Service Fund -This fund accounts for revenues and expenses related to the School Departments medical self-insurance plan.

City Internal Service Fund -This fund accounts for revenues and expenses related to the City's self-insurance plans for medical, workers compensation, property and casualty, unemployment and general liability claims.

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Governmental Activities		Totals
	School Department Internal Service Fund	City Internal Service Fund	
Assets			
Current Assets:			
Cash and cash equivalents	\$	\$ 844,054	\$ 844,054
Receivables:			
Other	10,767		10,767
Due from other funds			-
Claims deposit	5,298,969		5,298,969
Total current assets	<u>5,309,736</u>	<u>844,054</u>	<u>6,153,790</u>
Noncurrent Assets:			
Advance deposits - medical	853,000		853,000
Total noncurrent assets	<u>853,000</u>	<u>-</u>	<u>853,000</u>
Total assets	<u>6,162,736</u>	<u>844,054</u>	<u>7,006,790</u>
Liabilities			
Current Liabilities:			
Accounts payable		305,418	305,418
Due to other funds	4,045,912	3,365,961	7,411,873
Claims payable		1,079,491	1,079,491
Total current liabilities	<u>4,045,912</u>	<u>4,750,870</u>	<u>8,796,782</u>
Net Position:			
Unrestricted	<u>2,116,824</u>	<u>(3,906,816)</u>	<u>(1,789,992)</u>
Total Net Position	<u>\$ 2,116,824</u>	<u>\$ (3,906,816)</u>	<u>\$ (1,789,992)</u>

**CITY OF CRANSTON, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities		Totals
	School Department Internal Service Fund	City Internal Service Fund	
Operating Revenues:			
Charges for usage and service	\$ 26,304,206	\$ 11,238,920	\$ 37,543,126
Miscellaneous		49,190	49,190
Total operating revenues	<u>26,304,206</u>	<u>11,288,110</u>	<u>37,592,316</u>
Operating Expenses:			
Operations		940,324	940,324
Claims		12,414,752	12,414,752
Health care management	25,343,101		25,343,101
Total operating expenses	<u>25,343,101</u>	<u>13,355,076</u>	<u>38,698,177</u>
Operating (Loss) Income	961,105	(2,066,966)	(1,105,861)
Nonoperating Revenues:			
Investment income		1,114	1,114
Change in Net Position	961,105	(2,065,852)	(1,104,747)
Net Position - July 1, 2019	<u>1,155,719</u>	<u>(1,840,964)</u>	<u>(685,245)</u>
Net Position - June 30, 2020	<u>\$ 2,116,824</u>	<u>\$ (3,906,816)</u>	<u>\$ (1,789,992)</u>

**CITY OF CRANSTON, RHODE ISLAND
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities		
	School Department Internal Service Fund	City Internal Service Fund	Totals
Cash Flows from Operating Activities:			
Cash received from customers	\$ 26,296,375	\$ 11,288,110	\$ 37,584,485
Cash paid to employees		-	-
Cash paid for claims	(26,691,614)	(12,062,375)	(38,753,989)
Cash paid for other operating expenses		(1,056,210)	(1,056,210)
Net cash used in operating activities	<u>(395,239)</u>	<u>(1,830,475)</u>	<u>(2,225,714)</u>
Cash Flows from Noncapital Financing Activities:			
Change in interfund loans	395,239	1,733,059	2,128,298
Net cash provided by noncapital financing activities	<u>395,239</u>	<u>1,733,059</u>	<u>2,128,298</u>
Cash Flows from Investing Activities:			
Income from investments	-	1,114	1,114
Net Decrease in Cash	-	(96,302)	(96,302)
Cash - July 1, 2019 (Including Restricted Cash)	-	940,356	940,356
Cash - June 30, 2020 (Including Restricted Cash)	<u>\$ -</u>	<u>\$ 844,054</u>	<u>\$ 844,054</u>
Reconciliation of Operating Income to Net Cash			
Cash Used in Operating Activities:			
Operating Income (Loss)	\$ 961,105	\$ (2,066,966)	\$ (1,105,861)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Decrease in accounts receivable	(7,831)		(7,831)
Increase (Decrease) in claims deposits	(1,348,513)		(1,348,513)
Decrease in accounts payable	-	(72,552)	(72,552)
Decrease in accrued payroll		-	-
(Increase) decrease in claims payable		309,043	309,043
Net Cash Used in Operating Activities	<u>\$ (395,239)</u>	<u>\$ (1,830,475)</u>	<u>\$ (2,225,714)</u>



Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Funds - A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit contribution plans.

Postemployment Healthcare Trust Fund - This fund is used to account for postemployment benefits for public safety employees.

Private-Purpose Trust Funds - A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

AGENCY FUNDS

Agency funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients. The following is a list of Agency Funds included in this section:

Unclaimed Estates in Probate -This fund accounts for unclaimed estates that are currently in probate.

Performance Bonds -This fund accounts for deposits received by the City to ensure certain work is completed by various developers. Once the work has been completed to the satisfaction of the Planning Department, the refunds are returned to the developers.

Student Activity Funds -This fund accounts for the receipt and disbursement of school student activity programs.

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2020

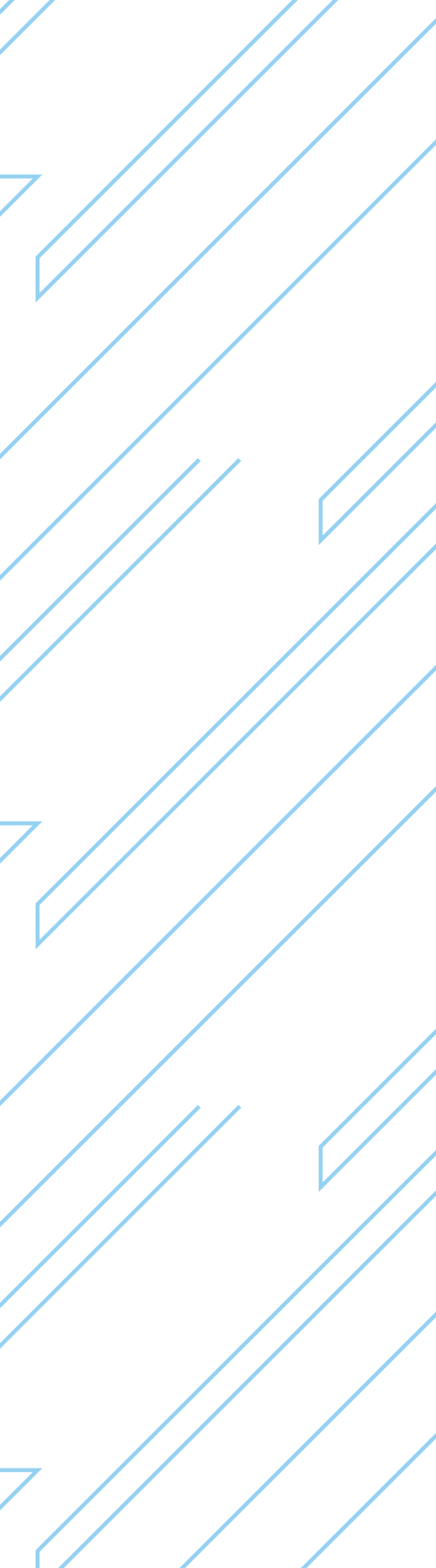
	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Assets:				
Cash and cash equivalents	\$ 1,423,238	\$ 1,930,703	\$	\$ 3,353,941
Investments:				
Guaranteed Investment Contracts	3,159,684			3,159,684
Real Estate Investment Trust			54,652	54,652
Common Stock	13,180,381			13,180,381
Pooled Equity Index Funds			362,071	362,071
Pooled Fixed Income Index Funds			266,429	266,429
International Equity Mutual Funds		1,768,565		1,768,565
U.S. Equity Mutual Funds	29,011,497	2,862,636		31,874,133
Fixed Income Mutual Funds	21,317,426	2,226,200		23,543,626
Contribution receivable		436,322		436,322
Total assets	68,092,226	9,224,426	683,152	77,999,804
Liabilities:				
Accounts payable		103,825		103,825
Due to primary government				
Total liabilities	-	103,825	-	103,825
Net Position				
Restricted for:				
Pensions	68,092,226			68,092,226
Postemployment benefits other than pensions		9,120,601	683,152	9,803,753
Total Net Position	\$ 68,092,226	\$ 9,120,601	\$ 683,152	\$ 77,895,979

