



**Basic Financial Statements  
And Supplementary Information**

**As of and for the year ended June 30, 2022  
Prepared by:**

**Finance Department**

# CITY OF CENTRAL FALLS

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor Maria Rivera  
And Members of the Central Falls City Council  
**City of Central Falls, Rhode Island**

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Central Falls, Rhode Island, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Central Falls, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Central Falls, Rhode Island, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Central Falls, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Central Falls, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City of Central Falls, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Central Falls, Rhode Island's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of budgetary comparison information, Schedule of Changes in City's Net Pension Liability and Related Ratios, Schedule of City's Contributions and Investment Returns, Schedule of Changes in City's OPEB Liability and Related Ratios, Schedule of City's Contributions and accompanying notes on Pages 4 through 10, and Pages 61 through 85

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Central Falls, Rhode Island's basic financial statements. The combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, and the schedule of property taxes receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 non-major fund statements, annual supplemental transparency report and accompanying notes, and the schedule of property taxes receivable are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2023 on our consideration of the City of Central Falls, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Central Falls, 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 City of Central Falls, Rhode Island's internal control over financial reporting and compliance.

*Marcum LLP*

Providence, Rhode Island  
January 13, 2023

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF CENTRAL FALLS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**Management’s Discussion and Analysis**

This discussion and analysis of the City of Central Falls financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2022. This is the City’s eighteenth (18<sup>th</sup>) year reporting in accordance with the provisions of GASB Statement No. 34. Please read this document in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

**Financial Highlights**

The auditors’ report for 2022 expresses an unmodified (i.e., “clean”) opinion on the financial statements of the City of Central Falls. The City’s basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of the City and the notes to the financial statements.

The Government-Wide Statement of Net Position indicates that the City’s total net deficit decreased this year to a negative \$1,519,261, reflecting an increase of \$7,476,348 over FY2021.

The Government-Wide Statement of Activities indicates that the City’s total general revenues of \$17,732,548 combined with additional program revenues of \$9,457,196, less program expenses of \$19,713,396, resulted in an increase of \$7,476,348 in total net position from a year ago.

The Governmental Fund Financial Statements indicate that the ending fund balance for the City’s general fund was \$1,877,812, reflecting an increase of \$592,567 (after other financing sources and uses) compared to the FY2021 fund balance of \$1,285,245.

**The Financial Statements**

The financial statements presented herein include all the activities of the City of Central Falls using the integrated approach as prescribed by Government Accounting Standard Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the City of Central Falls from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the City of Central Falls as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 about inter-fund activity, payables and receivables.

The Fund Financial Statements include statements for each of the two categories of activities - governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are reported in the City’s trust and agency funds. Agency funds, unlike the City’s pension trust funds, do not have a measurement focus and only require a statement of fiduciary net position. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

# CITY OF CENTRAL FALLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

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### **Overview of the Financial Statements Government-Wide Financial Statements**

#### **The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities report information about the City of Central Falls as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most companies in the private-sector. 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 in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position is an indicator of whether the City's financial health is improving or deteriorating.

GASB Statement No. 34 defines the accounting terms found in the Statement of Net Position and the Statement of Activities as follows:

#### **Governmental Activities**

This category identifies the costs of the City's various functions/programs in providing services to the public (i.e., general government, public safety, public works, etc.). The City's aggregate costs of providing these services are then offset by the state, federal and private grants, which provide additional funds that serve to reduce the City's costs of providing these same services.

#### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds, not the reporting entity as a whole. Although some funds are established by local ordinance, management often creates other funds to help control and manage certain revenues, grants and other sources of funds. These funds are generally earmarked for specific purposes and management must be able to demonstrate that it is meeting certain legal responsibilities often required by the provider.

#### **Governmental Funds**

Most of the City's services are reported on governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements compared to those in the Government-Wide financial statements are explained in the reconciliation schedule following the Governmental Fund financial statements.

#### **Proprietary Funds**

Business-like activities, such as providing water or sewer services, to the general public are done so through enterprise funds, which are financed primarily by user charges. The City of Central Falls has no enterprise funds. Services of this type have historically been provided to Central Falls residents through regional boards and commissions located outside of the City.

#### **Fiduciary Funds**

The City of Central Falls is the trustee, or fiduciary, for certain funds held on behalf of beneficiaries. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

# CITY OF CENTRAL FALLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

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### Notes to Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the Government-Wide and Governmental Fund financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, such as the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund.

### Government-Wide Financial Analysis

In this, the eighteenth (18<sup>th</sup>) year of implementation of the provisions of GASB Statement No. 34, the City continues to provide certain disclosures and compares them to prior year financial statements. In the sections that follow, a comparative analysis is provided between current year and prior year information.

As noted earlier, the total net position for the City of Central Falls has increased by \$7,476,348 over the prior year's negative balance of \$8,995,609. This is first identified in the change in net position as recorded in the Statement of Activities and then flows through the Statement of Net Position. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses and total assets are presented in the Statement of Activities and Changes in Net Assets.

### CITY OF CENTRAL FALLS' NET POSITION (DEFICIT)

For the year ended June 30,

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 12,409,219	\$ 7,250,437
Capital assets	<u>28,444,813</u>	<u>23,712,549</u>
Total Assets	<u>40,854,032</u>	<u>30,962,986</u>
Deferred Outflow	6,355,122	7,573,236
Current liabilities	9,327,715	3,849,244
Long-term liabilities	<u>33,625,292</u>	<u>39,291,871</u>
Total Liabilities	<u>42,953,007</u>	<u>43,141,115</u>
Deferred Inflow	<u>5,775,408</u>	<u>4,390,716</u>
Net Position (Deficit):	(1,519,261)	(8,995,609)
Net investment in		
Capital assets	22,368,899	16,876,549
Restricted	815,655	1,264,200
Unrestricted	<u>(24,703,815)</u>	<u>(27,136,358)</u>
Total Net Position (Deficit):	<u>\$ (1,519,261)</u>	<u>\$ (8,995,609)</u>

# CITY OF CENTRAL FALLS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED JUNE 30, 2022

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This year the City of Central Falls continues to report positive balances in two (2) areas of net position. The increase in net investment in capital assets reflects the continued investment in roads and schools. The improvement of the negative balance in unrestricted net position is mostly attributable to the City's favorable financial activity within the pension and OPEB funds.

#### CITY OF CENTRAL FALLS' CHANGES IN NET POSITION (DEFICIT)

For the year ended June 30,

	<b>Governmental Activities 2022</b>	<b>Governmental Activities 2021</b>
<b>Revenues</b>		
Program Revenues:		
Charges for service	1,734,222	1,789,940
Operating grants & contributions	1,221,079	1,293,692
Capital grants & contributions	6,501,895	3,121,419
General Revenues		
Property taxes	14,656,181	16,238,089
Grants & contributions (not restricted)	2,204,887	2,804,777
Other revenue	862,051	74,192
Earnings on investments	9,429	9,242
Total revenue	27,189,744	25,331,351
<b>Expenses</b>		
General government	4,922,077	7,188,017
Public safety	6,912,471	1,635,202
Planning	4,092	35,630
Public works	2,534,515	2,453,599
Public education	723,041	518,817
Public recreation	1,114,662	1,161,466
Employee benefits	523,563	1,076,382
Retirement	2,680,543	2,848,670
Interest on debt	298,432	222,996
Total expenses	19,713,396	17,140,779
Increase in net position (deficit)	7,476,348	8,190,572
Net position (deficit), July 1	(8,995,609)	(17,186,181)
Net position (deficit), June 30	(1,519,261)	(8,995,609)

# CITY OF CENTRAL FALLS

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED JUNE 30, 2022

Total revenues in 2022 were \$27,189,774, which reflects an increase of \$1,858,393 as compared to the revenue in 2021. This change is primarily seen within program revenues and represents increased funding for school construction and Community Block grants.

Total expenses in 2022 were \$19,713,396, which reflects an increase of \$2,572,617 as compared to expenses in 2021. There was increased spending in construction projects which was offset by favorable activity within the pension fund.

#### Transfers

Inter-fund transfers for the year ended June 30, 2022, totaled \$312,656 for the year.

#### Financial Analysis of the City’s Funds – Governmental Fund Statements

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase (Decrease)
General Fund	\$ 1,877,812	\$ 1,285,245	\$ 592,567
Other Governmental	532,559	860,995	(328,436)
Total	\$ 2,410,371	\$ 2,146,240	\$ 264,131

The fund balance for the City of Central Falls general fund is \$1,877,812 as of June 30, 2022. This represents an increase of \$592,567 as compared to 2021 and reflects 9.72% of budgeted revenue.

General Fund Revenues	2022	2021	Variance	Percentage Change
General property taxes	\$ 15,217,578	\$ 15,418,792	\$ (201,214)	-1.30%
Intergovernmental	2,204,887	2,804,777	(599,890)	-21.39%
Fees / Non-tax income	1,734,222	1,789,940	(55,718)	-3.11%
Other revenues	729,812	83,179	646,633	-777.40%
Total	\$ 19,886,499	\$ 20,096,688	\$ (210,189)	-1.05%

General Fund revenues decreased by \$210,189 or 1.05%, as compared to 2021.

The following table displays a comparison of revenues and expenditures “budget to actual” for the general fund, as reported on a budgetary basis and required by the City Charter.

**CITY OF CENTRAL FALLS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Financial Analysis of the City’s Funds – Governmental Fund Statements Analysis (Continued)**

**General Fund Budgetary Comparison Schedule – June 30, 2022**

	<b>Adopted</b>	<b>Final</b>		
<b>Revenue Analysis</b>	<b><u>Budget FY22</u></b>	<b><u>Budget FY22</u></b>	<b><u>Actual FY22</u></b>	<b><u>Variance FY22</u></b>
Tax revenue	\$ 15,069,515	\$ 15,069,515	\$ 15,217,578	\$ 148,063
Fees/Non-tax revenue	1,852,629	1,852,629	1,734,222	(118,407)
Intergovernmental/State	2,255,987	2,255,987	2,204,887	(51,100)
Other Income	131,000	131,000	703,456	572,456
Total	<u>\$ 19,309,131</u>	<u>\$ 19,309,131</u>	<u>\$ 19,860,143</u>	<u>\$ 551,012</u>
<b>Expenditure Analysis</b>				
General Government	\$ 3,378,948	\$ 3,378,948	\$ 3,439,217	\$ (60,269)
Public safety	8,762,637	8,762,637	8,826,883	(64,246)
Public works	2,143,677	2,143,677	2,178,937	(35,260)
Public Library	150,727	150,727	151,095	(368)
Public recreation/Planning	667,531	667,531	653,231	14,300
Municipal debt service	1,012,183	1,012,183	1,110,054	(97,871)
COVID-19	--	--	42,243	(42,243)
Reserve/Special Projects	25,536	25,536	--	25,536
Contingency	--	--	--	--
Employee benefits	367,892	367,892	481,320	(113,428)
Retirement	2,800,000	2,800,000	2,680,543	119,457
Total	<u>\$ 19,309,131</u>	<u>\$ 19,309,131</u>	<u>\$ 19,563,523</u>	<u>\$ (254,392)</u>

It should be noted that the Central Falls School District is not classified as a component unit of the City. It is a component unit of the State of Rhode Island through an act of the Rhode Island Legislature. This act provided for the State to assume administrative takeover of the School District effective July 1, 1991. Separately issued financial statements were prepared and may be obtained from the Rhode Island Department of Education.

**Debt Administration**

At year end the total long-term debt for the City of Central Falls was \$34.49 million. The breakdown is as follows:

	<u>FY2022 Amount</u>	<u>Percent</u>	<u>FY2021 Amount</u>	<u>Percent</u>
General Obligation Municipal Bonds	\$ 4,170,000	12%	\$ 4,580,000	11%
RIHEBC Revenue Bonds	490,000	1%	820,000	2%
R.I. Infrastructure Bank	1,371,000	4%	1,436,000	4%
Net Pension Liability (NPL)	25,613,012	74%	30,676,458	76%
Net OPEB Liability (NOL)	2,539,376	7%	2,278,915	6%
Due to State	--	0%	--	0%
Compensated Absences	309,893	1%	339,442	1%
Total	<u>\$ 34,493,281</u>	100%	<u>\$ 40,130,815</u>	100%

**CITY OF CENTRAL FALLS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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The Central Falls School District is a component unit of the State of Rhode Island. While the Central Falls School District has care, custody and control over the seven buildings used by the district, the City owns the buildings and is responsible for major repairs and renovations. These repairs and renovations are typically funded with school bonds as noted above.

On October 26, 2012, Moody's upgraded the City's general obligation bond rating to B2 with a positive outlook and on November 16, 2012 Standard and Poor's bond rating improved to BB.

On July 18, 2013, Moody's upgraded the City's general obligation bond rating to B1 from B2 with a positive outlook. Moody's has also affirmed the Ba1 underlying rating on the Rhode Island Health and Educational Building Corporation's (RIHEBC) Series 2007B bonds, with a stable outlook.

On June 23, 2014, Moody's upgraded the City's general obligation bond rating to Ba3 from B1, with a stable outlook.

On May 26, 2015, Moody's upgraded the City's general obligation bond rating to Ba2 from Ba3, with a stable outlook.

On May 2, 2017, Moody's upgraded the City's general obligation bond rating to Ba1 from Ba2, with a positive outlook.

On December 23, 2013, Standard and Poor affirmed its BB rating for the City of Central Falls, with a stable outlook.