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer contributions	\$ 21,463,003	\$ 4,488,978	\$	\$ 25,951,981
Plan member contributions	144,191	396,346	485,769	1,026,306
Other				
Total contributions	<u>21,607,194</u>	<u>4,885,324</u>	<u>485,769</u>	<u>26,978,287</u>
Investment Income:				
Interest and dividends	1,514,842	162,317	38,077	1,715,236
Net appreciation in the fair value of investments	<u>(404,082)</u>	<u>79,946</u>		<u>(324,136)</u>
Total investment income	<u>1,110,760</u>	<u>242,263</u>	<u>38,077</u>	<u>1,391,100</u>
Total additions	<u>22,717,954</u>	<u>5,127,587</u>	<u>523,846</u>	<u>28,369,387</u>
Deductions:				
Benefits	25,052,576	4,605,759	485,769	30,144,104
Administrative expenses	<u>142,889</u>	<u>24,164</u>	<u>1,645</u>	<u>168,698</u>
Total deductions	<u>25,195,465</u>	<u>4,629,923</u>	<u>487,414</u>	<u>30,312,802</u>
Change in Net Position	(2,477,511)	497,664	36,432	(1,943,415)
Net Position - July 1, 2019	<u>70,569,737</u>	<u>8,622,937</u>	<u>646,720</u>	<u>79,839,394</u>
Net Position - June 30, 2020	<u>\$ 68,092,226</u>	<u>\$ 9,120,601</u>	<u>\$ 683,152</u>	<u>\$ 77,895,979</u>

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Unclaimed Estates in Probate Court</u>				
ASSET				
Cash	\$ 174,725	\$ 20	\$ 78,145	\$ 96,600
LIABILITY				
Deposits Held in Custody for Others	\$ 174,725	\$ 20	\$ 78,145	\$ 96,600
<u>Performance Bonds</u>				
ASSET				
Cash	\$ 277,229	\$ 60,200	\$ 6,000	\$ 331,429
Due from primary government		3,000		3,000
Total assets	\$ 277,229	\$ 63,200	\$ 6,000	\$ 334,429
LIABILITY				
Deposits Held in Custody for Others	\$ 277,229	\$ 63,200	\$ 6,000	\$ 334,429
<u>Student Activity Funds</u>				
ASSET				
Cash	\$ 799,465	\$ 1,238,640	\$ 1,265,291	\$ 772,814
LIABILITY				
Deposits Held in Custody for Others	\$ 799,465	\$ 1,238,640	\$ 1,265,291	\$ 772,814
<u>Totals</u>				
ASSET				
Cash	\$ 1,251,419	\$ 1,298,860	\$ 1,349,436	\$ 1,200,843
Due from primary government		3,000		3,000
	\$ 1,251,419	\$ 1,301,860	\$ 1,349,436	\$ 1,203,843
LIABILITY				
Deposits Held in Custody for Others	\$ 1,251,419	\$ 1,301,860	\$ 1,349,436	\$ 1,203,843



Other Schedules

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Year</u>	<u>Property Taxes Receivable July 1, 2019</u>	<u>Current Year Assessment</u>	<u>Transfers Addendums (Net)</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Property Taxes Receivable June 30, 2020</u>
2020	\$	\$ 188,850,146	\$ 444,148	\$ 321,760	\$ 188,972,534	\$ 186,257,778	\$ 2,714,756
2019	1,919,038		(412,183)	22,575	1,484,280	816,088	668,192
2018	657,313		211,255	3,551	865,017	271,114	593,903
2017	743,017			1,772	741,245	142,668	598,577
2016	641,425			213	641,212	42,884	598,328
2015	746,880			576	746,304	37,571	708,733
2014	748,884			151	748,733	21,708	727,025
2013	767,868			271	767,597	18,949	748,648
2012	774,967			201	774,766	16,713	758,053
2011	878,140			853,542	24,598	24,598	
Subtotal	7,877,532	\$ <u>188,850,146</u>	\$ <u>243,220</u>	\$ <u>1,204,612</u>	\$ <u>195,766,286</u>	\$ <u>187,650,071</u>	8,116,215
Less estimated allowance for uncollectable accounts		<u>2,166,000</u>					<u>2,007,500</u>
Net property taxes receivable	\$	<u><u>5,711,532</u></u>					\$ <u><u>6,108,715</u></u>

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020**

Collections

Year	July - August 2019 Collections Subject to 60-Day FY19 Accrual	September - June 2020 Collections	Total FY 2020 Collections	July - August 2020 Collections Subject to 60-Day FY20 Accrual
2020	\$	\$ 186,257,778	\$ 186,257,778	\$ 1,695,410
2019	598,593	217,495	816,088	135,751
2018	49,024	222,090	271,114	17,662
2017	19,892	122,776	142,668	9,991
2016	11,882	31,002	42,884	7,674
2015	6,200	31,371	37,571	5,990
2014	4,787	16,921	21,708	5,650
2013	2,372	16,577	18,949	3,606
2012	3,265	13,448	16,713	3,436
2011	3,304	21,294	24,598	205
2010				
Total	\$ <u>699,319</u>	\$ <u>186,950,752</u>	\$ <u>187,650,071</u>	\$ <u>1,885,375</u>

(Continued on next page)

**CITY OF CRANSTON, RHODE ISLAND
 SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020**

Schedule of Net Assessed Property Value by Category Assessed December 31, 2018			Reconciliation of Current Year Property Tax Revenue	
Description of Property	Valuations	Levy		
Real property	\$ 7,506,011,548	\$ 166,155,533	Current year collections	\$ 187,650,071
Motor vehicle	488,217,565	12,222,522	Revenue received 60 days subsequent to fiscal year ending June 30, 2020	<u>1,885,375</u>
Tangible property	<u>337,815,211</u>	<u>10,472,091</u>	Subtotal	<u>189,535,446</u>
Total	8,332,044,324	188,850,146	Prior year revenue received in current year (2019 60 day rule)	<u>(699,319)</u>
Exemptions and adjustments	<u>375,707,664</u>		Current Year Property Tax Revenue	<u>\$ 188,836,127</u>
Net Assessed Value	<u>\$ 7,956,336,660</u>	<u>\$ 188,850,146</u>		

**CITY OF CRANSTON, RHODE ISLAND
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Land</u>	<u>Land Improvements</u>	<u>Infrastructure</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Office Furniture & Equipment</u>	<u>Machinery And Equipment</u>	<u>Total</u>
General government	\$ 15,299,094	\$ 28,995,901	\$ 86,658,541	\$ 107,689,574	\$ 349,836	\$ 1,401,993	\$ 669,518	\$ 241,064,457
Public safety		60,000	17,602	1,413,355	15,093,078	1,249,490	8,012,186	25,845,711
Public works		15,048,229	98,686	401	6,103,268	34,093	1,319,071	22,603,748
Education				19,653,976	5,190,671	1,211,563	19,226	26,075,436
Parks and recreation		2,753,978	603,902	560,224	811,945	9,511	1,556,584	6,296,144
Public libraries				457,862	17,458	3,586,942	142,783	4,205,045
Senior services				77,795	550,121	73,716	122,703	824,335
Total	\$ <u>15,299,094</u>	\$ <u>46,858,108</u>	\$ <u>87,378,731</u>	\$ <u>129,853,187</u>	\$ <u>28,116,377</u>	\$ <u>7,567,308</u>	\$ <u>11,842,071</u>	\$ <u>326,914,876</u>

CITY OF CRANSTON, RHODE ISLAND
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>
General government	\$ 240,846,082	\$ 227,495	\$ 9,120	\$ 241,064,457
Public safety	21,721,226	4,235,649	111,164	25,845,711
Public works	17,859,641	4,778,227	34,120	22,603,748
Education	13,557,098	12,704,366	186,028	26,075,436
Parks and recreation	4,176,981	2,175,008	55,845	6,296,144
Public libraries	4,157,660	47,385		4,205,045
Senior services	<u>730,243</u>	<u>111,150</u>	<u>17,058</u>	<u>824,335</u>
Total Capital Assets	<u>\$ 303,048,931</u>	<u>\$ 24,279,280</u>	<u>\$ 413,335</u>	<u>\$ 326,914,876</u>



Annual Supplementary Transparency Report

Town of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 187,953,188	\$ -
Last Year's Levy Tax Collection	353,246	-
Prior Years Property Tax Collection	529,693	-
Interest & Penalty	1,026,443	-
PILOT & Tax Treaty (excluded from levy) Collection	241,078	-
Other Local Property Taxes	-	-
Licenses and Permits	5,773,859	-
Fines and Forfeitures	502,029	-
Investment Income	659,819	-
Departmental	2,151,376	-
Rescue Run Revenue	4,218,980	-
Police & Fire Detail	2,397,802	-
Other Local Non-Property Tax Revenues	1,278,096	-
Tuition	-	1,469,937
Impact Aid	-	-
Medicaid	-	1,386,329
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	2,256,576
CDBG	340,414	-
COPS Grants	-	-
SAFER Grants	636,715	-
Other Federal Aid Funds	-	7,639,878
COVID - ESSER	-	2,181,413
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	628,094	-
COVID - Other	68,648	-
MV Excise Tax Reimbursement	1,042,441	-
State PILOT Program	5,386,022	-
Distressed Community Relief Fund	2,547,805	-
Library Resource Aid	622,485	-
Library Construction Aid	-	-
Public Service Corporation Tax	1,020,662	-
Meals & Beverage Tax / Hotel Tax	2,050,022	-
LEA Aid	-	62,530,051
Group Home	-	-
Housing Aid Capital Projects	-	553,343
Housing Aid Bonded Debt	2,042,464	-
State Food Service Revenue	-	21,913
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	630,890
Motor Vehicle Phase Out	9,047,284	-
Other Revenue	931,917	1,266,787
Local Appropriation for Education	-	95,542,340
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 233,450,582</u>	<u>\$ 175,479,458</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	78,010	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 78,010</u>	<u>\$ -</u>

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 1,529,471	\$ 1,434,690	\$ 1,474,150	\$ 438,641	\$ 1,035,631	\$ 2,227,898	\$ 4,672,370	\$ 1,767,011	\$ 11,052,458
Compensation - Group B	-	-	-	-	-	-	-	-	1,259,515
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	11,571	32,540	51,182	7,181	12,611	23,000	115,068	74,586	975,506
Overtime - Group B	-	-	-	-	-	-	-	-	111,167
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	2,199,500
Active Medical Insurance - Group A	214,130	130,011	291,815	76,838	193,339	299,125	867,431	287,797	2,402,397
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	253,206
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	11,270	6,843	15,359	4,044	10,176	15,743	45,654	15,147	116,943
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	13,327
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	117,072	122,336	116,497	38,827	77,790	133,890	370,937	143,196	359,159
Life Insurance	4,849	8,513	7,344	1,170	3,328	6,336	15,980	4,524	53,880
State Defined Contribution- Group A	13,066	12,188	9,154	3,796	6,245	10,591	43,481	12,270	450,032
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	14,306
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	15,576	230,988	29,122	12,340	7,624	5,885	195,612	62,131	2,928,646
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	9,223,387
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	150,878	109,691	82,383	34,160	56,203	178,538	391,328	117,542	1,703,230
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	113,429
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	91,943	69,054	28,633	47,110	-	328,014	92,560	120,052
Purchased Services	965,489	76,571	36,536	-	8,266	-	366,720	107,995	298,588
Materials/Supplies	11,462	109,011	618,253	34,160	3,478	65,000	492,481	140,520	279,565
Software Licenses	-	-	-	179,990	-	-	-	-	-
Capital Outlays	-	-	68,846	64,710	62,390	25,380	37,782	-	407,800
Insurance	1,200,000	-	-	-	-	-	-	-	-
Maintenance	-	-	18,275	145,281	-	65,000	4,521	7,692	370,466
Vehicle Operations	-	-	33,005	-	6,025	2,000	5,190,195	33,253	206,496
Utilities	-	-	3,964	131,174	-	110,000	407,404	117,246	45,267
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	981,621	-	-
Revaluation	-	28,433	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	381,254	-	-
Trash Removal & Recycling	-	-	-	-	-	-	761,943	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	36,292	-	-	-	-	-	-	-	-
Other Operation Expenditures	2,083,326	91,885	64,530	1,983	78,065	476,000	159,370	831,365	1,617,865
Tipping Fees	-	-	-	-	-	-	71,765	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,364,454	\$ 2,485,642	\$ 2,989,468	\$ 1,202,925	\$ 1,608,280	\$ 3,644,386	\$ 15,900,932	\$ 3,814,834	\$ 36,576,187

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 13,782,903	\$ -	\$ 175,023	\$ -	\$ -	\$ -	\$ 39,590,247	\$ 81,130,961
Compensation - Group B	824,067	-	-	-	-	-	2,083,582	8,294,637
Compensation - Group C	-	-	-	-	-	-	-	16,124,810
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	5,786,778	-	1,497	-	-	-	7,091,521	-
Overtime - Group B	343,933	-	-	-	-	-	455,099	-
Overtime - Group C	-	-	-	-	-	-	-	320,005
Police & Fire Detail	20,554	-	-	-	-	-	2,220,054	-
Active Medical Insurance - Group A	4,422,965	-	30,129	-	-	-	9,215,975	12,940,520
Active Medical Insurance- Group B	196,809	-	-	-	-	-	450,015	1,007,765
Active Medical Insurance- Group C	-	-	-	-	-	-	-	5,124,801
Active Dental insurance- Group A	174,283	-	1,586	-	-	-	417,048	688,231
Active Dental Insurance- Group B	10,358	-	-	-	-	-	23,685	59,920
Active Dental Insurance- Group C	-	-	-	-	-	-	-	301,748
Payroll Taxes	407,511	-	12,783	-	-	-	1,899,996	2,728,003
Life Insurance	63,694	-	688	-	-	-	170,305	73,069
State Defined Contribution- Group A	570,751	-	921	-	-	-	1,132,494	1,877,933
State Defined Contribution - Group B	9,281	-	-	-	-	-	23,587	161,021
State Defined Contribution - Group C	-	-	-	-	-	-	-	124,562
Other Benefits- Group A	4,421,116	-	-	-	-	-	7,909,040	693,451
Other Benefits- Group B	-	-	-	-	-	-	-	68,057
Other Benefits- Group C	-	-	-	-	-	-	-	104,367
Local Defined Benefit Pension- Group A	12,239,616	-	-	-	-	-	21,463,003	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	126,219
State Defined Benefit Pension- Group A	1,101,094	-	8,289	-	-	-	3,933,335	11,348,570
State Defined Benefit Pension - Group B	76,547	-	6,948	-	-	-	196,924	1,123,697
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,256,729
Other Defined Benefit / Contribution	-	-	-	-	-	-	777,367	-
Purchased Services	1,249,693	-	-	-	-	-	3,109,857	17,979,534
Materials/Supplies	273,210	-	33,156	-	-	-	2,060,295	1,765,817
Software Licenses	-	-	-	-	-	-	179,990	597,289
Capital Outlays	384,408	-	-	-	-	-	1,051,316	2,073,004
Insurance	-	-	-	-	-	-	1,200,000	973,666
Maintenance	221,555	-	194,803	-	-	-	1,027,593	1,147,434
Vehicle Operations	187,032	-	-	-	-	-	5,658,006	1,434,533
Utilities	899,431	-	-	-	-	-	1,714,486	2,523,098
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	981,621	-
Revaluation	-	-	-	-	-	-	28,433	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	381,254	-
Trash Removal & Recycling	-	-	-	-	-	-	761,943	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	36,292	-
Other Operation Expenditures	459,862	-	3,300	-	-	-	5,867,552	141,541
Tipping Fees	-	-	-	-	-	-	71,765	-
Local Appropriation for Education	-	-	-	95,542,340	-	-	95,542,340	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	6,124,950	-	6,124,950	-
Municipal Debt- Interest	-	-	-	-	3,221,692	-	3,221,692	-
School Debt- Principal	-	-	-	-	680,550	-	680,550	-
School Debt- Interest	-	-	-	-	805,421	-	805,421	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	4,488,978	4,488,978	485,769
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 48,127,449	\$ -	\$ 469,122	\$ 95,542,340	\$ 10,832,613	\$ 4,488,978	\$ 234,047,610	\$ 174,800,760

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ -	\$ -
Net Change in Fund Balance¹	(519,018)	678,698
Fund Balance1- beginning of year	\$19,380,023	\$4,997,490
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	<u>1</u>	<u>1</u>
Fund Balance¹ - beginning of year adjusted	19,380,024	4,997,491
Rounding	-	-
Fund Balance¹ - end of year	\$ 18,861,006	\$ 5,676,189

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

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 19,380,023	-	\$ 19,380,023	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2020</i>						1	-	1	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 19,380,024</u>	-	<u>\$ 19,380,024</u>	
General Fund	\$ 231,111,206	\$ 78,010	\$ 136,059,059	\$ 95,542,340	\$ (412,183)	\$ 18,939,905	-	\$ 18,939,905	\$ 18,527,722
Fire Detail	25,635	-	20,554	-	5,081	9,414	-	9,414	14,495
Police Detail	1,973,327	-	2,085,243	-	(111,916)	430,705	-	430,705	318,789
CDBG	1,044,801	-	1,051,204	-	(6,403)	(29,605)	-	(29,605)	(36,008)
Totals per audited financial statements	<u>\$ 234,154,969</u>	<u>\$ 78,010</u>	<u>\$ 139,216,060</u>	<u>\$ 95,542,340</u>	<u>\$ (525,421)</u>	<u>\$ 19,350,419</u>	<u>-</u>	<u>\$ 19,350,419</u>	<u>\$ 18,824,998</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	-	-	95,542,340	(95,542,340)	-	-	-	-	-
Community Development Block Grant-To remove loan activity	(704,387)	-	(710,790)	-	6,403	29,605	-	29,605	36,008
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 233,450,582</u>	<u>\$ 78,010</u>	<u>\$ 234,047,610</u>	<u>\$ -</u>	<u>\$ (519,018)</u>	<u>\$ 19,380,024</u>	<u>-</u>	<u>\$ 19,380,024</u>	<u>\$ 18,861,006</u>