On March 5, 2015, Standard and Poor reaffirmed its BB rating for the City of Central Falls, with a positive outlook.

**Capital Assets**

The City of Central Falls has \$28,399,899 invested in capital assets, net of depreciation. Only capitalized assets with an original cost of \$5,000 or greater are included. The straight-line/unrecovered cost method was used to calculate annual depreciation.

**Independent Audit**

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Marcum LLP provided this service for the purpose of issuing basic financial statements and supplementary information for the year ended June 30, 2022.

**Acknowledgements**

The preparation of this report was made possible by the conscientious efforts provided by the entire staff of The City of Central Falls. I appreciate their hard work and dedication throughout this endeavor.

Respectfully submitted,



Mary Signer  
Finance Director

# **FINANCIAL SECTION**

**CITY OF CENTRAL FALLS**

A-1

**STATEMENT OF NET POSITION**

**JUNE 30, 2022**

	Governmental Activities
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 5,650,432
Due from federal and state governments	5,178,643
Property taxes receivable, net	1,464,245
Other receivables, net	86,303
Cash held in escrow - Rhode Island Infrastructure Bank	29,596
<b>Total Current Assets</b>	12,409,219
<b>Noncurrent Assets</b>	
Net pension asset	44,914
Capital assets (non-depreciable)	5,591,437
Capital assets (net of accumulated depreciation)	22,808,462
<b>Total Noncurrent Assets</b>	28,444,813
<b>Total Assets</b>	40,854,032
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources related to OPEB	154,120
Deferred outflows of resources related to pensions	6,201,002
<b>Total Deferred Outflows of Resources</b>	6,355,122
<b>Total Assets and Deferred Outflows of Resources</b>	\$ 47,209,154

*The accompanying notes are an integral part of these financial statements.*

**CITY OF CENTRAL FALLS**

A-1

**STATEMENT OF NET POSITION (CONTINUED)**

**JUNE 30, 2022**

	Governmental Activities
<b>Current Liabilities</b>	
Accounts payable	\$ 3,859,775
Accrued interest payable	76,194
Accrued expenses	99,031
Unearned revenue	4,424,726
Current portion of long-term liabilities	867,989
<b>Total Current Liabilities</b>	<b>9,327,715</b>
 <b>Noncurrent Liabilities</b>	
Net pension liability	25,613,012
Net OPEB liability	2,539,377
Long-term liabilities	5,472,903
<b>Total Noncurrent Liabilities</b>	<b>33,625,292</b>
 <b>Total Liabilities</b>	<b>42,953,007</b>
 <b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to OPEB	1,571,304
Deferred inflows of resources related to pensions	4,204,104
<b>Total Deferred Inflows of Resources</b>	<b>5,775,408</b>
 <b>Total Liabilities and Deferred Inflows of Resources</b>	<b>48,728,415</b>
 <b>Net Position (Deficit)</b>	
Net investment in capital assets	22,368,899
Restricted:	
Capital projects	29,596
Special revenue/grantors	786,059
Unrestricted	(24,703,815)
<b>Total Net Position (Deficit)</b>	<b>\$ (1,519,261)</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF CENTRAL FALLS**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 4,922,077	\$ 1,734,222	\$ 1,130,119	\$ 6,501,895	\$ 4,444,159
Public safety	6,912,471	--	64,873	--	(6,847,598)
Planning	4,092	--	--	--	(4,092)
Public works	2,534,515	--	--	--	(2,534,515)
Public education	723,041	--	--	--	(723,041)
Public recreation	1,114,662	--	26,087	--	(1,088,575)
Employee benefits	523,563	--	--	--	(523,563)
Retirement	2,680,543	--	--	--	(2,680,543)
Debt service interest	298,432	--	--	--	(298,432)
<b>Totals</b>	<u>\$ 19,713,396</u>	<u>\$ 1,734,222</u>	<u>\$ 1,221,079</u>	<u>\$ 6,501,895</u>	(10,256,200)
<b>General Revenues:</b>					
Property taxes					14,656,181
Grants and contributions not restricted to specific programs					2,204,887
Investment earnings					9,429
Miscellaneous					862,051
					<u>17,732,548</u>
					<b>Change in Net Position</b>
					7,476,348
					<b>Net Position (Deficit) - Beginning</b>
					<u>(8,995,609)</u>
					<b>Net Position (Deficit) - Ending</b>
					<u>\$ (1,519,261)</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF CENTRAL FALLS

B-1

## BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 2,901,287	\$ --	\$ --	\$ 2,427,143	\$ 322,002	\$ 5,650,432
Due from federal and state governments	2,952,811	1,781,322	--	--	444,510	5,178,643
Property taxes receivable, net	1,464,245	--	--	--	--	1,464,245
Other receivables, net	86,303	--	--	--	--	86,303
Cash held in escrow - Rhode Island Infrastructure Bank	--	--	--	--	29,596	29,596
Due from other funds	<u>1,577,679</u>	<u>344,368</u>	<u>100,332</u>	<u>--</u>	<u>738,653</u>	<u>2,761,032</u>
<b>Total Assets</b>	<u>8,982,325</u>	<u>2,125,690</u>	<u>100,332</u>	<u>2,427,143</u>	<u>1,534,761</u>	<u>15,170,251</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	3,515,407	344,368	--	--	--	3,859,775
Accrued expenses	--	--	--	--	99,031	99,031
Due to other funds	1,973,790	--	--	226,880	560,362	2,761,032
Unearned revenue	<u>--</u>	<u>1,781,322</u>	<u>--</u>	<u>2,200,263</u>	<u>443,141</u>	<u>4,424,726</u>
<b>Total Liabilities</b>	<u>5,489,197</u>	<u>2,125,690</u>	<u>--</u>	<u>2,427,143</u>	<u>1,102,534</u>	<u>11,144,564</u>
<b>Deferred Inflows of Resources</b>						
Advance tax collections	304,202	--	--	--	--	304,202
Unavailable revenue - taxes	<u>1,311,114</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,311,114</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,615,316</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,615,316</u>
<b>Fund Balance</b>						
Nonspendable	--	--	--	--	29,596	29,596
Restricted	--	--	100,332	--	786,059	886,391
Committed	1,347,834	--	--	--	--	1,347,834
Unassigned	<u>529,978</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(383,428)</u>	<u>146,550</u>
<b>Total Fund Balances</b>	<u>1,877,812</u>	<u>--</u>	<u>100,332</u>	<u>--</u>	<u>432,227</u>	<u>2,410,371</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,982,325</u>	<u>\$ 2,125,690</u>	<u>\$ 100,332</u>	<u>\$ 2,427,143</u>	<u>\$ 1,534,761</u>	

Amounts reported for governmental activities in the Statement of Net Position differ because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	28,399,899
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(34,493,281)
Unearned revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position.	1,615,316
Net pension asset on the statement of Net Position.	44,914
Pension related deferred outflows less pension related deferred inflows on the statement of Net Position.	579,714
Accrued interest on long-term liabilities have been included in the governmental activities in the Statement of Net Position.	<u>(76,194)</u>
<b>Net Deficit of Governmental Activities (A-1)</b>	<u>\$ (1,519,261)</u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF CENTRAL FALLS

B-2

## STATEMENT OF REVENUES, OTHER FINANCING SOURCES, EXPENDITURES, OTHER FINANCING USES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDEND JUNE 30, 2022

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
General property taxes	\$ 15,217,578	\$ --	\$ --	\$ --	\$ --	\$ 15,217,578
Interest and investment income	9,000	--	--	--	429	9,429
Intergovernmental	2,204,887	957,553	3,519,935	724,242	2,521,244	9,927,861
Fees/non-tax income	1,734,222	--	--	--	--	1,734,222
Other revenues	<u>720,812</u>	--	--	--	<u>141,239</u>	<u>862,051</u>
<b>Total Revenues</b>	<u>19,886,499</u>	<u>957,553</u>	<u>3,519,935</u>	<u>724,242</u>	<u>2,662,912</u>	<u>27,751,141</u>
<b>Expenditures</b>						
<b>Current:</b>						
General government	3,439,717	--	--	116,193	710,596	4,266,506
Planning	--	--	--	--	4,092	4,092
Public safety	8,826,883	--	--	--	--	8,826,883
Public works	2,178,937	--	--	--	--	2,178,937
Public education	151,095	--	--	--	--	151,095
Public recreation	695,796	--	--	--	68,839	764,635
Employee benefits	523,563	--	--	--	--	523,563
Retirement	2,680,543	--	--	--	--	2,680,543
<b>Debt Service:</b>						
Principal and interest	1,110,054	--	--	--	--	1,110,054
<b>Capital:</b>						
Capital expenditures	--	957,553	3,161,593	608,049	2,253,507	6,980,702
<b>Total Expenditures</b>	<u>19,606,588</u>	<u>957,553</u>	<u>3,161,593</u>	<u>724,242</u>	<u>3,037,034</u>	<u>27,487,010</u>
<b>Excess of Revenues Over (Under) Expenditures</b>						
<b>Before Other Financing Sources (Uses)</b>	<u>279,911</u>	--	<u>358,342</u>	--	<u>(374,122)</u>	<u>264,131</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	313,221	--	--	--	86,621	399,842
Transfers out	<u>(565)</u>	--	--	--	<u>(399,277)</u>	<u>(399,842)</u>
<b>Net Other Financing Sources (Uses)</b>	<u>312,656</u>	--	--	--	<u>(312,656)</u>	--
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Financing (Uses)</b>	592,567	--	358,342	--	(686,778)	264,131
<b>Fund Balance - Beginning of Year</b>	<u>1,285,245</u>	--	<u>(258,010)</u>	--	<u>1,119,005</u>	<u>2,146,240</u>
<b>Fund Balance - End of Year</b>	<u>\$ 1,877,812</u>	<u>\$ --</u>	<u>\$ 100,332</u>	<u>\$ --</u>	<u>\$ 432,227</u>	<u>\$ 2,410,371</u>

*The accompanying notes are an integral part of these financial statements.*

CITY OF CENTRAL FALLS

B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, OTHER  
FINANCING SOURCES, EXPENDITURES, OTHER FINANCING USES AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL  
FUNDS (B-2) TO THE STATEMENT OF ACTIVITIES (A-2)

FOR THE YEAR ENDEND JUNE 30, 2022

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<b>Net Change in Fund Balances - Total Governmental Funds (B-2)</b>	\$ 264,131
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 depreciation and loss on disposals exceeded capital outlays in the current period.	4,687,350
The issuance of long-term debt 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. This amount is the net effect of these differences.	5,682,448
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	(2,602,806)
Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(554,775)</u>
<b>Change in Net Position of Governmental Activities in the Statement of Activities (A-2)</b>	<u><u>\$ 7,476,348</u></u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF CENTRAL FALLS**

C-1

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**JUNE 30, 2022**

	OPEB Trust Fund	Custodial Funds	Total
<b>Assets</b>			
Cash and cash equivalents	\$ --	\$ 44,245	\$ 44,245
Investments	<u>782,905</u>	<u>--</u>	<u>782,905</u>
<b>Total Assets</b>	<u>782,905</u>	<u>44,245</u>	<u>827,150</u>
<b>Net Position</b>			
Restricted for post-employment benefits and other purposes	<u>\$ 782,905</u>	<u>\$ 44,245</u>	<u>\$ 827,150</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF CENTRAL FALLS**

C-2

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	OPEB Trust Fund	Custodial Funds	Total
<b>Additions</b>			
Contributions	\$ 60,000	\$ --	\$ 60,000
Investment income	--	6,514	6,514
<b>Total Additions</b>	<u>60,000</u>	<u>6,514</u>	<u>66,514</u>
<b>Deductions</b>			
Investment loss	118,965	--	118,965
Other expenses	2,559	--	2,559
<b>Total Deductions</b>	<u>121,524</u>	<u>--</u>	<u>121,524</u>
<b>Change in Net Position</b>	(61,524)	6,514	(55,010)
<b>Net Position, Restricted for Post-Employment Benefits and Other Purposes - Beginning</b>			
	<u>844,429</u>	<u>37,731</u>	<u>882,160</u>
<b>Net Position, Restricted for Post-Employment Benefits and Other Purposes - Ending</b>			
	<u>\$ 782,905</u>	<u>\$ 44,245</u>	<u>\$ 827,150</u>

*The accompanying notes are an integral part of these financial statements.*

## **NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Central Falls was founded in 1895. The City is governed largely under the Home Rule Charter, which was revised on June 19, 2007. In some matters, including the issuance of short and long-term debt, the City is governed by the general laws of the State of Rhode Island. The City operates under a Mayor/City Council form of Government.

The City complies with accounting principles generally accepted in the United States of America (“GAAP”). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

As a general rule the effect of Inter-fund activity has been eliminated from the government-wide financial statements.

***RECENTLY ISSUED ACCOUNTING STANDARDS***

During the fiscal year ended June 30, 2022, the City of Central Falls implemented the following new accounting pronouncements:

- GASB Statement No. 87 - *Leases*
- GASB Statement No. 88 - *Certain Disclosures Related to Debt, Including Borrowings and Direct Placements*
- GASB Statement No. 89 - *Accounting for Interest Costs Incurred before the End of a Construction period*
- GASB Statement No. 92 - *Omnibus 2020*
- GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment to GASB Statements No. 14 and No. 84, and supersession of GASB Statement No. 32*

The following are recently issued governmental accounting standards which will be applicable in future years:

- GASB Statement No. 91 - *Conduit Debt Obligations*, effective for the fiscal year ending June 30, 2023.
- GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the fiscal year ending June 30, 2023.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Recently Issued Accounting Standards (Continued)***

- GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*, effective for the fiscal year ending June 30, 2023.
- GASB Statement No. 99 - *Omnibus 2022*, effective for the fiscal year ending June 30, 2023.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections*, effective for the fiscal year ending June 30, 2024.
- GASB Statement No. 101 - *Compensated Absences*, effective for the fiscal year ending June 30, 2025.