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

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 4,997,490	-	\$ 4,997,490	
<i>misc. adjustments made for fiscal 2020</i>						<u>1</u>	-	<u>1</u>	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 4,997,491</u>	-	<u>\$ 4,997,491</u>	
School Unrestricted Fund	\$ 74,645,588	\$ 95,726,739	\$ 169,226,428	\$ -	\$ 1,145,899	\$ 4,279,218	-	\$ 4,279,218	\$ 5,425,117
Enterprise Fund	2,988,909	-	3,051,201	-	(62,292)	1,222,500	-	1,222,500	1,160,208
School Special Revenue Funds	10,974,183	-	10,774,680	184,399	15,104	39,181	-	39,181	54,285
Totals per audited financial statements	<u>\$ 88,608,680</u>	<u>\$ 95,726,739</u>	<u>\$ 183,052,309</u>	<u>\$ 184,399</u>	<u>\$ 1,098,711</u>	<u>\$ 5,540,899</u>	<u>\$ -</u>	<u>\$ 5,540,899</u>	<u>\$ 6,639,610</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 95,542,340	\$ (95,542,340)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(8,671,562)	-	(8,671,562)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.	-	(184,399)	-	(184,399)	-	-	-	-	-
Capital purchases in School Lunch Fund reported as an expense on the MPT-2 but recorded as an asset on the June 30, 2020 financial statements	-	-	595,608	-	(595,608)	-	-	-	(595,608)
Capital assets net of accumulated depreciation at June 30, 2019	-	-	-	-	-	(543,408)	-	(543,408)	(543,408)
Depreciation expense not recorded in UCOA	-	-	(175,595)	-	175,595	-	-	-	175,595
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 175,479,458</u>	<u>\$ -</u>	<u>\$ 174,800,760</u>	<u>\$ -</u>	<u>\$ 678,698</u>	<u>\$ 4,997,491</u>	<u>\$ -</u>	<u>\$ 4,997,491</u>	<u>\$ 5,676,189</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variances between UCOA & FS	<u>\$ 1</u>	<u>\$ -</u>							
Totals per UCOA Validated Totals Report	<u>\$ 175,479,459</u>	<u>\$ 174,800,760</u>							

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

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

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.



Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

CITY OF CRANSTON, RHODE ISLAND

TABLE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2020	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013	2012	2011 (As Restated)
Governmental Activities										
Net investment in capital assets	\$ 41,166,232	\$ 40,421,468	\$ 39,345,605	\$ 39,483,273	\$ 32,242,050	\$ 28,003,223	\$ 19,411,174	\$ 49,660,029	\$ 41,265,304	\$ 38,755,896
Restricted	--	--	--	--	--	--	--	--	--	--
Unrestricted	<u>(372,812,384)</u>	<u>(374,211,125)</u>	<u>(347,727,799)</u>	<u>(358,214,329)</u>	<u>(319,188,692)</u>	<u>(315,174,995)</u>	<u>(320,500,997)</u>	<u>(86,076,389)</u>	<u>(85,654,610)</u>	<u>(81,803,993)</u>
Total Governmental Activities	<u>(331,646,152)</u>	<u>(333,789,657)</u>	<u>(308,382,194)</u>	<u>(318,731,056)</u>	<u>(286,946,642)</u>	<u>(287,171,772)</u>	<u>(301,089,823)</u>	<u>(36,416,360)</u>	<u>(44,389,306)</u>	<u>(43,048,097)</u>
Business-Type Activities										
Net investment in capital assets	52,599,081	52,969,695	71,468,481	70,956,771	69,185,030	66,195,785	37,961,522	55,410,689	54,943,414	55,835,806
Restricted	397,433	418,467	439,167	459,633	2,129,729	8,598,629	--	--	--	--
Unrestricted	<u>15,755,644</u>	<u>12,627,850</u>	<u>(8,644,499)</u>	<u>(11,507,291)</u>	<u>(16,171,019)</u>	<u>(22,951,735)</u>	<u>11,138,372</u>	<u>(7,230,976)</u>	<u>(9,165,835)</u>	<u>(11,349,807)</u>
Total Business-Type Activities	<u>68,752,158</u>	<u>66,016,012</u>	<u>63,263,149</u>	<u>59,909,113</u>	<u>55,143,740</u>	<u>51,842,679</u>	<u>49,099,894</u>	<u>48,179,713</u>	<u>45,777,579</u>	<u>44,485,999</u>
Total City										
Net investment in capital assets	93,765,313	93,391,163	110,814,086	110,440,044	101,427,080	94,199,008	57,372,696	105,070,718	96,208,718	94,591,702
Restricted	397,433	418,467	439,167	459,633	2,129,729	8,598,629	--	--	--	--
Unrestricted	<u>(357,056,740)</u>	<u>(361,583,275)</u>	<u>(356,372,298)</u>	<u>(369,721,620)</u>	<u>(335,359,711)</u>	<u>(338,126,730)</u>	<u>(309,362,625)</u>	<u>(93,307,365)</u>	<u>(94,820,445)</u>	<u>(93,153,800)</u>
Total City	<u>\$ (262,893,994)</u>	<u>\$ (267,773,645)</u>	<u>\$ (245,119,045)</u>	<u>\$ (258,821,943)</u>	<u>\$ (231,802,902)</u>	<u>\$ (235,329,093)</u>	<u>\$ (251,989,929)</u>	<u>\$ 11,763,353</u>	<u>\$ 1,388,273</u>	<u>\$ 1,437,902</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (1 OF 3)

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2020	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013	2012	2011 (As Restated)
Expenses										
Governmental activities:										
General government	\$ 20,138,028	\$ 17,435,819	\$ 15,971,432	\$ 16,186,223	\$ 13,529,838	\$ 15,760,616	\$ 13,331,926	\$ 13,332,988	\$ 14,124,547	\$ 11,681,983
Public safety	82,320,732	108,645,221	75,827,868	123,175,761	77,077,346	76,316,860	76,071,254	80,850,179	76,501,580	74,176,278
Public works	16,823,150	16,677,301	16,701,972	14,976,564	15,878,037	15,539,611	15,709,766	15,002,479	15,167,301	14,162,027
Education	187,265,504	180,006,491	177,339,237	190,115,630	200,479,946	175,923,426	148,510,719	143,177,724	145,560,327	148,737,275
Parks and recreation	3,666,440	3,716,927	3,504,777	3,450,619	3,595,810	3,100,766	2,502,784	2,187,997	2,271,516	1,674,918
Public libraries	3,843,871	3,740,372	3,561,920	3,836,411	3,295,271	3,302,163	3,130,504	3,111,686	3,068,582	2,929,901
Senior services	3,061,547	3,202,095	3,040,817	3,077,015	2,904,766	3,172,283	3,091,950	2,902,182	2,894,707	2,747,580
Community development	1,040,171	1,425,753	1,340,187	1,042,849	1,724,439	1,430,568	716,188	1,240,559	1,467,564	1,560,098
Interest expense	3,147,113	3,417,594	2,052,994	2,609,611	2,778,437	3,245,053	3,659,457	2,887,674	5,143,233	5,003,790
Other	--	--	--	--	--	--	284,552,076	--	124,638	119,225
Total Governmental Activities	<u>321,306,556</u>	<u>338,267,573</u>	<u>299,341,204</u>	<u>358,470,683</u>	<u>321,263,890</u>	<u>297,791,346</u>	<u>551,276,624</u>	<u>264,693,468</u>	<u>266,323,995</u>	<u>262,793,075</u>
Business-type activities:										
Sewer	20,649,172	20,543,184	20,196,899	19,111,340	19,788,661	19,809,246	18,636,282	18,184,729	19,076,141	17,604,843
Public Facilities Management Foundation	--	--	--	--	--	--	92,137	77,010	93,501	200,937
Charter School Fund	--	--	--	--	--	--	--	2,648,536	2,710,210	2,960,621
School lunch	--	--	--	--	--	--	5,581,170	2,867,369	3,073,738	2,565,806
Other	6,012,354	6,672,150	6,119,203	6,129,756	5,835,392	5,698,896	1,526,883	--	--	--
Total Business-Type Activities	<u>26,661,526</u>	<u>27,215,334</u>	<u>26,316,102</u>	<u>25,241,096</u>	<u>25,624,053</u>	<u>25,508,142</u>	<u>25,836,472</u>	<u>23,777,644</u>	<u>24,953,590</u>	<u>23,332,207</u>
Total City Expenses	<u>347,968,082</u>	<u>365,482,907</u>	<u>325,657,306</u>	<u>383,711,779</u>	<u>346,887,943</u>	<u>323,299,488</u>	<u>577,113,096</u>	<u>288,471,112</u>	<u>291,277,585</u>	<u>286,125,282</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (2 OF 3)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2020	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013	2012	2011 (As Restated)
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,901,799	\$ 8,083,806	\$ 7,896,754	\$ 7,216,284	\$ 6,900,084	\$ 6,326,794	\$ 5,823,451	\$ 5,623,627	\$ 5,786,052	\$ 5,968,476
Public safety	6,043,895	6,561,184	6,121,655	6,116,849	6,432,342	6,257,323	5,597,507	5,256,803	5,512,505	3,893,316
Public works	1,263,226	1,321,215	1,296,471	1,056,208	941,631	1,026,133	747,410	925,173	737,643	681,668
Education	2,175,318	1,447,882	1,294,881	25,418,622	23,803,519	23,076,779	2,583,038	1,735,671	1,499,384	1,860,578
Parks and recreation	139,133	400,370	397,817	355,064	396,967	356,124	345,788	301,996	286,551	266,406
Public libraries	65,000	75,000	95,000	99,100	99,100	87,400	87,400	87,400	87,400	87,400
Senior services	1,448,175	1,727,304	1,654,979	1,646,558	1,612,507	1,729,051	1,668,453	1,723,744	1,651,421	1,806,092
Other activities	--	--	--	--	--	--	--	--	--	--
Operating grants and contributions	88,930,795	85,529,484	82,691,335	85,884,786	81,983,286	79,836,039	76,706,418	74,953,160	61,072,753	59,840,449
Capital grants and contributions	150,050	65,608	89,535	77,484	112,842	185,562	218,721	96,781	330,885	638,392
Total Governmental Activities Program Revenues	<u>109,117,391</u>	<u>105,211,853</u>	<u>101,538,427</u>	<u>127,870,955</u>	<u>122,282,278</u>	<u>118,881,205</u>	<u>93,778,186</u>	<u>90,704,355</u>	<u>76,964,594</u>	<u>75,042,777</u>
Business-type activities:										
Charges for services:										
Sewer	22,727,619	22,816,372	22,857,078	23,182,878	22,192,444	22,135,939	20,565,668	19,341,561	19,359,122	18,876,713
Public Facilities Management Foundation	--	--	--	--	--	--	26,775	35,300	41,900	136,911
Non-major funds	3,288,554	3,618,125	3,466,787	3,573,946	3,608,947	3,338,096	3,302,480	3,738,516	4,281,139	3,942,173
Operating grants and contributions	2,429,799	2,755,615	2,603,782	--	2,483,891	2,420,657	2,441,887	2,256,490	2,225,893	1,787,715
Capital grants and contributions	--	--	177,000	2,668,371	--	--	--	--	--	--
Total Business-Type Activities Program Revenues	<u>28,445,972</u>	<u>29,190,112</u>	<u>29,104,647</u>	<u>29,425,195</u>	<u>28,285,282</u>	<u>27,894,692</u>	<u>26,336,810</u>	<u>25,371,867</u>	<u>25,908,054</u>	<u>24,743,512</u>
Total City Revenues	<u>137,563,363</u>	<u>134,401,965</u>	<u>130,643,074</u>	<u>157,296,150</u>	<u>150,567,560</u>	<u>146,775,897</u>	<u>120,114,996</u>	<u>116,076,222</u>	<u>102,872,648</u>	<u>99,786,289</u>
Net (expenses) revenues:										
Governmental activities	(212,189,165)	(233,055,720)	(197,802,777)	(230,599,728)	(198,981,612)	(178,910,141)	(457,498,438)	(173,989,113)	(189,359,401)	(187,750,298)
Business-type activities	1,784,446	1,974,778	2,788,545	4,184,099	2,661,229	2,386,550	500,338	1,594,223	954,464	1,411,305
Total City Net Expense	<u>(210,404,719)</u>	<u>(231,080,942)</u>	<u>(195,014,232)</u>	<u>(226,415,629)</u>	<u>(196,320,383)</u>	<u>(176,523,591)</u>	<u>(456,998,100)</u>	<u>(172,394,890)</u>	<u>(188,404,937)</u>	<u>(186,338,993)</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (3 OF 3)

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2020	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013	2012	2011 (As Restated)
General Revenues and other Changes in Net Assets										
Governmental activities										
General revenues:										
Property taxes and other	\$ 187,925,014	\$ 187,181,594	\$ 190,112,694	\$ 186,383,002	\$ 186,026,404	\$ 184,125,495	\$ 189,420,459	\$ 177,673,789	\$ 183,880,964	\$ 178,871,587
Grants and contributions not restricted to specific programs	--	--	--	--	--	--	--	--	--	--
Gain/(Loss) on sale of assets	--	--	--	--	--	--	--	1,000,000	--	662,520
State special funding for pension	11,791,818	10,381,405	10,838,378	7,816,659	10,167,762	5,169,920	--	--	--	--
Unrestricted investment earnings	1,424,974	1,198,487	824,602	772,132	491,493	552,058	252,218	626,522	586,730	577,703
Transfers	--	--	--	(18,900)	(17,889)	(25,662)	(1,737,409)	(20,826)	(23,817)	488,880
Miscellaneous	3,101,138	2,970,801	2,912,777	3,862,424	2,538,972	3,006,381	4,889,709	2,682,574	3,574,315	3,600,368
Motor vehicle phase-out taxes	10,089,725	5,915,970	3,463,187	--	--	--	--	--	--	--
Total Governmental Activities	<u>214,332,669</u>	<u>207,648,257</u>	<u>208,151,638</u>	<u>198,815,317</u>	<u>199,206,742</u>	<u>192,828,192</u>	<u>192,824,977</u>	<u>181,962,059</u>	<u>188,018,192</u>	<u>184,201,058</u>
Business-type activities:										
State special funding for pension	155,775	137,640	133,349	105,988	133,040	--	--	--	--	--
Unrestricted investment earnings	463,510	632,767	432,142	456,385	488,905	257,825	368,591	363,136	313,299	342,267
Transfers	--	--	--	18,900	17,889	25,662	25,218	20,826	23,817	(488,880)
Miscellaneous	332,415	--	--	--	--	72,748	26,035	--	--	--
Total Business-Type Activities	<u>951,700</u>	<u>770,407</u>	<u>565,491</u>	<u>581,273</u>	<u>639,834</u>	<u>356,235</u>	<u>419,844</u>	<u>383,962</u>	<u>337,116</u>	<u>(146,613)</u>
Total City	<u>215,284,369</u>	<u>208,418,664</u>	<u>208,717,129</u>	<u>199,396,590</u>	<u>199,846,576</u>	<u>193,184,427</u>	<u>193,244,821</u>	<u>182,346,021</u>	<u>188,355,308</u>	<u>184,054,445</u>
Change in Net Assets										
Governmental activities	2,143,504	(25,407,463)	10,348,861	(31,784,411)	225,130	13,918,051	(264,673,461)	7,972,946	(1,341,209)	(3,549,240)
Business-type activities	2,736,146	2,745,185	3,354,036	4,765,372	3,301,063	2,742,785	920,182	1,978,185	1,291,580	1,264,692
Total City Change in Net Position	<u>\$ 4,879,650</u>	<u>\$ (22,662,278)</u>	<u>\$ 13,702,897</u>	<u>\$ (27,019,039)</u>	<u>\$ 3,526,193</u>	<u>\$ 16,660,836</u>	<u>\$ (263,753,279)</u>	<u>\$ 9,951,131</u>	<u>\$ (49,629)</u>	<u>\$ (2,284,548)</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 3

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012 (As Restated)	2011 (As Restated)
General Fund										
Nonspendable	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 1,706,660	\$ 5,366,568	\$ 7,261,553	\$ 3,264,015
Restricted	249,484	353,193	482,879	468,363	275,374	279,040	256,362	420,657	464,805	--
Committed	4,797	44,030	44,030	44,025	42,892	2,115,631	1,884,028	1,653,133	2,356,649	6,390,443
Assigned	--	--	--	--	--	--	--	--	--	1,300,761
Unassigned	18,066,441	18,335,668	20,225,654	20,149,590	20,220,712	20,452,035	20,934,388	16,714,677	13,545,115	10,423,711
Reserved	--	--	--	--	--	--	--	--	--	--
Unreserved	--	--	--	--	--	--	--	--	--	--
Total General Fund	<u>18,527,722</u>	<u>18,939,891</u>	<u>20,959,563</u>	<u>20,868,978</u>	<u>20,745,978</u>	<u>23,053,706</u>	<u>24,781,438</u>	<u>24,155,035</u>	<u>23,628,122</u>	<u>21,378,930</u>
All Other Governmental Funds										
Nonspendable	149,524	135,219	120,484	116,183	147,689	3,900,353	4,543,783	6,123,093	5,606,358	3,489,492
Restricted	16,393,185	16,519,432	11,677,153	11,222,461	16,219,384	9,344,674	12,885,640	8,908,234	8,945,331	8,234,662
Committed	769,991	835,894	819,031	1,291,734	1,900,091	634,041	320,650	97,321	119,410	92,887
Assigned	--	--	--	--	--	--	11,656	--	--	--
Unassigned	(102,210)	(2,593,433)	1,333,558	(650,642)	(171,829)	(152,166)	(3,506,353)	(8,578,569)	(11,865,051)	(10,727,614)
Reserved	--	--	--	--	--	--	--	--	--	--
Unreserved, designated - school	--	--	--	--	--	--	--	--	--	--
Unreserved, reported in:										
Special revenue funds	--	--	--	--	--	--	--	--	--	--
Capital project funds	--	--	--	--	--	--	--	--	--	--
Total All Other Governmental Funds	<u>17,210,490</u>	<u>14,897,112</u>	<u>13,950,226</u>	<u>11,979,736</u>	<u>18,095,335</u>	<u>13,726,902</u>	<u>14,255,376</u>	<u>6,550,079</u>	<u>2,806,048</u>	<u>1,089,427</u>
Grand Total	<u>\$ 35,738,212</u>	<u>\$ 33,837,003</u>	<u>\$ 34,909,789</u>	<u>\$ 32,848,714</u>	<u>\$ 38,841,313</u>	<u>\$ 36,780,608</u>	<u>\$ 39,036,814</u>	<u>\$ 30,705,114</u>	<u>\$ 26,434,170</u>	<u>\$ 22,468,357</u>

The General Fund fund balance decreased \$0.4 million or 2.2% for FY20. The decrease was due primarily to cost overruns associated with unreimbursed COVID-19 related expenditures. All Other Governmental Funds increased \$2.3 million or 15.5% for FY20. This was due to primarily to the School Department's savings related to school closure during the pandemic in FY20.