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

***REPORTING ENTITY***

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61 *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

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

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***REPORTING ENTITY (CONTINUED)***

The following entities were considered for classification as component units for fiscal year 2022:

- Central Falls Redevelopment Agency
- Central Falls Housing Authority
- Central Falls Detention Facility Corporation
- Central Falls School District

Although Central Falls Redevelopment Agency meets certain criteria of the tests previously listed, it is deemed not to have separate legal status apart from the City. As a result, the financial data of this entity has been included as non-major special revenue fund within the City's financial statements.

The remaining entities noted above did not meet the criteria to be reported as either blended or discretely presented component units and have not been included in the financial reporting entity.

***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

The government-wide financial statements, statement of net position and statement of activities report information about the government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants, and grants and contributions restricted to meeting operational goals or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

***GOVERNMENTAL FUND FINANCIAL STATEMENTS***

Governmental fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund balance, revenues, and expenditure/expenses. For financial statement purposes an emphasis is placed on major funds. A fund is considered major if it is the primary operating fund (the General Fund) of the City or meets the following criteria:

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***GOVERNMENTAL FUND FINANCIAL STATEMENTS (CONTINUED)***

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

The governmental funds of the City are described below:

**General Fund**

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.

**Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Project Funds**

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Custodial Funds**

Custodial funds account for amounts held by the City for unclaimed estates in probate court.

**OPEB Trust Funds**

OPEB trust funds are used to accumulate resources legally held in trust and restricted for the payment of retiree health benefits and retiree life insurance.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

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

In the fund financial statements, governmental funds utilize a “current financial resources” measurement focus and are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (usually 60 days) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, expenditures related to compensated absences, pension obligations, claims and judgments and other post-employment benefits which are recorded only when payment is due. The City considers property taxes as available if they are collected within 60 days after year end.

All custodial funds and OPEB trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**Budgets**

Budgets were adopted in accordance with Home Rule Charter requirements. Annual appropriated budgets are adopted for the General Fund. Generally annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds.

Encumbrances represent commitments related to unperformed contracts for goods or services. Open encumbrances are reported within fund balance, committed or assigned fund balance, and should not result in separate display of the encumbered amount within those classifications. Encumbrances outstanding at year end do not constitute expenditures or liabilities under GAAP because the commitments will be honored during the subsequent years. There are no encumbrances as of June 30, 2022.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash Equivalents**

Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased.

**Investments**

The City invests in various types of investments, which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**Accounts Receivable**

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible property taxes amounted to \$762,955 at June 30, 2022. Receivable balances for the governmental activities include property taxes of \$1,464,245 and other receivables of \$86,303.

In the fund financial statements, receivables in the government funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

**Accounts Payable**

Accounts payable balances consist primarily of payables to vendors.

**Property Taxes**

The City is permitted by State Law to levy property taxes. The City's property taxes are levied on July 1 on assessed value of property as listed on the previous December 31. Taxpayers have an option to pay quarterly installments. Property taxes attach as an enforceable lien on real and personal property as of the date of assessment. Taxes assessed on motor vehicles and trailers represent an excise tax and do not constitute a lien. Uncollected property taxes are stated at the amounts originally assessed and do not include interest or penalties which may be assessed at the time of collection. The tax rate of the City is established by the City Council. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the governmental funds. Within the government-wide statements property taxes are recognized as revenue in the year for which they are levied.

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position and/or balance sheet can report deferred outflows of resources. Deferred outflow of resources represents a consumption of net position, that apply to a future period which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2022, the City reports deferred outflows related to pension and other post-employment benefits (OPEB) in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) and OPEB plan.

In addition to liabilities, the statement of net position and/or balance sheet can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2022, the City had two items qualifying as a deferred inflow of resources. In the governmental funds balance sheet, the City reports unavailable tax revenue and advance tax collections.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)*

**Deferred Inflows/Outflows of Resources (Continued)**

This amount is deferred and will be recognized as an inflow of resources in the years in which the amounts become available. The City also reports a deferred inflow 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 include in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) and OPEB plan.

**Capital Assets**

The accounting treatment over capital assets which include property, plant, equipment and infrastructure (roads, bridges, sidewalks, and similar items) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of five years. In government funds financial statements capital assets are recorded as capital outlay expenditures in the acquiring fund when purchased.

Infrastructure assets, (such as sidewalks, curbs, drainage systems, and road improvements) acquired by the City have been capitalized and reported within the financial statements.

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

Land	Not depreciated
Construction in progress	Not depreciated
Buildings and land improvements	20-45 years
Motor vehicles	5-6 years
Furniture & equipment	5-10 years
Infrastructure	20 years

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

**Interfund Transactions**

Interfund activity within and among the funds of the City have been classified and reported as follows:

- Reciprocal interfund activities:
  - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds (due from other funds / due to other funds).
  - Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.
  
- Non-reciprocal interfund activities:
  - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.
  - Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Interfund transfers totaled \$399,842 for the year ended June 30, 2022.

**Net Position/Fund Balance**

**Government-Wide Statements**

Net position is displayed in three categories:

- (a) Net investment in capital assets - Consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflow of resources that are attributable to the acquisition, construction or improvement of those assets or related debt would also be included in the net position component.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

**Net Position/Fund Balance (Continued)**

**Government-Wide Statements (Continued)**

- (b) Restricted net position - Consists of net position restricted to specific purposes due to constraints placed on the use of those resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
  
- (c) Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

**Fund Financial Statements**

Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. These categories are defined below:

- Non-spendable Fund Balance – includes the amount of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash.
  
- Restricted Fund Balance – includes amounts that are restricted to specific purposes either by constraints placed on the use of resources externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
  
- 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 City Council currently has the highest level of decision-making authority for the City of Central Falls.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

**Net Position/Fund Balance (Continued)**

**Fund Financial Statements (Continued)**

- **Committed Fund Balance** (Continued) – The City currently has two separate ordinances for committing fund balance. The City must reserve not less than five percent, with a goal of ten percent, of the previous fiscal year’s total budget of general revenues. The City will have a minimum target balance of \$250,000 reserved for capital improvements.
- **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. The City does not presently have a spending policy that has delegated this authority.
- **Unassigned Fund Balance** – is the residual amount not allocated to any other fund balance category in the General Fund, and any residual deficit balance of any other governmental fund.

**Application of Funds**

The City of Central Falls 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.

**Compensated Absences**

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, employees are compensated for unused vacation at their current rate of pay. The amount recorded is the unused days earned at the current rate of pay. For governmental activities, the General Fund is used to record this liability if it is expected to be liquidated with expendable available resources, otherwise this liability is recorded in the government-wide financial statements.

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***RECONCILIATION OF GOVERNMENT-WIDE NET POSITION AND FUND FINANCIAL STATEMENTS FUND BALANCE***

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$34,493,281) difference are as follows:

Bonds payable	\$ (6,031,000)
Pension liability	(25,613,012)
Net other post-employment benefit obligation	(2,539,376)
Compensated absences	<u>(309,893)</u>
Total Differences	<u>\$ (34,493,281)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$4,687,350 difference are as follows:

Capital outlays (net of disposals)	\$ 6,610,914
Depreciation expense	<u>(1,923,564)</u>
Net difference	<u>\$ 4,687,350</u>

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$5,682,448 difference are as follows:

Decrease in compensated absences	\$ 29,549
Increase in OPEB	(260,461)
Increase in MERS pension asset	44,914
Decrease in MERS pension liability	5,063,446
Debt repayments	<u>805,000</u>
Net difference	<u>\$ 5,682,448</u>

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.” The details of this (\$2,602,806) difference are as follows:

Changes in deferred outflows	\$ (1,218,114)
Changes in deferred inflows	<u>(1,384,692)</u>
Net difference	<u>\$ (2,602,806)</u>

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 2 - BUDGETARY AND LEGAL COMPLIANCE**

***BUDGETS***

All agencies of the City submit requests for appropriation to the City's finance director (currently to the Administrative and Finance Officer). These requests include information on the past years, current year's estimates and requested appropriations for the next fiscal year. In accordance with the City's Fourth Amended Plan, dated July 27, 2012, the City's elected officials, and any fiduciary acting with the powers of elected officials, shall keep the City's budget in balance through June 30, 2022, the term of the Plan.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to preserve that portion of the applicable appropriation, is employed in the General Fund Budget. Encumbrances do not constitute expenditures or liabilities under accounting principles generally accepted in the United States of America.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

***DEPOSITS***

Deposits are in various financial institutions and are carried at cost, which approximates fair value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash" and includes \$1,150 of petty cash.

At June 30, 2022, the carrying amount of the City's deposits was \$5,694,677 and the bank balance was \$6,150,700 of which \$500,000 was covered by federal depository insurance and the remaining bank balance of \$5,650,700 was collateralized by the financial institutions and/or third parties in the name of the City.

***INVESTMENTS***

At June 30, 2022 the City's investments totaled \$782,905 (all of which are held in its Fiduciary Funds) and consisted of the following:

Description	Fair Value	Interest Rate	Maturity	Credit Rating
Mutual Funds	\$ 782,905	n/a	n/a	n/a
Total	<u>\$ 782,905</u>			

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

*INVESTMENTS (CONTINUED)*

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amount reported as net position restricted for pension benefits or other post-employment benefits.

*INTEREST RATE RISK*

Interest rate risk is the risk that the value of investments will decline because of rising interest rates. The City's investments are held in mutual funds. These investments do not specify an interest rate rather the rate of return is dependent on operating results and economic conditions.

*CREDIT RISK*

The City has no investment policy that would limit its investment choices due to credit risk other than the State Statutes governing investments in obligations of any State or political subdivision or in obligations to the State of Rhode Island or political subdivision. At June 30, 2022 the City's portfolio consisted of mutual funds. The mutual funds consist of investments in a wide range of companies and various industries enabling the City to minimize its risk.

*CUSTODIAL CREDIT RISK*

Custodial credit risk is the risk that in the event of financial institution failure, the City's deposits and/or investments may not be returned. The City does not believe that it has a significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. The City also ensures that all deposits be placed in financial institutions that are FDIC insured.

*FAIR VALUE OF FINANCIAL INSTRUMENTS*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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:

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)***

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 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 in 2022.

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
June 30, 2022:				
Vanguard Mutual Funds	\$ 782,905	\$ --	\$ --	\$ 782,905
Investments at fair value	<u>\$ 782,905</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 782,905</u>

Investments in the mutual funds are valued at the daily closing price as reported by the funds. Mutual funds held by the City are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their NAV and to transact at that price. The mutual funds held by the City are deemed to be actively traded.

There were no transfers between any levels during the year ended June 30, 2022.

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 4 - CAPITAL ASSETS**

Activity for governmental activity capital assets is summarized below:

	<u>Balances</u> <u>July 1, 2021</u>	<u>Total</u> <u>Additions</u>	<u>Total</u> <u>Deductions</u>	<u>Balances</u> <u>June 30, 2022</u>
Capital Assets:				
Land (not being depreciated)	\$ 1,024,008	\$ --	\$ --	\$ 1,024,008
Construction in progress (not depreciated)	<u>5,693,189</u>	<u>4,107,821</u>	<u>5,233,581</u>	<u>4,567,429</u>
	6,717,197	4,107,821	5,233,581	5,591,437
Buildings and land improvements	48,911,452	4,078,112	--	52,989,564
Motor vehicles	4,730,687	1,189,894	420,809	5,499,772
Equipment	3,347,419	282,673	--	3,630,092
Infrastructure	<u>14,893,948</u>	<u>2,185,995</u>	<u>--</u>	<u>17,079,943</u>
Total Capital Assets	<u>78,600,703</u>	<u>11,844,495</u>	<u>5,654,390</u>	<u>84,790,808</u>
Less: Accumulated Depreciation				
Buildings and land improvements	(34,857,819)	(1,426,233)	--	(36,284,052)
Motor vehicles	(4,423,757)	(192,260)	(420,809)	(4,195,208)
Equipment	(3,229,852)	(54,850)	--	(3,284,702)
Infrastructure	<u>(12,376,726)</u>	<u>(250,221)</u>	<u>--</u>	<u>(12,626,947)</u>
Total Accumulated Depreciation	<u>(54,888,154)</u>	<u>(1,923,564)</u>	<u>(420,809)</u>	<u>(56,390,909)</u>
Net Capital Assets	<u>\$ 23,712,549</u>	<u>\$ 9,920,931</u>	<u>\$ 5,233,581</u>	<u>\$ 28,399,899</u>

Depreciation expense was charged to the following functions/programs of the City:

Governmental activities:	
General government	\$ 400,182
Public safety	245,831
Public works	355,578
Public recreation	350,027
Public education	<u>571,946</u>
Total	<u>\$ 1,923,564</u>

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 5 - UNEARNED REVENUE/UNAVAILABLE REVENUE

Governmental funds report deferred inflow of resources from unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2022, the various components of unearned revenue and unavailable revenue reported in the governmental funds and governmental activities were as follows:

#### General Fund

Unavailable tax revenue	\$ 1,311,114
Advance tax collections	<u>304,202</u>

#### Other Governmental Funds

Unearned revenue grants	<u>\$ 4,424,726</u>
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### NOTE 6 - LONG-TERM DEBT

#### *GENERAL OBLIGATION BONDS AND OTHER DEBT*

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Schedule of long-term debt by purpose is as follows:

	<u>Amount</u>	<u>Percent</u>
General obligation municipal bonds	\$ 4,170,000	12%
R.I. Health & Education Building Corporation (RIHEBC) revenue bonds	490,000	1%
R.I. Infrastructure Bank bond	<u>1,371,000</u>	4%
Total long-term bonds	<u>6,031,000</u>	
Net pension liability	25,613,012	75%
Net OPEB obligation	2,539,376	7%
Compensated absences	<u>309,893</u>	<u>1%</u>
Total long-term debt	<u>\$ 34,493,281</u>	<u>100%</u>

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Schedule of long-term bond requirements:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 836,000	\$ 178,254	\$ 1,014,254
2024	862,000	151,213	1,013,213
2025	894,000	123,381	1,017,381
2026	835,000	95,447	930,447
2027	872,000	67,847	939,847
Thereafter	<u>1,732,000</u>	<u>201,668</u>	<u>1,933,668</u>
Total	<u>\$ 6,031,000</u>	<u>\$ 817,810</u>	<u>\$ 6,848,810</u>

***MAXIMUM AGGREGATE INDEBTEDNESS***

The City's legal debt limit as set forth by Rhode Island General Law 45-12-2 is limited to three percent of total assessed property value. As of June 30, 2022, the City was in compliance with the limit of \$17,227,654.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

General long-term debt consists of the long-term liabilities that are not recorded as fund liabilities. Amounts are as follows:

	Date of Issue	Maturity Date	Amount of Issue	Interest Rate	Outstanding July 1, 2021	Additions	Deductions	Outstanding June 30, 2022	Current Portion
General obligation municipal bonds	7/25/2017	7/25/2027	\$ 5,435,000	3.04%	\$ 4,580,000	\$ --	\$ 410,000	\$ 4,170,000	\$ 685,000
RIHEBC revenue bonds	12/12/2013	5/15/2020	\$ 5,510,000	2.58%	250,000	--	250,000	--	--
RIHEBC revenue bonds	8/15/2007	4/1/2027	\$ 1,300,000	4.25%-5.00%	570,000	--	80,000	490,000	85,000
Rhode Island Infrastructure Bank	5/2/2019	9/1/2038	\$ 1,500,000	1.37%-2.62%	1,436,000	--	65,000	1,371,000	67,000
Total bonds and leases					<u>6,836,000</u>	<u>--</u>	<u>805,000</u>	<u>6,031,000</u>	<u>837,000</u>
Accrued compensated absences					339,442	--	29,549	309,893	30,989
Net pension liability									
Municipal employees' retirement system- City of Central Falls					2,776,660	--	1,330,197	1,446,463	--
Municipal employees' retirement system- Police and Fire					1,995	--	1,995	--	--
Municipal employees' retirement system- Police and Fire (Legacy)					27,897,803	--	3,731,254	24,166,549	--
Net OPEB liability					<u>2,278,915</u>	<u>260,461</u>	<u>--</u>	<u>2,539,376</u>	<u>--</u>
Total long-term debt					<u>\$ 40,130,815</u>	<u>\$ 260,461</u>	<u>\$ 5,897,995</u>	<u>\$ 34,493,281</u>	<u>\$ 867,989</u>

Total interest paid on general long-term debt for the year ended June 30, 2022 was \$203,226.

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 7 - DUE FROM/DUE TO OTHER FUNDS AND OPERATIONAL AND/OR FUND DEFICITS

Interfund receivables and payables at June 30, 2022 were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,577,679	\$ 1,973,790
CDBG 2019	344,368	--
School Bldg Capital	100,332	--
American Rescue Plan	--	226,880
Other Governmental Funds	738,653	560,362
	\$ 2,761,032	\$ 2,761,032

Interfund receivables and payables were eliminated in the government-wide financial statements.

The following funds had operational and/or fund deficits:

Fund Deficits will be mitigated either through additional outside funding or general fund appropriations.

	Operational	Fund Deficit
CDBG 2016	\$ 16,031	\$ --
Fire Department Grants	\$ 331	\$ 331
Police Department Grants	\$ 121,867	\$ 121,867
Blackstone Bike Way	\$ 63,391	\$ --
Rhode Island Department of Health	\$ 46,649	\$ --
The Landing	\$ 58,989	\$ 167,341
Macomber Stadium	\$ 40,272	\$ --
Rhode Island Infrastructure Bank 2019	\$ 297,442	\$ --
Police Federal Forfeiture	\$ --	\$ 1,268
Police State Forfeiture	\$ 4,624	\$ 29,840
JAG Grant	\$ --	\$ 866
Osram Vision Plan	\$ 61,915	\$ 61,915

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 8 - FUND BALANCES

Fund Balance within the government funds may be classified as one of five categories: Nonspendable, Restricted, Committed, Assigned, or Unassigned.

At June 30, 2022, *Nonspendable Fund Balance* consisted of the following:

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Government Funds	Total
Cash held in escrow - Rhode Island Infrastructure Bank	\$ --	\$ --	\$ --	\$ --	\$ 29,596	\$ 29,596
Total Nonspendable Fund Balance	\$ --	\$ --	\$ --	\$ --	\$ 29,596	\$ 29,596

At June 30, 2022, *Restricted Fund Balance* consisted of the following:

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Government Funds	Total
Cogswell Tower	\$ --	\$ --	\$ --	\$ --	\$ 3,660	\$ 3,660
CDBG Revolving	--	--	--	--	7,500	7,500
City Clerk Department Grants	--	--	--	--	29,032	29,032
City Clerk Historical Trust	--	--	--	--	79,351	79,351
Rhode Island Department of Health	--	--	--	--	73,245	73,245
Health Department Funding	--	--	--	--	59,240	59,240
Community Garden	--	--	--	--	57,500	57,500
Arbor Day Green Space	--	--	--	--	10	10
Sacred Heart Tennis Courts	--	--	--	--	33,000	33,000
Macomber Stadium	--	--	--	--	9,728	9,728
Community Center	--	--	--	--	1,000	1,000
Participatory Budgeting	--	--	--	--	30,000	30,000
Police Seizures Escrow	--	--	--	--	3,272	3,272
School Building Capital	--	--	100,332	--	--	100,332
Emergency Equipment Replacement	--	--	--	--	590	590
Property Development	--	--	--	--	155,925	155,925
Redevelopment Agency	--	--	--	--	207,901	207,901
Med Pods	--	--	--	--	35,105	35,105
Total Restricted Fund Balance	\$ --	\$ --	\$ 100,332	\$ --	\$ 786,059	\$ 886,391

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - FUND BALANCES (CONTINUED)**

At June 30, 2022, *Committed Fund Balance* consisted of the following:

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Government Funds	Total
Capital reserves based on ordinance	\$ 1,201,024	\$ --	\$ --	\$ --	\$ --	\$ 1,201,024
Sixty-day property tax collections budgeted in subsequent fiscal year	<u>146,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>146,810</u>
Total Committed Fund Balance	<u>\$ 1,347,834</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,347,834</u>

At June 30, 2022 *Unassigned Fund Balance* consisted of the following:

	General Fund	CDBG 2019	School Bldg Capital	American Rescue Plan	Other Government Funds	Total
General Fund	<u>\$ 529,978</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (383,428)</u>	<u>\$ 146,550</u>
Total Unassigned Fund Balance	<u>\$ 529,978</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (383,428)</u>	<u>\$ 146,550</u>

**NOTE 9 - PENSION PLANS**

The City contributes to one defined benefit pension plan – (a) the Municipal Employees’ Retirement System (MERS) – an agent multiple-employer defined benefit pension plan of the State of Rhode Island, which covers substantially all of the City’s employees including police officers and firefighters. The City also contributes to (b) TIAA-CREF and the Employees’ Retirement System of Rhode Island administered defined contribution plan, which covers certain municipal employees participating in MERS.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System 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](http://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.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

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. 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.

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.

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

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#### NOTE 9 - PENSION PLANS (CONTINUED)

##### *(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)*

##### *GENERAL EMPLOYEES (CONTINUED)*

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.

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)*

##### **RETIREMENT BENEFITS**

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.

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

***OTHER BENEFIT PROVISIONS (CONTINUED)***

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 the every fourth year provision 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, \$26,098 for 2017.

***EMPLOYEES COVERED BY BENEFIT TERMS***

At the June 30, 2021 valuation date, membership consisted of the following:

	<b>(Legacy)</b>		
	<u>Municipal</u>	<u>Police and Fire</u>	<u>Police and Fire</u>
Retirees and Beneficiaries	32	108	--
Inactive, Nonretired Members	81	1	1
Active Members	42	71	10
	<hr/>	<hr/>	<hr/>
Total	<u>155</u>	<u>180</u>	<u>11</u>

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)*

##### *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 1% 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 9% of their salaries. The City of Central Falls 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 Central Falls contributed \$275,290, \$62,368 and \$3,010,213 in the year ended June 30, 2022 which was 12.84%, 10.66% and 64.91% of annual covered payroll for the general, police and fire and police and fire legacy plans, respectively.

##### *NET PENSION LIABILITY (ASSET)*

The total pension liability was determined by actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, 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
Actuarial Assumptions:	
Investment rate of return	7.00%
Inflation	2.50%
Projected salary increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	The known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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 39 sources. The June 30, 2021 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
<b><i>Growth</i></b>		
<b>Global Equity</b>		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-total	<b>40.00%</b>	
<b>Private Growth</b>		
Private Energy	11.25%	9.47%
Non-Core RE	2.25%	5.32%
OPP Private Credit	1.50%	9.47%
Sub-total	<b>15.00%</b>	
<b><i>Income</i></b>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Sub-total	<b>12.00%</b>	
<b><i>Stability</i></b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-total	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Sub-total	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-total	<b>15.00%</b>	
	<b>100.00%</b>	

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 9 - PENSION PLANS (CONTINUED)

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

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.

***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 POSITION LIABILITY (ASSET)***

Municipal Employees' Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2020	\$ 8,010,568	\$ 5,233,908	\$ 2,776,660
Service Cost	134,000	--	134,000
Interest on the total pension liability	547,267	--	547,267
Difference between expected and actual experience	(97,962)	--	(97,962)
Employer contributions	--	275,290	(275,290)
Employee contributions	--	32,703	(32,703)
Net investment income	--	1,433,646	(1,433,646)
Other changes	--	177,325	(177,325)
Administrative expense	--	(5,462)	5,462
Benefit payments, including employee refunds	(518,938)	(518,938)	--
Net Changes	64,367	1,394,564	(1,330,197)
Balance as of June 30, 2021	\$ 8,074,935	\$ 6,628,472	\$ 1,446,463

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

***CHANGES IN THE NET POSITION LIABILITY (ASSET) (CONTINUED)***

Municipal Employees' Retirement System - Police and Fire (Legacy)			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of June 30, 2020	\$ 41,253,428	\$ 13,355,625	\$ 27,897,803
Service Cost	916,818	--	916,818
Interest on the total pension liability	2,828,026	--	2,828,026
Employer contributions	--	3,010,213	(3,010,213)
Employee contributions	--	542,581	(542,581)
Net investment income	--	3,938,312	(3,938,312)
Other changes	--	(2)	2
Administrative expense	--	(15,006)	15,006
Benefit payments, including employee refunds	(2,622,920)	(2,622,920)	--
Net Changes	1,121,924	4,853,178	(3,731,254)
Balance as of June 30, 2021	\$ 42,375,352	\$ 18,208,803	\$ 24,166,549

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

***CHANGES IN THE NET POSITION LIABILITY (ASSET) (CONTINUED)***

Municipal Employees' Retirement System - Police and Fire			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of June 30, 2020	\$ 39,962	\$ 37,967	\$ 1,995
Service Cost	110,870	--	110,870
Interest on the total pension liability	6,678	--	6,678
Assumption changes	42	--	42
Employer contributions	--	62,368	(62,368)
Employee contributions	--	58,507	(58,507)
Net investment income	--	43,791	(43,791)
Administrative expense	--	(167)	167
Net Changes	117,590	164,499	(46,909)
Balance as of June 30, 2021	\$ 157,552	\$ 202,466	\$ (44,914)

***SENSITIVITY OF THE NET POSITION LIABILITY 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.

	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
General Employees	\$ 2,154,158	\$ 1,446,463	\$ 543,283
Police and Fire (Legacy)	27,872,456	24,166,549	19,437,341
Police and Fire	(31,462)	(44,914)	(61,839)

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

***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, 2022 the employer recognized pension expense of \$3,023,682. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Legacy Police and Fire	Police and Fire	Total
Deferred outflow of resources:				
Difference in Experience	\$ 51,598	\$ 1,146,928	\$ 40	\$ 1,198,566
Assumptions Changes	--	1,163,937	--	1,163,937
Excess (Deficit) Investment Returns	110,776	42,396	--	153,172
Contributions subsequent to the measurement date	<u>3,685,327</u>	<u>--</u>	<u>--</u>	<u>3,685,327</u>
<b>Total Deferred Outflow of Resources</b>	<b><u>\$ 3,847,701</u></b>	<b><u>\$ 2,353,261</u></b>	<b><u>\$ 40</u></b>	<b><u>\$ 6,201,002</u></b>
Deferred inflow of resources:				
Difference in Experience	\$ (147,497)	\$ (468,876)	\$ --	\$ (616,373)
Differences in Assumptions	(18,099)	--	--	(18,099)
Excess (Deficit) Investment Returns	<u>(864,204)</u>	<u>(2,675,837)</u>	<u>(29,591)</u>	<u>(3,569,632)</u>
<b>Total Deferred Inflow of Resources</b>	<b><u>\$ (1,029,800)</u></b>	<b><u>\$ (3,144,713)</u></b>	<b><u>\$ (29,591)</u></b>	<b><u>\$ (4,204,104)</u></b>

\$3,685,327 reported as deferred outflows of resources related to pensions resulting from the City of Central Fall's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 9 - PENSION PLANS (CONTINUED)**

***(a) Municipal Employees' Retirement System of Rhode Island (MERS) – General, Police and Fire (Continued)***

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	Legacy Police and Fire	Police and Fire	Total
2023	\$ 3,426,646	\$ 126,452	\$ (7,401)	\$ 3,545,697
2024	(195,826)	(59,883)	(7,401)	(263,110)
2025	(199,191)	(263,743)	(7,402)	(470,336)
2026	(213,728)	(594,278)	(7,379)	(815,385)
2027	--	--	2	2
Thereafter	--	--	30	30
<b>Total</b>	<b>\$ 2,817,901</b>	<b>\$ (791,452)</b>	<b>\$ (29,551)</b>	<b>\$ 1,996,898</b>

***(b) TIAA-CREF and the Employees' Retirement System of Rhode Island***

***DEFINED CONTRIBUTION PLAN DESCRIPTION***

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 contribute 5% of their annual covered salary and employers contribute 1% to 1.5%, depending on years of service, 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 Central Falls recognized pension expense of \$47,140, for the fiscal year ended June 30, 2022.