CITY OF CRANSTON, RHODE ISLAND

TABLE 4

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 (As Restated)
Revenues										
Property taxes	\$ 188,836,127	\$ 188,054,377	\$ 189,995,439	\$ 187,047,423	\$ 184,814,710	\$ 181,540,560	\$ 180,400,427	\$ 179,645,778	\$ 184,783,590	\$ 178,724,593
Intergovernmental revenue	99,154,724	91,511,062	86,244,057	79,375,874	76,241,305	74,551,512	71,702,358	70,263,785	56,219,867	54,891,645
Charges for services	20,036,546	19,616,761	18,757,557	17,364,637	16,496,783	16,074,252	15,692,399	15,014,414	14,910,956	13,913,936
Licenses and permits										
Fines and interest on late payments										
Interest on investments	1,423,940	1,197,216	824,527	772,089	491,455	550,694	250,841	624,555	408,711	389,697
Departmental										
State fiscal stabilization funds	--	--	--	--	--	--	--	--	2,396	814,266
State on-behalf pension contributions	8,671,562	8,057,883	7,725,441	7,639,642	6,859,907	6,746,731	6,125,457	5,670,313	6,144,339	5,716,721
Other revenues	2,983,876	2,970,801	2,912,778	3,787,970	2,448,080	2,922,776	4,798,810	2,629,867	3,494,320	3,519,553
Total Revenues	321,106,775	311,408,100	306,459,799	295,987,635	287,352,240	282,386,525	278,970,292	273,848,712	265,964,179	257,970,411
Expenditures										
Current:										
General government	11,813,733	11,461,754	11,401,804	10,728,233	9,932,588	9,670,263	10,227,750	9,497,003	10,346,906	8,392,000
Public safety	89,799,341	87,822,776	86,151,898	82,402,327	80,899,232	78,150,559	77,395,466	76,404,816	72,975,293	69,125,309
Public works	15,946,202	15,673,496	16,300,942	14,574,335	15,555,096	15,267,760	15,525,053	14,824,224	15,636,714	14,445,497
Education	180,001,109	176,154,252	170,688,047	168,040,851	160,498,034	155,280,225	148,879,136	145,577,247	144,144,843	143,931,478
Parks and recreation	3,598,463	3,759,835	3,510,882	3,318,164	3,486,804	3,034,746	2,363,957	2,236,847	2,195,590	1,836,292
Public libraries	3,751,174	3,824,435	3,527,320	3,864,354	3,273,998	3,270,495	3,439,402	3,074,267	3,142,384	3,072,541
Senior services	3,048,291	3,297,648	3,103,654	3,045,115	2,908,045	3,119,557	3,084,039	2,872,279	2,911,362	2,754,871
Community development	1,051,204	1,428,317	1,347,154	1,144,284	1,724,439	1,487,068	1,659,368	1,908,299	1,467,564	1,560,098
Other	204,464	220,217	157,174	179,589	184,049	178,112	128,974	115,972	124,638	119,225
Capital outlay	14,841,347	17,379,624	13,695,602	10,211,687	12,091,531	4,455,146	6,069,584	4,196,151	2,268,257	5,063,077
Debt service:										
Principal	6,805,500	7,694,000	7,344,000	7,035,000	7,020,000	7,355,000	6,815,000	5,530,000	6,360,000	6,440,000
Interest	4,263,461	4,075,898	3,100,352	2,857,393	3,445,373	3,348,140	3,635,359	3,319,837	4,064,249	4,263,972
Total Expenditures	335,124,289	332,792,252	320,328,829	307,401,332	301,019,189	284,617,071	279,223,088	269,556,942	265,637,800	261,004,360
Excess of Revenues Over Expenditures	(14,017,514)	(21,384,152)	(13,869,030)	(11,413,697)	(13,666,949)	(2,230,546)	(252,796)	4,291,770	326,379	(3,033,949)
Other Financing Sources (Uses)										
Issuance of debt	13,410,000	16,405,000	15,840,000	5,440,000	37,035,000	--	10,210,000	--	19,385,000	3,700,000
Bond premium	2,430,699	3,906,379	590,103	--	2,573,150	--	111,906	--	1,066,929	91,420
Other sources	78,010	--	--	--	--	--	--	--	--	--
Transfers in	95,726,739	94,084,926	93,369,185	93,155,894	91,682,652	93,693,519	92,055,646	91,574,333	90,891,152	90,032,050
Repayment of debt to escrow agent	--	--	--	--	(23,862,607)	--	--	--	(16,788,678)	--
Transfers out	(95,726,739)	(94,084,926)	(93,369,185)	(93,174,794)	(91,700,541)	(93,719,181)	(93,793,055)	(91,595,159)	(90,914,969)	(90,740,684)
Net Other Financing Sources (Uses)	15,918,709	20,311,379	16,430,103	5,421,100	15,727,654	(25,662)	8,584,497	(20,826)	3,639,434	3,082,786
Net Change in Fund Balances	\$ 1,901,195	\$ (1,072,773)	\$ 2,561,073	\$ (5,992,597)	\$ 2,060,705	\$ (2,256,208)	\$ 8,331,701	\$ 4,270,944	\$ 3,965,813	\$ 48,837
Debt Service as a Percentage of Noncapital Expenditures	3.5%	3.8%	3.4%	3.3%	3.7%	3.8%	3.9%	3.4%	4.0%	4.2%

(1) This schedule includes expenditures of the General Fund, School Department, Special Revenue Funds and Capital Project Funds.

CITY OF CRANSTON, RHODE ISLAND

TABLE 5

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

Year Ended June 30,	REAL PROPERTY					PERSONAL PROPERTY					TOTAL		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Direct Tax Rate	Commercial Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value (1)	Direct Tax Rate Tangible	Direct Tax Rate Motor Vehicle	Direct Tax Rate Inventory	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
2011	\$ 5,696,562,900	20	\$ 1,363,784,200	29	\$ 7,060,347,100	\$ 781,306,230	29	42	N/A	\$ 781,306,230	\$ 7,841,653,330	\$ 7,841,653,330	1.000
2012	\$ 5,712,462,800	20	\$ 1,361,533,300	30	\$ 7,073,996,100	\$ 778,330,466	30	42	N/A	\$ 778,330,466	\$ 7,852,326,566	\$ 7,852,326,566	1.000
2013	\$ 4,857,922,900	23	\$ 1,333,042,700	34	\$ 6,190,965,600	\$ 788,030,196	34	42	N/A	\$ 788,030,196	\$ 6,978,995,796	\$ 6,978,995,796	1.000
2014	\$ 4,868,431,400	23	\$ 1,329,501,500	34	\$ 6,197,932,900	\$ 786,121,128	34	42	N/A	\$ 786,121,128	\$ 6,984,054,028	\$ 6,984,054,028	1.000
2015	\$ 4,882,850,900	23	\$ 1,310,585,835	34	\$ 6,193,436,735	\$ 834,519,001	34	42	N/A	\$ 834,519,001	\$ 7,027,955,736	\$ 7,027,955,736	1.000
2016	\$ 5,127,157,200	22	\$ 1,331,450,700	34	\$ 6,458,607,900	\$ 844,756,803	34	42	N/A	\$ 844,756,803	\$ 7,303,364,703	\$ 7,303,364,703	1.000
2017	\$ 5,141,214,200	22	\$ 1,336,494,580	34	\$ 6,477,708,780	\$ 880,194,812	34	42	N/A	\$ 880,194,812	\$ 7,357,903,592	\$ 7,357,903,592	1.000
2018	\$ 5,159,551,900	23	\$ 1,361,761,380	34	\$ 6,521,313,280	\$ 838,596,912	34	42	N/A	\$ 838,596,912	\$ 7,359,910,192	\$ 7,359,910,192	1.000
2019	\$ 6,000,994,700	20	\$ 1,479,702,000	30	\$ 7,480,696,700	\$ 828,242,120	30	42	N/A	\$ 828,242,120	\$ 8,308,938,820	\$ 8,308,938,820	1.000
2020	\$ 6,025,390,325	21	\$ 1,480,702,223	31	\$ 7,506,092,548	\$ 826,032,776	31	35	N/A	\$ 826,032,776	\$ 8,332,125,324	\$ 8,332,125,324	1.000

(1) Gross amount is reflected without deduction for exemptions.

CITY OF CRANSTON, RHODE ISLAND

TABLE 6

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	Nature of Business	GRAND LIST YEAR					
		2020			2011		
		Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (2)
Carpionato Alfred	Real Estate Management	\$ 112,150,132	2	1.35%	\$ 108,495,538	1	1.38%
Gateway Woodside Inc.	Real Estate Management	101,966,062	3	1.22%	76,084,821	2	0.97%
Picerne Properties	Real Estate Management	62,658,860	4	0.75%	66,720,398	3	0.85%
National Grid (formerly Narragansett Electric/Prov. Gas)	Utility	121,457,848	1	1.46%	60,744,072	4	0.77%
Brewery Parkade	Real Estate Management	35,670,866	5	0.43%	34,321,700	5	0.44%
SMC Terraces (formerlyCranston Addison)	Real Estate Management	22,357,700	7	0.27%			
Swarovski American	Industrial Manufacturing	16,822,170	10	0.20%	10,671,809		
Cox Communications Inc.	Cable Communications	21,086,628	9	0.25%	17,121,885	8	0.22%
Independence Way	Real Estate Management	19,686,500	8	0.24%	20,126,300	6	0.26%
Lowes	Retail Hardware			0.00%	18,000,491	9	0.23%
Tasca Auto Group	Car Dealership	23,356,967	6	0.28%			0.00%
BFMIT II Cranston LLC	Real Estate Management				20,865,000	7	0.27%
CRE IP LLC	Real Estate Management			<u>0.00%</u>	16,158,000	10	<u>0.21%</u>
TOTAL		<u>\$ 537,213,733</u>		<u>6.45%</u>	<u>\$ 449,310,014</u>		<u>5.60%</u>

Source: Town Assessor Department.

(1) Based on a net taxable Grand List of \$8,332,044,324

(2) Based on a net taxable Grand List of \$7,841,653,330

CITY OF CRANSTON, RHODE ISLAND

TABLE 7

**TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Net Delinquent Tax Collections Subsequent Years	Total Net Taxes Collected All Years	Percentage of Total Tax Collected to Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2011	\$ 175,003,222	\$ 171,899,372	98.2%	\$ 1,689,208	\$ 173,588,580	99.2%	--	0.0%
2012	\$ 180,715,853	\$ 177,799,124	98.4%	\$ 1,567,623	\$ 179,366,747	99.3%	758,053	0.4%
2013	\$ 181,367,888	\$ 178,631,631	98.5%	\$ 1,326,926	\$ 179,958,557	99.2%	748,648	0.4%
2014	\$ 181,591,061	\$ 179,327,785	98.8%	\$ 1,575,331	\$ 180,903,116	99.6%	727,025	0.4%
2015	\$ 182,559,745	\$ 180,321,237	98.8%	\$ 1,044,560	\$ 181,365,797	99.3%	708,733	0.4%
2016	\$ 185,998,132	\$ 183,674,083	98.8%	\$ 1,754,419	\$ 185,428,502	99.7%	598,329	0.3%
2017	\$ 188,071,063	\$ 185,964,064	98.9%	\$ 1,538,104	\$ 187,502,168	99.7%	598,578	0.3%
2018	\$ 190,460,481	\$ 188,585,112	99.0%	\$ 1,266,839	\$ 189,851,951	99.7%	593,903	0.3%
2019	\$ 188,499,042	\$ 186,620,937	99.0%	\$ 804,427	\$ 187,425,364	99.4%	668,192	0.4%
2020	\$ 188,850,146	\$ 187,650,679	99.4%	\$ --	\$ 187,650,679	99.4%	<u>2,714,756</u>	1.4%

Source: City's audit reports.

\$ 8,116,217

(1) This represents the City's mill rate per \$1,000 of taxable property.

CITY OF CRANSTON, RHODE ISLAND

TABLE 8

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES				TOTAL		
	General Obligation Bonds	Bond Premiums	Capital Leases	Certificates of Participation	Total	Bond Premiums	Certificates of Participation	RI Infrastructure Notes	Total	Total	Percentage of Personal Income	Debt Per Capita
2011	\$ 82,630,000	\$ 2,568,449	\$ --	\$ 1,725,000	\$ 86,923,449	\$ --	\$ 1,725,000	\$ 7,510,841	\$ 9,235,841	\$ 96,159,290	N/A	1,195
2012	\$ 80,515,000	\$ 3,459,476	\$ --	\$ 1,400,000	\$ 85,374,476	\$ 11,199	\$ 1,400,000	\$ 6,515,386	\$ 7,926,585	\$ 93,301,061	N/A	1,158
2013	\$ 74,320,000	\$ 3,178,199	\$ --	\$ 1,065,000	\$ 78,563,199	\$ 7,466	\$ 1,065,000	\$ 5,952,516	\$ 7,024,982	\$ 85,588,181	N/A	1,061
2014	\$ 78,060,000	\$ 3,048,679	\$ --	\$ 720,000	\$ 81,828,679	\$ 3,733	\$ 720,000	\$ 23,387,188	\$ 24,110,921	\$ 105,939,600	N/A	1,313
2015	\$ 71,060,000	\$ 2,758,348	\$ --	\$ 365,000	\$ 74,183,348	\$ --	\$ 365,000	\$ 22,818,364	\$ 23,183,364	\$ 97,366,712	N/A	1,207
2016	\$ 78,270,000	\$ 3,451,770	\$ --	\$ --	\$ 81,721,770	\$ --	\$ --	\$ 21,525,000	\$ 21,525,000	\$ 103,246,770	N/A	1,275
2017	\$ 73,475,000	\$ 3,076,397	\$ 3,200,000	\$ --	\$ 79,751,397	\$ --	\$ --	\$ 20,463,267	\$ 20,463,267	\$ 100,214,664	N/A	1,237
2018	\$ 71,131,000	\$ 3,158,949	\$ 2,780,000	\$ --	\$ 77,069,949	\$ --	\$ --	\$ 19,353,000	\$ 19,353,000	\$ 96,422,949	N/A	1,190
2019	\$ 89,943,000	\$ 6,470,534	\$ 2,340,000	\$ --	\$ 98,753,534	\$ --	\$ --	\$ 18,253,000	\$ 18,253,000	\$ 117,006,534	N/A	1,440
2020	\$ 96,218,000	\$ 8,184,903	\$ 1,890,000	\$ --	\$ 106,292,903	\$ --	\$ --	\$ 17,140,000	\$ 17,140,000	\$ 123,432,903	N/A	1,515

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

TABLE 9

**RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	General Debt Outstanding		Percentage of Actual Taxable Value of Property	Debt Per Capita
	General Obligation Bonds	Total		
2011	\$ 82,630,000	\$ 82,630,000	1.05%	1,027
2012	\$ 80,515,000	\$ 80,515,000	1.03%	999
2013	\$ 74,320,000	\$ 74,320,000	1.06%	921
2014	\$ 78,060,000	\$ 78,060,000	1.12%	967
2015	\$ 71,060,000	\$ 71,060,000	1.01%	878
2016	\$ 78,270,000	\$ 78,270,000	1.07%	966
2017	\$ 73,475,000	\$ 73,475,000	1.00%	907
2018	\$ 71,131,000	\$ 71,131,000	0.97%	876
2019	\$ 89,943,000	\$ 89,943,000	1.08%	1,107
2020	\$ 96,218,000	\$ 96,218,000	1.15%	1,181

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

TABLE 10

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2020
(UNAUDITED)**

Assessed value	\$ 8,332,044,324
Less: exemptions	<u>(375,707,664)</u>
Net Total Taxable Assessed Value	<u>\$ 7,956,336,660</u>
Debt limit - 3 percent of total assessed value	\$ 238,690,100
Amount of debt applicable to debt limit:	
Total bonded debt	<u> --</u>
Legal Debt Margin	<u>\$ 238,690,100</u>

Note: The City has no debt issues outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

The State Legislature may by special act permit the City to incur indebtedness in excess of the three percent (3%) limit in accordance with Rhode Island General Law 45-12-11. The City of Cranston has never requested authorization under the Authority for the issuance of Indebtedness Excess - Rhode Island General Law 45-12-11.

CITY OF CRANSTON, RHODE ISLAND**TABLE 11****LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

Year Ended June 30,	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin
2011	\$ 227,144,751	\$ --	\$ 227,144,751
2012	\$ 227,602,133	\$ --	\$ 227,602,133
2013	\$ 202,307,525	\$ --	\$ 202,307,525
2014	\$ 202,495,272	\$ --	\$ 202,495,272
2015	\$ 203,692,047	\$ --	\$ 203,692,047
2016	\$ 211,558,045	\$ --	\$ 211,558,045
2017	\$ 213,378,825	\$ --	\$ 213,378,825
2018	\$ 212,782,442	\$ --	\$ 212,782,442
2019	\$ 238,690,100	\$ --	\$ 238,690,100

CITY OF CRANSTON, RHODE ISLAND

TABLE 12

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	(1) Population	(4) Median Income	(1) Per Capita Income	(1) Median Age	Education of Schooling Level in Years-Bachelors Degree	(2) School Enrollment	(3) Unemployment Percentage
2010	80,387	N/A	\$ 21,978	39	N/A	10,744	11.7%
2011	80,450	N/A	\$ 25,653	39	N/A	10,735	10.6%
2012	80,571	N/A	\$ 28,496	39	N/A	10,685	10.4%
2013	80,701	64,282	\$ 28,496	39	N/A	10,559	9.3%
2014	80,696	64,282	\$ 29,218	41	N/A	10,374	7.3%
2015	80,972	64,282	\$ 29,218	41	N/A	10,271	6.0%
2016	81,014	64,282	\$ 29,878	40	N/A	10,443	5.1%
2017	81,034	64,282	\$ 30,553	41	N/A	10,417	4.1%
2018	81,202	64,282	\$ 30,553	41	N/A	10,365	3.7%
2019	81,274	64,282	\$ 31,607	41	31.40%	10,324	3.3%
2020	81,456	66,283	\$ 32,634	40	31.40%	10,186	12.9%

(1) Figures obtained from the Rhode Island Census Data Center derived from the 2006, 2010 and estimated 2017 census data.