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>.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 10 - POST RETIREMENT BENEFITS**

***PLAN DESCRIPTION***

The City's Post-Employment Medical Benefit Plan is a single-employer defined benefit post-retirement health insurance program. The City provides health care to retired police and firefighter employees and their spouses until the retiree reaches the age of 65. Retired employees are covered by the same plan as active employees and are subject to the same 20% co-share as actives. The trust is accounted for as an OPEB trust fund in the City's financial statements. As of June 30, 2022, there are no separate financial statements available for the Plan.

***CLASSES OF EMPLOYEES COVERED***

As of July 1, 2021 (the date of the last actuarial valuation), the membership data was as follows:

Retired and spouses	12
Active plan members	<u>144</u>
Total	<u><u>156</u></u>

***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.

***RATE OF RETURN***

For the year ended June 30, 2021, the annual money-weighted rate of return on plan investments, net of investment expense was -14.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)**

***FUNDING POLICY***

The City's funding policy provides for actuarially determined periodic contributions to the plans at rates that increase gradually over time so that sufficient assets will be available to pay benefits when due. Municipal retirees are required to contribute 20% of the health care cost between ages 62 to 65, and 100% of the premium prior to age 62. Retired police officers and firefighters may elect to be covered by the City's medical plan until age 65 and must pay 20% co-shares. Coverage reverts to COBRA for 36 months upon death of the member, or until the spouse reaches age 65, whichever occurs first. The annual OPEB cost was estimated from the July 1, 2021 actuarial valuation using the projected unit credit funding method. The actuarial assumptions included a 4.0% unfunded discount rate and the SOA RP-2014 Blue Collar Mortality with Scale MP-2016 Improvements and RP 2000 Disabled Mortality Table.

***NET OPEB LIABILITY***

The City's net OPEB liability is calculated based on the annual required contribution of the employer and employees in accordance with the parameters of GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The following table shows the components of the City's net OPEB liability for the year, the amount actually contributed to the plan, and changes in the City's net OPEB liability.

The components of the net OPEB liability of the City as of June 30, 2022 were as follows:

	OPEB Liability (a)	Increase (Decrease) Net Position Restricted for OPEB (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2020	\$ 3,123,344	\$ 844,429	\$ 2,278,915
Service cost	87,226	--	87,226
Interest	236,209	--	236,209
Employer contributions	--	184,497	(184,497)
Expenses	--	(2,559)	2,559
Benefit payments	(124,497)	(124,497)	--
Net investment income	--	(118,965)	118,965
Net Changes	<u>198,938</u>	<u>(61,524)</u>	<u>260,462</u>
Balance as of June 30, 2021	<u>\$ 3,322,282</u>	<u>\$ 782,905</u>	<u>\$ 2,539,377</u>

Plan fiduciary net position as percentage of total OPEB liability 23.57%

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)**

***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended June 30, 2022, the City recognized OPEB expense of \$191,341. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Difference in Experience	\$ --	\$ 1,485,290
Net difference between project and actual earning on OPEB plan investments	154,120	86,014
Total	\$ 154,120	\$ 1,571,304

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		
2023	\$	(235,055)
2024		(232,487)
2025		(235,780)
2026		(207,964)
2027		(244,848)
Thereafter		(261,050)
		\$(1,417,184)

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)**

*ACTUARIAL ASSUMPTIONS*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Interest	Full Prefunding: 7.5%, net of investment expenses				
Actuarial Cost Method	Entry Age Normal				
Medical Care Inflation	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: left;">Year</td> <td style="text-align: left;">Inflation Rate</td> </tr> <tr> <td>2021+</td> <td>4.5%</td> </tr> </table>	Year	Inflation Rate	2021+	4.5%
Year	Inflation Rate				
2021+	4.5%				
Participation	70% of future retirees are assumed to participate in the retiree medical plan.				
Marital Status	85% of male employees and 65% of female employees are assumed to have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.				
Termination Benefit	No benefits will be payable for terminations prior to retirement eligibility.				
Medical Plan Costs	The City is treated as community rated and therefore, the expected claims costs does not include the implicit subsidy. It is assumed that future retirees participate in the same manner as current retirees. Employee cost sharing is based on 20% of current unadjusted rates. Future cost sharing is based on the weighted average of the current cost sharing of retirees and beneficiaries.				
Pre-Age 65 Retirees	<p>Current retirees who are under age 65 are assumed to remain in their current medical plan until age 65.</p> <p>Current active employees who are assumed to retire prior to age 65 are valued with a weighted-average premium. This weighted-average premium is based on the medical plan coverage of current retirees under age 65.</p>				
Post-Age 65 Retirees	Current retirees over age 65 remain in their current medical plan until death for purposes of measuring their contributions. It is assumed that all current retirees under 65 will participate in the same proportion as current retirees over 65. Per capital costs were developed from the City developed monthly costs. Amounts to be received in the future for Medicare Part D Retiree Drug Subsidy are not reflected in the valuation.				
Mortality	It is assumed that both pre-retirement and post-retirement mortality are represented by the SOA RP-2014 Blue Collar Mortality with Scale MP-2016 improvements, fully generational, for males and females. Mortality for disabled members is represented by the RP-2000 Disabled Mortality Table.				

**CITY OF CENTRAL FALLS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)**

***DISCOUNT RATE***

The City selected 7.5% as the long-term expectation of investment returns and the resulting discount rate is also 7.5%.

The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses, and the long-term expected rate of return on trust assets. Based on these laws and above 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 (6.5%) or 1-percentage-point higher (8.5%) than the current discount rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total OPEB Liability	\$ 3,738,538	\$ 3,322,282	\$ 2,973,615
Plan Fiduciary Net Position	782,905	782,905	782,905
Net OPEB Liability	\$ 2,955,633	\$ 2,539,377	\$ 2,190,710

***SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES***

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5%) or 1-percentage-point higher (5.5%) than the current healthcare cost trend rates:

	1% Decrease 3.50%	Current Trend Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 2,902,225	\$ 3,322,282	\$ 3,828,005
Plan Fiduciary Net Position	782,905	782,905	782,905
Net OPEB Liability	\$ 2,119,320	\$ 2,539,377	\$ 3,045,100

# CITY OF CENTRAL FALLS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 11 - RISK MANAGEMENT

The City of Central Falls is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement which outlines the rights and responsibilities of both the Trust and the City. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members. Under the participation agreement, the City is insured for a maximum of \$2,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past three fiscal years. There have been no reductions in insurance coverage during the years ended June 30, 2022, 2021, and 2020.

### NOTE 12 - COMMITMENTS

On July 11, 2019, the City entered into a contract to purchase Net Metering Credits at a discounted rate as described in the contract terms from the seller on a monthly basis for a twenty-five year term at the commencement of operations of a renewable energy facility built and operated by the seller. The contract has options to renew for three successive five-year terms.

### NOTE 13 - TAX ABATEMENTS

The City enters into tax abatement agreements with local businesses under its *Economic Expansion Incentive Program*, under the City's Ordinance Section 2-332. Under the Program, the City has two plans.

The first program is the Job Creation Incentive Plan, which is offered to any business operating within City limits that creates and/or adds a minimum of five new permanent full-time or full-time equivalent jobs will be eligible for tax exemptions for additional tangible personal property located at the business sites.

The second program is the Real Property Improvement Plan, which is offered to any property owner renovating or upgrading any property within the City where such renovations or upgrades, as approved by the building inspector, result in an increase in the assessed value of the structure, as determined by the tax assessor.

**CITY OF CENTRAL FALLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 13 - TAX ABATEMENTS (CONTINUED)**

For the fiscal year ended June 30, 2022, the City abated \$136,342 under this program, including the following tax abatements:

- A ten-year property tax abatement was entered into in 2016 for the removal of an old run-down building and the building of a new retail establishment in the City. The abatement amounted to \$6,478 during FY2022.
- A ten-year property tax abatement was entered into in 2016 to increase the number of jobs in the City and to completely renovate a rundown building in a high traffic area of the City. The abatement amounted to \$6,337 during FY2022.
- A ten-year property tax abatement was entered into in 2017 for the renovation of a historic building and to expand the number of apartments in the City. The abatement is for a declining stabilization rate and amounted to \$58,657 during FY2022.
- A twelve-year property tax abatement was entered into in 2019 to increase the number of jobs in the City. The abatement amounted to \$22,816 during FY2022.
- A twelve-year property tax abatement was entered into in 2019 to increase the number of jobs in the City. The abatement amounted to \$11,941 during FY2022.
- A twelve-year property tax abatement was entered into in 2021 for the renovation of a historic building and to expand the number of apartments in the City. The abatement amounted to \$30,113 during FY2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS”**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
<b>Tax Revenue</b>				
Tax revenue (current year)	\$ 14,557,319	\$ 14,557,319	\$ 14,516,348	\$ (40,971)
Tax revenue (prior years)	657,769	657,769	701,230	43,461
Emergency Reserve Fund	(145,573)	(145,573)	--	145,573
<b>Total Tax Revenue</b>	<u>15,069,515</u>	<u>15,069,515</u>	<u>15,217,578</u>	<u>148,063</u>
<b>Fees / Non-Tax Revenue</b>				
Interest on taxes	280,000	280,000	262,107	(17,893)
Field Fees	--	--	9,445	9,445
VIN check fees	20,000	20,000	10,832	(9,168)
Probate fees	12,576	12,576	9,202	(3,374)
Realty Stamps	51,000	51,000	188,404	137,404
Real Estate Recordings	61,200	61,200	79,138	17,938
Licenses (other than marriage)	77,871	77,871	87,835	9,964
Certificates (vital records)	10,942	10,942	14,854	3,912
Marriage Licenses	965	965	1,048	83
Reports/copying fees	2,020	2,020	6,658	4,638
City Clerk miscellaneous fees	15,300	15,300	8,035	(7,265)
Fire code inspection fees/other fire permits	14,280	14,280	29,503	15,223
Alarm box fees & smoke detector certificates	28,000	28,000	35,450	7,450
Parks & Recreation Revenue	20,000	20,000	16,915	(3,085)
Rescue runs	330,000	330,000	331,793	1,793
Hazardous material permits	1,945	1,945	--	(1,945)
Building permits	40,000	40,000	96,919	56,919
Plumbing & mechanical permits	20,000	20,000	15,181	(4,819)
Electrical permits	20,000	20,000	18,116	(1,884)
Certificates of occupancy	5,100	5,100	5,500	400
Municipal Court Fees/Traffic Fines/Other Fines	180,000	180,000	131,086	(48,914)
Administrative and Other Fees	30,200	30,200	26,755	(3,445)
Vehicle Fees for Road Details	100,000	100,000	91,043	(8,957)
Code Court Fees	1,530	1,530	--	(1,530)
Property preservation revenue	10,200	10,200	--	(10,200)
Misc. departmental revenue	100,000	100,000	124,679	24,679
Local Pilot Revenue	79,500	79,500	85,861	6,361
Public works	20,000	20,000	17,034	(2,966)
Federal Revenue	300,000	300,000	--	(300,000)
Judiciary (RIPAY), traffic camera, other PD fines	20,000	20,000	30,723	10,723
Restitution	--	--	106	106
<b>Total Fees / Non-Tax Revenue</b>	<u>1,852,629</u>	<u>1,852,629</u>	<u>1,734,222</u>	<u>(118,407)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>State Revenue</b>				
Motor Vehicle Phase out	1,532,474	1,532,474	1,419,847	(112,627)
Distressed Communities Aid	220,713	220,713	220,713	--
Public Service Corporation Tax/Telephone tax	241,398	241,398	231,392	(10,006)
Hotel/meals & beverage tax	134,213	134,213	204,635	70,422
School Housing Aid - Direct payment	95,287	95,287	96,399	1,112
Miscellaneous state aid/grants	31,902	31,902	31,901	(1)
<b>Total State Revenue</b>	<u>2,255,987</u>	<u>2,255,987</u>	<u>2,204,887</u>	<u>(51,100)</u>
<b>Other Income</b>				
Tax Sales/Miscellaneous Other Revenue	75,000	75,000	174,083	99,083
FEMA Funding	--	--	511,873	511,873
Nuisance Task Force Revenue	56,000	56,000	17,500	(38,500)
Other financial sources	--	--	--	--
<b>Total Other Income</b>	<u>131,000</u>	<u>131,000</u>	<u>703,456</u>	<u>572,456</u>
<b>TOTAL REVENUES</b>	<u>19,309,131</u>	<u>19,309,131</u>	<u>19,860,143</u>	<u>551,012</u>
<b>GENERAL GOVERNMENT</b>				
<b>City Executive Management</b>				
Salaries	191,007	191,007	190,161	846
Social Security	11,842	11,842	11,439	403
Medicare	2,770	2,770	2,675	95
Municipal State Pension	27,543	27,543	27,421	122
TIAA-CREF	1,910	1,910	2,083	(173)
Medical Insurance	27,469	27,469	24,888	2,581
Dental Insurance	1,316	1,316	1,216	100
Supplies - Executive	1,000	1,000	163	837
Dues/Subscriptions-City Executive Management	11,000	11,000	13,368	(2,368)
Other Professional Services	42,000	42,000	42,000	--
Community Outreach	20,000	20,000	30,097	(10,097)
Professional Development & Training	6,000	6,000	5,781	219
<b>Total City Executive Management</b>	<u>343,857</u>	<u>343,857</u>	<u>351,292</u>	<u>(7,435)</u>
<b>City Council</b>				
Stipends	41,160	41,160	41,160	--
<b>Total City Council</b>	<u>41,160</u>	<u>41,160</u>	<u>41,160</u>	<u>--</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>City Clerk</b>				
Salaries	211,361	211,361	210,958	403
Longevity	2,500	2,500	2,500	--
Social Security	13,259	13,259	12,661	598
Medicare	3,101	3,101	2,961	140
Municipal State Pension	30,839	30,839	30,724	115
TIAA-CREF	2,139	2,139	2,131	8
Medical Insurance	42,548	42,548	35,011	7,537
Dental Insurance	2,110	2,110	1,971	139
Dues/subscriptions	900	900	303	597
Non-capital equipment	3,000	3,000	265	2,735
Claims/Settlement	32,500	32,500	52,993	(20,493)
Other professional services	--	--	3,282	(3,282)
Education & Training	2,500	2,500	1,550	950
<b>Total City Clerk</b>	<u>346,757</u>	<u>346,757</u>	<u>357,310</u>	<u>(10,553)</u>
<b>Board of Canvassers</b>				
Election workers	2,500	2,500	10,174	(7,674)
<b>Total Board of Canvassers</b>	<u>2,500</u>	<u>2,500</u>	<u>10,174</u>	<u>(7,674)</u>
<b>Personnel</b>				
Salaries	71,750	71,750	71,400	350
Social Security	4,449	4,449	4,188	261
Medicare	1,040	1,040	979	61
Municipal State Pension - HR/Benefits	10,346	10,346	10,296	50
TIAA-CREF - HR/Benefits	718	718	714	4
Medical Insurance	15,079	15,079	14,624	455
Dental Insurance	794	794	800	(6)
Workers Compensation	124,274	124,274	86,370	37,904
Other professional services	--	--	1,295	(1,295)
Education & training	4,500	4,500	--	4,500
Employee Relations	3,000	3,000	2,186	814
Testing	10,000	10,000	11,195	(1,195)
<b>Total Personnel</b>	<u>245,950</u>	<u>245,950</u>	<u>204,047</u>	<u>41,903</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Legal</b>				
Salaries	50,687	50,687	50,687	--
Social Security	3,143	3,143	2,904	239
Medicare	735	735	679	56
Municipal State Pension	7,309	7,309	7,309	--
TIAA-CREF	507	507	507	--
Medical Insurance	15,079	15,079	14,624	455
Dental Insurance	794	794	778	16
Professional Development & Training	--	--	1,750	(1,750)
Education/Training	1,000	1,000	--	1,000
Legal contingencies	20,000	20,000	70,199	(50,199)
Nuisance Task Force Expenses	56,000	56,000	40,000	16,000
Other professional services	124,025	124,025	138,371	(14,346)
<b>Total Legal</b>	<u>279,279</u>	<u>279,279</u>	<u>327,808</u>	<u>(48,529)</u>
<b>Tax Assessor</b>				
Salaries	43,421	43,421	43,011	410
Longevity Pay	1,500	1,500	1,500	--
Social Security	2,785	2,785	2,525	260
Medicare	651	651	590	61
Municipal State Pension	6,478	6,478	6,392	86
TIAA-CREF	449	449	443	6
Medical Insurance	15,079	15,079	14,378	701
Dental Insurance	794	794	778	16
Dues/subscriptions	500	500	420	80
Other professional services	60,000	60,000	58,791	1,209
Technology Software & Advisory	10,000	10,000	--	10,000
Education & training	1,000	1,000	715	285
Revaluation services	120,000	120,000	129,700	(9,700)
<b>Total Tax Assessor</b>	<u>262,657</u>	<u>262,657</u>	<u>259,243</u>	<u>3,414</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Finance</b>				
Salaries	396,477	396,477	374,795	21,682
Longevity Pay	4,500	4,500	4,500	--
Sick incentive pay	--	--	671	(671)
Social Security	24,861	24,861	22,894	1,967
Medicare	5,814	5,814	5,354	460
Municipal State Pension	51,761	51,761	47,511	4,250
TIAA-CREF	3,135	3,135	3,295	(160)
Medical Insurance	27,469	27,469	40,707	(13,238)
Dental Insurance	1,306	1,306	1,320	(14)
Office Supplies - Finance	1,000	1,000	75	925
Postage	18,000	18,000	21,262	(3,262)
Non-capital equipment	500	500	--	500
Collection Agency Fees	500	500	--	500
Bank fees	2,000	2,000	4,244	(2,244)
Accounting/auditing	80,619	80,619	118,147	(37,528)
Other professional services	73,920	73,920	71,889	2,031
Technology Software & Advisory	66,435	66,435	7,232	59,203
Education & training	4,000	4,000	--	4,000
<b>Total Finance</b>	<u>762,297</u>	<u>762,297</u>	<u>723,896</u>	<u>38,401</u>
<b>City Property</b>				
Office supplies	10,000	10,000	10,581	(581)
Other supplies	8,000	8,000	4,011	3,989
Janitorial Supplies	2,500	2,500	3,108	(608)
Dues/Subscriptions	4,698	4,698	2,136	2,562
Non-capital equipment	12,000	12,000	7,940	4,060
Advertising	10,000	10,000	16,658	(6,658)
IT Consulting services	85,000	85,000	72,255	12,745
R&M Contracts - City Buildings	170,000	170,000	180,202	(10,202)
General liability insurance	275,000	275,000	277,922	(2,922)
Capital Expenditures - City Property	5,000	5,000	--	5,000
Miscellaneous expense - City Property	4,000	4,000	2,898	1,102
Heating Fuel - Other City Buildings	45,000	45,000	31,290	13,710
Telephone Other - City Buildings	49,790	49,790	58,091	(8,301)
Repairs/Maint. - Other City Buildings	35,000	35,000	33,656	1,344
Water/Sewer - Other City Buildings	180,270	180,270	209,899	(29,629)
Electric - Other City Buildings	101,363	101,363	223,806	(122,443)
Sewer/ NBC	--	--	(4,657)	4,657
Street lights	86,895	86,895	24,915	61,980
<b>Total City Property</b>	<u>1,084,516</u>	<u>1,084,516</u>	<u>1,154,711</u>	<u>(70,195)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>City Boards</b>				
Personnel board	675	675	675	--
Purchasing board	675	675	675	--
Appeals board	900	900	900	--
Planning board	1,125	1,125	1,013	112
Zoning board	1,750	1,750	1,813	(63)
Canvassers board	2,100	2,100	1,750	350
Housing authority board	2,750	2,750	2,750	--
<b>Total City Boards</b>	<u>9,975</u>	<u>9,975</u>	<u>9,576</u>	<u>399</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,378,948</u>	<u>3,378,948</u>	<u>3,439,217</u>	<u>(60,269)</u>
<b>PUBLIC SAFETY</b>				
<b>Police Department</b>				
Salaries	2,498,927	2,498,927	2,376,932	121,995
Police trainee wages	21,120	21,120	7,100	14,020
Overtime	110,000	110,000	273,213	(163,213)
Community Policing Overtime	15,000	15,000	10,851	4,149
Special Investigations Overtime	15,000	15,000	30,450	(15,450)
K-9	5,000	5,000	8,637	(3,637)
Holiday pay	152,246	152,246	149,899	2,347
Longevity pay	100,500	100,500	93,500	7,000
Detective Stipends	7,800	7,800	7,825	(25)
Sick Incentive Pay	7,341	7,341	3,847	3,494
Clothing/tool allowances	48,400	48,400	44,195	4,205
Police education stipend	13,000	13,000	14,000	(1,000)
Police Social Security	--	--	651	(651)
Police Medicare	36,234	36,234	49,158	(12,924)
TIAA-CREF - Police	16,113	16,113	15,095	1,018
Police Medical Insurance	350,384	350,384	334,144	16,240
Police Dental Insurance	19,869	19,869	19,851	18
Injuries/Medical (Work Related Injuries)	--	--	25,926	(25,926)
Office supplies	4,000	4,000	3,111	889
Other supplies	5,000	5,000	6,016	(1,016)
Vehicle fuel	57,324	57,324	100,142	(42,818)
Dues/Subscriptions	612	612	565	47
Detective supplies	3,990	3,990	2,870	1,120
Non-capital equipment	9,455	9,455	8,030	1,425
General R & M	15,805	15,805	13,632	2,173
Vehicle R & M	35,000	35,000	57,840	(22,840)
Other professional services	20,000	20,000	47,051	(27,051)
Technology Software & Advisory	87,000	87,000	61,119	25,881
Finger printing	2,305	2,305	390	1,915
Education & training	20,808	20,808	16,922	3,886
College tuitions	45,000	45,000	68,515	(23,515)
Capital expenditures - police	45,000	45,000	36,965	8,035
Salaries (Animal control)	41,373	41,373	41,174	199