(2) Cranston School Department

(3) Rhode Island Department of Labor and Training (as of June 30th).

(4) US Census Bureau

CITY OF CRANSTON, RHODE ISLAND

TABLE 13

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
State of Rhode Island	5,500	1	15.09%	5,500	1	14.69%
City of Cranston	2,340	2	6.42%	2,513	2	6.71%
Citizens Bank			0.00%	1,880	3	5.02%
Tasca Motor Group	320	7	0.88%			
Walmart	300	8	0.82%	320	8	0.85%
Taco, Inc.	421	3	1.16%	400	6	1.07%
CranstonARC				410	5	1.09%
Thielsch Engineering	418	4	1.15%	325	7	0.87%
Swarovski Consumer Goods Ltd.	254	9	0.70%			
The Stop & Shop Co., Inc.	339	6	0.93%	437	4	1.17%
Honeywell Safety Products				314	9	0.84%
U.S. Security Associates				300	10	0.80%
Access Point RI	346	5	0.95%			
The Cedars	230	10	0.63%			
Total	10,468		27.15%	12,399		33.11%

SOURCE: State Department of Labor

(1) Based on 6/30/20 total City employment of 36,442

(2) Based on 6/30/11 total City employment of 37,783

CITY OF CRANSTON, RHODE ISLAND

TABLE 14

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)**

Function/Program	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Mayor.....	6	6	6	6	6	6	6	5	5	5
Department of Personnel.....	2	2	2	0	0	0	1	0	1	1
City Clerk.....	6	6	6	6	6	6	6	6	6	6
Municipal Court.....	2	2	2	2	2	3	3	3	3	2
Board of Canvassers.....	3	3	3	3	3	3	3	3	3	3
City Planning	5	4	4	4	4	4	4	4	4	4
Economic Development.....	2	2	2	2	2	2	2	2	2	2
Finance	4	3	3	3	3	3	3	3	2	2
Division of Accounting & Control ...	5	5	5	5	5	5	5	5	5	5
Division of Assessment	6	6	6	6	6	6	6	6	6	6
Division of Contracts & Purchasing ..	2	2	2	2	2	2	2	2	3	3
Information Technology.....	6	6	6	6	6	6	6	6	6	6
Division of Treasury & Collection ...	7	7	7	6	6	6	7	6	6	6
Police										
Officers.....	153	153	153	153	153	151	152	150	143	140
Civilians.....	26	27	27	27	26	26	26	25	25	25
Animal Control.....	4	4	4	4	4	4	4	4	4	4
Fire										
Chief	1	1	1	1	1	1	1	1	1	1
Uniformed.....	195	194	194	194	194	193	197	178	178	181
Civilians.....	15	15	15	15	15	15	16	16	16	16
Inspections.....	13	11	11	11	10	12	12	11	12	12
Public Works										
Administration.....	3	3	3	3	3	4	3	3	3	3
Engineering.....	4	4	4	4	4	4	4	4	4	4
Highway.....	41	40	40	39	39	38	39	39	38	38
Building.....	24	23	23	23	23	23	24	24	24	24
Fleet Management.....	10	10	10	10	10	10	10	10	10	10
Refuse Removal.....	1	1	1	1	1	1	0	0	0	0
Traffic Safety.....	1	1	1	1	1	0	1	1	3	3
Parks and Recreation.....	23	21	21	20	20	20	20	20	20	19
Public Libraries.....	32	32	32	32	32	32	32	31	32	30
Senior Services.....	25	25	25	24	24	24	22	23	23	23
Community Development.....	3	3	3	3	3	3	3	3	3	3
Other.....	7	9	9	9	9	8	8	8	8	8
Education.....	1,548	1,530	1,534	1,527	1,462	1,442	1,437	1,431	1,461	1,528
Total.....	2,185	2,161	2,165	2,152	2,085	2,063	2,065	2,033	2,060	2,123

SOURCE: City Budget

CITY OF CRANSTON, RHODE ISLAND

TABLE 15

OPERATING INDICATORS BY FUNCTION/ PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Public Safety										
Fire:										
Total incidents.....	15,349	16,629	15,572	15,311	14,203	7,497	12,614	6,859	14,717	14,407
Rescue/medical calls.....	11,596	10,712	10,247	10,048	9,349	5,466	8,438	5,116	11,327	10,067
Rescue/non-medical calls.....	3,753	5,917	5,325	5,263	4,854	2,031	4,176	1,743	3,390	4,340
Fire hydrants.....	1,947	1,947	1,923	1,923	1,923	1,923	1,923	1,922	1,922	1,922
Police:										
Number of calls.....	33,676	91,258	83,970	81,239	78,896	65,422	66,243	67,937	66,542	66,030
Total 911 calls received.....	2,068	4,832	6,112	8,864	5,646	5,120	5,327	5,227	5,105	4,786
Formal investigations.....	10,263	22,949	22,128	23,312	20,039	17,075	16,097	15,150	14,706	14,923
City Clerk										
Number of documents recorded.....	16,632	13,690	15,226	15,267	15,036	14,513	15,036	16,381	14,529	14,793
Health and Welfare										
Number of food service facilities inspections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New homes built.....	40	40	33	49	64	20	41	37	26	34
Land Use										
Total subdivisions approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total commercial applications approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Permits.....	1,778	1,871	1,890	1,747	1,864	26	48	41	28	39
Public Works										
Highway department:										
Streets (miles):										
Paved City roads.....	-	318	318	318	318	318	318	318	318	318
Paved State roads.....	-	69	69	69	69	69	69	69	69	69
Private roads.....	-	6	6	6	6	6	6	6	6	6
Roads under construction (maintained										
by City	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sidewalks (miles)	-	64	64	64	64	64	64	64	64	64
Education										
Enrollment:										
High School Grades 9-12.....	3,178	3,295	3,319	3,356	3,279	3,213	3,223	3,303	3,504	3,580
Middle School Grades 6-8.....	2,452	2,470	2,478	2,467	1,695	1,661	1,486	1,637	1,482	1,579
Elementary Schools Grades K-5.....	4,556	4,559	4,568	4,594	5,469	5,397	5,665	5,619	5,699	5,576
	10,186	10,324	10,365	10,417	10,443	10,271	10,374	10,559	10,685	10,735

Business-Type Activities

SOURCES: Various City Departments

(1) Information not available due to the construction and consolidation of schools and related grade levels.

N/A - Information not available

CITY OF CRANSTON, RHODE ISLAND

TABLE 16

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Parks and Recreation										
Acreage (includes all open space)										
Parks and Public Squares.....	11	11	11	11	11	11	11	11	11	11
Marinas.....	3	3	3	3	3	3	3	3	3	3
Playgrounds.....	36	35	35	36	36	35	35	35	35	35
Walking tracks.....	7	8	8	8	8	8	8	8	8	8
Basketball courts.....	22	21	21	21	21	21	21	21	21	21
Tennis courts.....	22	24	24	24	24	24	24	24	24	24
Baseball fields.....	23	28	28	28	28	27	27	27	27	27
Softball fields.....	14	12	12	11	11	11	11	11	11	11
Other fields.....	22	22	22	22	22	22	22	22	22	22
Ice Rink.....	2	2	2	2	2	2	2	2	2	2
Swimming Pool.....	1	1	1	1	1	1	1	1	1	1
Stadium and Field House.....	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire Stations.....	6	6	6	6	6	6	6	6	6	6
Fire alarm boxes.....	37	37	47	47	120	149	149	149	149	149
Fire hydrants.....	1,947	1,947	1,923	1,923	1,923	1,923	1,923	1,922	1,922	1,922
Police department:										
Stations.....	4	4	4	3	3	3	3	4	4	4
Animal Control Building.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Highway department:										
Streets (miles).....	324	324	324	324	324	324	324	324	315	315
Sidewalks (miles).....	64	64	64	64	64	64	64	64	64	64
Public Libraries										
Number of branches	6	6	6	6	6	6	6	6	6	6
Education										
Number of High Schools.....	2	2	2	2	2	2	2	2	2	2
Number of Middle Schools.....	4	4	4	4	3	3	3	3	3	3
Number of Elementary Schools.....	15	16	16	16	17	17	17	17	17	17
Number of Charter Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Adult Education Buildings.....	1	1	1	1	1	1	1	1	1	1
Senior Services										
Senior Citizens Center.....	1	1	1	1	1	1	1	1	1	1
Community Development										
Number of loans issued.....	16	18	22	34	24	28	23	27	30	41
Business-Type Activities										
Sewer Fund										
Sewer mains (miles).....	263	263	263	263	263	263	263	263	250	250
Treatment capacity (thousands of gallons).....	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200
Sewerage Disposal Plant.....	1	1	1	1	1	1	1	1	1	1
Pumping Stations.....	22	22	22	22	22	22	22	22	22	22

SOURCES: Various City Departments

N/A - Information not available