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Overtime (Animal control)	1,224	1,224	1,503	(279)
Longevity pay (Animal control)	2,000	2,000	2,000	--
Sick Incentive Pay (Animal control)	477	477	--	477
Clothing/tool allowance (Animal control)	350	350	350	--
Social Security (Animal control)	2,740	2,740	2,709	31
Medicare (Animal control)	600	600	634	(34)
Municipal State Pension (Animal control)	6,254	6,254	6,226	28
TIAA-CREF - Animal Control	434	434	432	2
Medical Insurance (Animal control)	6,195	6,195	5,907	288
Dental Insurance (Animal control)	261	261	256	5
Boarding of animals (Animal control)	560	560	291	269
Clerk & IT Salaries	89,850	89,850	92,251	(2,401)
Clerk & IT Overtime	4,000	4,000	1,908	2,092
Clerk & IT Longevity Pay	5,000	5,000	5,000	--
Clerk & IT Sick Incentive Pay	574	574	560	14
Clothing/tool allowances civilian	350	350	350	--
Clerk & IT Social Security	5,938	5,938	5,734	204
Clerk & IT Medicare	1,303	1,303	1,341	(38)
Municipal State Pension (Civilian Staff)	13,677	13,677	14,023	(346)
TIAA-CREF - Civilian	454	454	469	(15)
Clerk & IT Medical Insurance	30,158	30,158	28,756	1,402
Clerk & IT Dental Insurance	1,588	1,588	1,555	33
Dispatcher Salaries	262,443	262,443	222,172	40,271
Dispatcher & Clerk Overtime	40,800	40,800	50,632	(9,832)
Dispatcher Holiday Pay	16,403	16,403	13,219	3,184
Dispatchers Longevity	4,500	4,500	4,500	--
Dispatchers Sick Incentive Pay	1,064	1,064	1,038	26
Dispatcher clothing/tool allowances	1,750	1,750	1,750	--
Dispatcher Social Security	17,764	17,764	17,120	644
Dispatchers Medicare	3,805	3,805	4,004	(199)
Municipal State Pension (Dispatch)	40,858	40,858	34,459	6,399
TIAA-CREF - Dispatch	2,833	2,833	2,390	443
Dispatcher & Clerk Medical Insurance	48,742	48,742	31,405	17,337
Dispatcher & Clerk Dental Insurance	1,838	1,838	1,524	314
Public Safety Dispatcher Shared Equip R&M	3,570	3,570	638	2,932
<b>Total Police Department</b>	<u>4,429,963</u>	<u>4,429,963</u>	<u>4,486,722</u>	<u>(56,759)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Fire Department</b>				
Salaries-Fire	2,525,332	2,525,332	2,367,341	157,991
Fire Trainee Wages	6,000	6,000	28,000	(22,000)
Stipend	7,280	7,280	--	7,280
Overtime-Fire	200,000	200,000	341,690	(141,690)
Holiday pay-Fire	155,574	155,574	143,698	11,876
Longevity pay-Fire	77,000	77,000	74,500	2,500
Out of rank pay	12,974	12,974	20,870	(7,896)
Mechanic pay	--	--	7,320	(7,320)
Rescue pay	15,000	15,000	34,139	(19,139)
Sick incentive pay -Fire	6,662	6,662	4,345	2,317
Clothing/tool allowance-Fire	43,000	43,000	38,000	5,000
Social Security-Fire	2,365	2,365	3,941	(1,576)
Medicare-Fire	39,546	39,546	43,431	(3,885)
Municipal State Pension-Fire Clerk	--	--	5,629	(5,629)
TIAA-CREF - Fire Clerk	9,453	9,453	9,151	302
Medical Insurance-Fire	499,682	499,682	413,488	86,194
Dental Insurance-Fire	25,564	25,564	21,334	4,230
Injuries/Medical (Work Related Injuries)-Fire	--	--	40,496	(40,496)
Other supplies-Fire	25,000	25,000	26,652	(1,652)
Vehicle fuel-Fire	25,000	25,000	37,802	(12,802)
Dues/subscriptions-Fire	1,500	1,500	3,620	(2,120)
Non-capital equipment-Fire	6,120	6,120	14,398	(8,278)
Fire Fighter Equipment	20,000	20,000	68,407	(48,407)
General R & M-Fire	17,000	17,000	12,468	4,532
Vehicle R & M-Fire	75,000	75,000	34,846	40,154
Education & training-Fire	20,000	20,000	19,054	946
College tuitions-Fire	6,000	6,000	--	6,000
Capital Expenditures - Fire	70,000	70,000	70,005	(5)
Other professional services-Fire	25,000	25,000	31,701	(6,701)
EMA Service	25,000	25,000	25,000	--
Salaries-Fire Dispatch	138,842	138,842	150,516	(11,674)
Social Security-Fire Dispatch	8,608	8,608	8,314	294
Medicare-Fire Dispatch	2,013	2,013	1,945	68
Fire Dispatch-Shared Equip Repair	3,000	3,000	1,842	1,158
<b>Total Fire Department</b>	<u>4,093,515</u>	<u>4,093,515</u>	<u>4,103,943</u>	<u>(10,428)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Office of Health</b>				
Salaries/Wages - Office of Health	51,250	51,250	50,898	352
Social Security - Office Of Health	3,178	3,178	2,917	261
Medicare - Office of Health	743	743	682	61
Municipal State Pension - Office of Health	7,390	7,390	7,339	51
TIAA-CREF - Office of Health	513	513	509	4
Medical Insurance - Office Of Health	21,274	21,274	14,624	6,650
Dental Insurance - Office of Health	1,055	1,055	778	277
Other Supplies	5,000	5,000	1,327	3,673
Other Professional Services	15,000	15,000	21,871	(6,871)
<b>Total Office of Health</b>	<u>105,403</u>	<u>105,403</u>	<u>100,945</u>	<u>4,458</u>
<b>Municipal Court</b>				
Salaries - Municipal	46,456	46,456	47,328	(872)
Overtime - Municipal	1,860	1,860	104	1,756
Longevity Pay	3,000	3,000	3,000	--
Social Security	3,066	3,066	2,892	174
Medicare	674	674	676	(2)
Municipal State Pension	7,132	7,132	7,257	(125)
TIAA-CREF - Municipal Court	495	495	629	(134)
Medical Insurance	15,079	15,079	14,378	701
Dental Insurance	794	794	778	16
Office supplies	500	500	756	(256)
Municipal Court Judge	14,000	14,000	14,000	--
Technology Software & Advisory	12,000	12,000	12,000	--
Other Professional Services - Municipal Court	6,300	6,300	9,075	(2,775)
Probate Court Judge	12,000	12,000	12,000	--
<b>Total Municipal Court</b>	<u>123,356</u>	<u>123,356</u>	<u>124,873</u>	<u>(1,517)</u>
<b>Inspection Officers</b>				
Plumbing officer	5,200	5,200	5,200	--
Electrical inspector	5,200	5,200	5,200	--
<b>Total Inspection Officers</b>	<u>10,400</u>	<u>10,400</u>	<u>10,400</u>	<u>--</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>8,762,637</u>	<u>8,762,637</u>	<u>8,826,883</u>	<u>(64,246)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PUBLIC WORKS</b>				
<b>Highway Department</b>				
Salaries-DPW/Code	632,397	632,397	601,213	31,184
Overtime-DPW/Code	45,000	45,000	39,708	5,292
Longevity pay-DPW/Code	18,000	18,000	19,750	(1,750)
Sick Incentive Pay-DPW/Code	613	613	--	613
Clothing/tool allowance-DPW/Code	2,800	2,800	2,800	--
Backhoe License	300	300	90	210
Social Security-DPW/Code	40,536	40,536	41,898	(1,362)
Medicare-DPW/Code	9,480	9,480	9,799	(319)
Municipal State Pension-DPW/Code	90,285	90,285	92,195	(1,910)
TIAA-CREF - DPW/Code	5,700	5,700	6,078	(378)
Medical Insurance-DPW/Code	121,040	121,040	105,998	15,042
Dental Insurance-DPW/Code	6,476	6,476	5,696	780
Other supplies-DPW/Code	2,500	2,500	14,248	(11,748)
Other Professional Services-DPW/Code	20,000	20,000	18,244	1,756
Education & training-DPW/Code	3,000	3,000	4,505	(1,505)
Vehicle Fuel-DPW/Code	15,000	15,000	28,528	(13,528)
Non-capital equipment-DPW/Code	3,000	3,000	2,408	592
Winter road supplies-DPW/Code	35,000	35,000	19,251	15,749
General R & M-DPW/Code	12,500	12,500	29,501	(17,001)
Vehicle R & M-DPW/Code	55,000	55,000	75,067	(20,067)
Road R & M-DPW/Code	34,500	34,500	42,252	(7,752)
Traffic Signal R & M-DPW/Code	6,000	6,000	1,138	4,862
Street Lights	--	--	321	(321)
Safety Equipment - DPW / Code	1,500	1,500	--	1,500
<b>Total Highway Department</b>	<u>1,160,627</u>	<u>1,160,627</u>	<u>1,160,688</u>	<u>(61)</u>
<b>Public Works</b>				
Solid waste removal/disposal	280,000	280,000	301,138	(21,138)
Trash Removal/Recycling	703,050	703,050	717,111	(14,061)
<b>Total Public Works</b>	<u>983,050</u>	<u>983,050</u>	<u>1,018,249</u>	<u>(35,199)</u>
<b>TOTAL PUBLIC WORKS</b>	<u>2,143,677</u>	<u>2,143,677</u>	<u>2,178,937</u>	<u>(35,260)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>PUBLIC EDUCATION</b>				
<b>Library</b>				
City Contribution	118,825	118,825	119,193	(368)
State Library Grant-In-Aid	<u>31,902</u>	<u>31,902</u>	<u>31,902</u>	<u>--</u>
<b>TOTAL PUBLIC EDUCATION</b>	<u>150,727</u>	<u>150,727</u>	<u>151,095</u>	<u>(368)</u>
<b>PUBLIC RECREATION</b>				
<b>Parks, Recreation And Community Service</b>				
Salaries	99,006	99,006	97,926	1,080
Temporary Salary	46,932	46,932	41,608	5,324
Street Beautification Workers	29,640	29,640	48,591	(18,951)
Social Security	10,886	10,886	11,732	(846)
Medicare	2,207	2,207	2,744	(537)
Municipal State Pension	14,277	14,277	15,333	(1,056)
TIAA-CREF - Parks/Recreation	990	990	1,063	(73)
Medical Insurance	12,390	12,390	6,008	6,382
Dental Insurance	522	522	256	266
Salaries-Afterschool	5,000	5,000	3,999	1,001
Social Security- Afterschool Program	714	714	--	714
Medicare-Afterschool Program	167	167	--	167
Elderly Program	10,000	10,000	6,677	3,323
Other supplies	10,000	10,000	12,265	(2,265)
General R & M	15,300	15,300	34,212	(18,912)
Other professional services	--	--	200	(200)
Public events & activities	24,000	24,000	32,758	(8,758)
Education and Training	1,000	1,000	175	825
Participatory Budgeting	20,000	20,000	20,000	--
Summer Food Help	250	250	(1)	251
<b>Total Parks, Recreation and Community Service</b>	<u>303,281</u>	<u>303,281</u>	<u>335,546</u>	<u>(32,265)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Planning</b>				
Salaries	212,890	212,890	165,602	47,288
Social Security	13,199	13,199	13,016	183
Medicare	3,087	3,087	3,044	43
Municipal State Pension	30,699	30,699	31,025	(326)
TIAA-CREF - Planning	2,129	2,129	2,151	(22)
Medical Insurance	30,158	30,158	29,394	764
Dental Insurance	1,588	1,588	1,512	76
Other supplies	2,000	2,000	1,894	106
Education/Training	5,000	5,000	--	5,000
Capital expenditures	--	--	5,207	(5,207)
Other Professional Services	13,500	13,500	13,340	160
Affordable Housing	50,000	50,000	51,500	(1,500)
<b>Total Planning</b>	<u>364,250</u>	<u>364,250</u>	<u>317,685</u>	<u>46,565</u>
<b>TOTAL PUBLIC RECREATION</b>	<u>667,531</u>	<u>667,531</u>	<u>653,231</u>	<u>14,300</u>
<b>CITY DEBT SERVICE</b>				
Claims / Settlements Not Paid	--	--	77,323	(77,323)
FEMA Expenses	--	--	20,851	(20,851)
Bond principal	805,000	805,000	805,000	--
Bond interest	199,983	199,983	199,862	121
Lease purchase/debt restructure	--	--	--	--
Other debt fees	7,200	7,200	7,018	182
<b>TOTAL CITY DEBT SERVICE</b>	<u>1,012,183</u>	<u>1,012,183</u>	<u>1,110,054</u>	<u>(97,871)</u>
<b>COVID-19</b>				
Other supplies	--	--	1,360	(1,360)
Miscellaneous expense	--	--	30,000	(30,000)
Overtime	--	--	10,205	(10,205)
Medicare	--	--	678	(678)
<b>TOTAL COVID-19</b>	<u>--</u>	<u>--</u>	<u>42,243</u>	<u>(42,243)</u>

**CITY OF CENTRAL FALLS**

**D-1**

**GENERAL FUND  
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET  
AND ACTUAL “BUDGETARY BASIS” (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OTHER CITY GOVERNMENT</b>				
Compensated absences	56,892	56,892	88,218	(31,326)
Unemployment compensation	5,000	5,000	14,155	(9,155)
Group Life	11,000	11,000	14,634	(3,634)
Medical insurance	5,000	5,000	131,341	(126,341)
OPEB	60,000	60,000	60,000	--
HRA - Health Reimbursement	130,000	130,000	103,041	26,959
School Building Expenses	100,000	100,000	69,931	30,069
<b>TOTAL OTHER CITY GOVERNMENT</b>	<u>367,892</u>	<u>367,892</u>	<u>481,320</u>	<u>(113,428)</u>
<b>RESERVE</b>				
0.59% of total budget	25,536	25,536	--	25,536
<b>TOTAL RESERVE</b>	<u>25,536</u>	<u>25,536</u>	<u>--</u>	<u>25,536</u>
<b>RETIREMENT</b>				
Police retirement- Public Safety Pension	--	--	--	--
Public Pension - JH Other Paygo	2,800,000	2,800,000	2,680,543	119,457
<b>TOTAL RETIREMENT</b>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,680,543</u>	<u>119,457</u>
<b>TOTAL EXPENDITURES</b>	<u>19,309,131</u>	<u>19,309,131</u>	<u>19,563,523</u>	<u>(254,392)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>				
<b>OTHER USES - BUDGETARY BASIS</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 296,620</u>	<u>\$ 296,620</u>

**CITY OF CENTRAL FALLS**  
**BUDGETARY AND LEGAL COMPLIANCE**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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The General Fund's reconciliation between the budgetary basis and modified accrual (GAAP) basis of accounting is as follows:

<b>Total budgetary expenditures and other financing uses</b>	\$19,563,523
Transfer to other funds, not part of budget	<u>(290,871)</u>
<b>Total GAAP expenditures and other financing uses</b>	<u><u>\$19,272,652</u></u>

# CITY OF CENTRAL FALLS

## SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

### NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – GENERAL EMPLOYEES

#### FOR THE LAST EIGHT YEARS

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>								
1. Service Cost	\$ 134,000	\$ 129,484	\$ 125,414	\$ 137,303	\$ 127,458	\$ 116,360	\$ 105,194	\$ 112,984
2. Interest on the Total Pension Liability	547,267	531,866	530,401	540,961	505,170	500,546	514,938	510,493
3. Changes of benefit terms	--	--	--	--	--	--	(12,537)	--
4. Difference between expected and actual experience of the Total Pension Liability	(97,962)	101,452	(149,167)	(363,438)	491,539	(2,161)	(254,173)	--
5. Changes of assumptions	--	(35,587)	--	--	344,688	--	--	(24,723)
6. Benefit payments, including refunds of employee contributions	(518,938)	(499,970)	(475,542)	(443,944)	(518,780)	(598,500)	(503,299)	(567,898)
7. Net change in total pension liability	64,367	227,245	31,106	(129,118)	950,075	16,245	(149,877)	30,856
8. Total pension liability – beginning	8,010,568	7,783,323	7,752,217	7,881,335	6,931,260	6,915,015	7,064,892	7,034,036
9. Total pension liability – ending (a)	<u>\$ 8,074,935</u>	<u>\$ 8,010,568</u>	<u>\$ 7,783,323</u>	<u>\$ 7,752,217</u>	<u>\$ 7,881,335</u>	<u>\$ 6,931,260</u>	<u>\$ 6,915,015</u>	<u>\$ 7,064,892</u>
<b>B. Plan fiduciary net position</b>								
1. Contributions – employer	\$ 275,290	\$ 280,306	\$ 294,806	\$ 275,704	\$ 287,795	\$ 269,399	\$ 266,285	\$ 162,612
2. Contributions – employee	32,703	32,673	36,423	39,609	39,027	35,604	18,326	16,471
3. Net investment income	1,433,646	191,079	328,815	381,632	515,888	(1,594)	114,533	665,429
4. Benefit payments, including refunds of employee contributions	(518,938)	(499,970)	(475,542)	(443,944)	(518,780)	(598,500)	(503,299)	(567,898)
5. Pension Plan Administrative Expense	(5,462)	(5,265)	(5,140)	(5,080)	(53,622)	(4,288)	(4,621)	(4,167)
6. Other	177,325	(29,299)	(15,105)	(5,655)	(4,874)	4,596	(146)	(28,883)
7. Net change in plan fiduciary net position	1,394,564	(30,476)	164,257	242,266	265,434	(294,783)	(108,922)	243,564
8. Plan fiduciary net position – beginning	5,233,908	5,264,384	5,100,127	4,857,861	4,592,427	4,887,210	4,996,132	4,752,568
9. Plan fiduciary net position – ending (b)	<u>\$ 6,628,472</u>	<u>\$ 5,233,908</u>	<u>\$ 5,264,384</u>	<u>\$ 5,100,127</u>	<u>\$ 4,857,861</u>	<u>\$ 4,592,427</u>	<u>\$ 4,887,210</u>	<u>\$ 4,996,132</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 1,446,463</u>	<u>\$ 2,776,660</u>	<u>\$ 2,518,939</u>	<u>\$ 2,652,090</u>	<u>\$ 3,023,474</u>	<u>\$ 2,338,833</u>	<u>\$ 2,027,805</u>	<u>\$ 2,068,760</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	82.09%	65.34%	67.64%	65.79%	61.64%	66.26%	70.68%	70.72%
<b>E. Covered employee payroll</b>	<u>\$ 2,144,007</u>	<u>\$ 2,133,185</u>	<u>\$ 2,055,974</u>	<u>\$ 2,189,847</u>	<u>\$ 2,134,978</u>	<u>\$ 1,972,211</u>	<u>\$ 1,832,653</u>	<u>\$ 1,647,003</u>
<b>F. Net pension liability as a percentage of covered payroll</b>	67.47%	130.16%	122.52%	121.11%	141.62%	118.59%	110.65%	125.61%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

# CITY OF CENTRAL FALLS

D-4

## SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

### NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - POLICE & FIRE

	Year Ended June 30, 2021	Year Ended June 30, 2020
<b>A. Total pension liability</b>		
1. Service Cost	\$ 110,870	\$ 38,611
2. Interest on the Total Pension Liability	6,678	1,351
5. Changes of assumptions	42	--
7. Net change in total pension liability	117,590	39,962
8. Total pension liability – beginning	39,962	--
9. Total pension liability – ending (a)	\$ 157,552	\$ 39,962
<b>B. Plan fiduciary net position</b>		
1. Contributions – employer	\$ 62,368	\$ 18,895
2. Contributions – employee	58,507	17,725
3. Net investment income	43,791	1,386
5. Pension Plan Administrative Expense	(167)	(38)
6. Other	--	(1)
7. Net change in plan fiduciary net position	164,499	37,967
8. Plan fiduciary net position – beginning	37,967	--
9. Plan fiduciary net position – ending (b)	\$ 202,466	\$ 37,967
<b>C. Net pension (asset) / liability - ending (a) - (b)</b>	\$ (44,914)	\$ 1,995
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	128.51%	95.01%
<b>E. Covered employee payroll</b>	\$ 585,066	\$ 177,249
<b>F. Net pension (asset) / liability as a percentage of covered payroll</b>	-7.68%	1.13%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

# CITY OF CENTRAL FALLS

D-5

## SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

### NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - POLICE & FIRE (LEGACY)

	Year Ended June 30, 2021	Year Ended June 30, 2020
<b>A. Total pension liability</b>		
1. Service Cost	\$ 916,818	\$ 856,801
2. Interest on the Total Pension Liability	2,828,026	2,749,832
4. Difference between expected and actual experience of the Total Pension Liability	--	1,610,790
5. Changes of assumptions	--	1,831,059
6. Benefit payments, including refunds of employee contributions	<u>(2,622,920)</u>	<u>(2,416,234)</u>
7. Net change in total pension liability	1,121,924	4,632,248
8. Total pension liability – beginning	<u>41,253,428</u>	<u>36,621,180</u>
9. Total pension liability – ending (a)	<u>\$ 42,375,352</u>	<u>\$ 41,253,428</u>
<b>B. Plan fiduciary net position</b>		
1. Contributions – employer	\$ 3,010,213	\$ 2,558,734
2. Contributions – employee	542,581	528,883
3. Net investment income	3,938,312	1,301,848
4. Benefit payments, including refunds of employee contributions	(2,622,920)	(2,416,234)
5. Pension Plan Administrative Expense	(15,006)	(74,411)
6. Other	<u>(2)</u>	<u>(17,995)</u>
7. Net change in plan fiduciary net position	4,853,178	1,880,825
8. Plan fiduciary net position – beginning	<u>13,355,625</u>	<u>11,474,800</u>
9. Plan fiduciary net position – ending (b)	<u>\$ 18,208,803</u>	<u>\$ 13,355,625</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 24,166,549</u>	<u>\$ 27,897,803</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	42.97%	32.37%
<b>E. Covered employee payroll</b>	<u>\$ 4,637,419</u>	<u>\$ 4,333,844</u>
<b>F. Net pension liability as a percentage of covered payroll</b>	521.12%	643.72%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

**CITY OF CENTRAL FALLS**

**SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS**

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - GENERAL EMPLOYEES  
FOR THE LAST EIGHT FISCAL YEARS**

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 275,290	\$ 280,306	\$ 294,806	\$ 275,704	\$ 287,795	\$ 269,399	\$ 266,285	\$ 162,612
Contributions in relation to the actuarially determined contribution	<u>275,290</u>	<u>280,306</u>	<u>294,806</u>	<u>275,704</u>	<u>287,795</u>	<u>269,399</u>	<u>266,285</u>	<u>162,612</u>
Contribution deficiency (excess)	<u>\$ --</u>							
Covered-employee payroll	<u>\$ 2,144,007</u>	<u>\$ 2,133,185</u>	<u>\$ 2,055,974</u>	<u>\$ 2,189,847</u>	<u>\$ 2,134,978</u>	<u>\$ 1,972,211</u>	<u>\$ 1,832,653</u>	<u>\$ 1,647,003</u>
Contributions as a percentage of covered-employee payroll	12.84%	13.14%	14.34%	12.59%	13.48%	13.66%	14.53%	9.87%

**Notes:**

1.) Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

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

**CITY OF CENTRAL FALLS**

**D-7**

**SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS**

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - POLICE & FIRE**

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	Fiscal 2021	Fiscal 2020
Actuarially determined contribution	\$ 62,368	\$ 18,895
Contributions in relation to the actuarially determined contribution	<u>62,368</u>	<u>18,895</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	<u>\$ 585,066</u>	<u>\$ 177,249</u>
Contributions as a percentage of covered-employee payroll	10.66%	10.66%

**Notes:**

1.) *Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*

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

# CITY OF CENTRAL FALLS

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## SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS

### MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - POLICE & FIRE (LEGACY)

	Fiscal 2021	Fiscal 2020
Actuarially determined contribution	\$ 3,010,213	\$ 2,558,734
Contributions in relation to the actuarially determined contribution	3,010,213	2,558,734
Contribution deficiency (excess)	\$ --	\$ --
Covered-employee payroll	\$ 4,637,419	\$ 4,333,844
Contributions as a percentage of covered-employee payroll	64.91%	59.04%

**Notes:**

- 1.) *Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*
  
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

# CITY OF CENTRAL FALLS

D-9

## SCHEDULE OF CHANGES IN THE CITY OF CENTRAL FALLS NET OPEB LIABILITY AND RELATED RATIOS CITY PLAN

### FOR THE LAST SIX FISCAL YEARS

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
<b>A. Total OPEB liability</b>						
1. Service Cost	\$ 87,226	\$ 83,470	\$ 66,451	\$ 755,714	\$ 62,911	\$ 60,202
2. Interest on Liability and Service Cost	236,209	239,591	225,808	365,321	298,293	286,327
3. Experience (Gain) and Loss	--	(250,146)	--	(2,163,172)	--	--
4. Benefit Payments	<u>(124,497)</u>	<u>(119,136)</u>	<u>(131,661)</u>	<u>(125,991)</u>	<u>(193,377)</u>	<u>(186,131)</u>
5. Net change in total OPEB liability	198,938	(46,221)	160,598	(1,168,128)	167,827	160,398
6. Total OPEB liability – beginning	<u>3,123,344</u>	<u>3,169,565</u>	<u>3,008,967</u>	<u>4,177,095</u>	<u>4,009,268</u>	<u>3,848,869</u>
7. Total OPEB liability – ending (a)	<u><u>\$ 3,322,282</u></u>	<u><u>\$ 3,123,344</u></u>	<u><u>\$ 3,169,565</u></u>	<u><u>\$ 3,008,967</u></u>	<u><u>\$ 4,177,095</u></u>	<u><u>\$ 4,009,267</u></u>
<b>B. Plan fiduciary net position</b>						
1. Contributions – employer	\$ 184,497	\$ 179,136	\$ 231,661	\$ 325,991	\$ 193,377	\$ 293,377
2. Benefit Payments	(124,497)	(119,136)	(131,661)	(125,991)	(193,377)	(193,377)
3. Expenses	(2,559)	(1,209)	(1,209)	(869)	(285)	(285)
4. Investment Income	<u>(118,965)</u>	<u>186,197</u>	<u>22,985</u>	<u>38,207</u>	<u>19,053</u>	<u>13,683</u>
5. Net change in plan fiduciary net position	(61,524)	244,988	121,776	237,338	18,768	113,398
6. Plan fiduciary net position – beginning	<u>844,429</u>	<u>599,441</u>	<u>477,665</u>	<u>240,327</u>	<u>221,559</u>	<u>108,160</u>
7. Plan fiduciary net position – ending (b)	<u><u>\$ 782,905</u></u>	<u><u>\$ 844,429</u></u>	<u><u>\$ 599,441</u></u>	<u><u>\$ 477,665</u></u>	<u><u>\$ 240,327</u></u>	<u><u>\$ 221,558</u></u>
<b>C. Net OPEB liability - ending (a) - (b)</b>	<u><u>\$ 2,539,377</u></u>	<u><u>\$ 2,278,915</u></u>	<u><u>\$ 2,570,124</u></u>	<u><u>\$ 2,531,302</u></u>	<u><u>\$ 3,936,768</u></u>	<u><u>\$ 3,787,709</u></u>
<b>D. Plan fiduciary net position as a percentage of the total OPEB liability</b>	23.57%	27.04%	18.91%	15.87%	5.75%	5.53%
<b>E. Covered employee payroll</b>	<u><u>\$ 7,934,949</u></u>	<u><u>\$ 7,703,834</u></u>	<u><u>\$ 7,761,579</u></u>	<u><u>\$ 7,535,514</u></u>	<u><u>\$ 7,025,436</u></u>	<u><u>\$ 6,787,861</u></u>
<b>F. Net OPEB liability as a percentage of covered payroll</b>	32.00%	29.58%	33.11%	33.59%	56.04%	55.80%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

**CITY OF CENTRAL FALLS**

**SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS**

**FOR THE LAST SIX FISCAL YEARS**

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
Actuarially determined contribution	\$ 228,885	\$ 208,280	\$ 100,000	\$ 60,000	\$ 100,000	\$ 284,360
Contributions in relation to the actuarially determined contribution	<u>184,497</u>	<u>179,136</u>	<u>231,661</u>	<u>325,991</u>	<u>193,377</u>	<u>293,377</u>
Contribution deficiency (excess)	<u>\$ 44,388</u>	<u>\$ 29,144</u>	<u>\$ (131,661)</u>	<u>\$ (265,991)</u>	<u>\$ (93,377)</u>	<u>\$ (9,017)</u>
Covered-employee payroll	<u>\$ 7,934,949</u>	<u>\$ 7,703,834</u>	<u>\$ 7,761,579</u>	<u>\$ 7,535,514</u>	<u>\$ 7,025,436</u>	<u>\$ 6,787,861</u>
Contributions as a percentage of covered-employee payroll	2.33%	2.33%	2.98%	4.33%	2.75%	4.32%

**Notes:**

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

# CITY OF CENTRAL FALLS

## NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2022

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#### **Municipal Employees' Retirement Plan**

##### **Schedule of Proportionate Share of the Net Pension Liability (Asset)**

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

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

##### ***June 30, 2021 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

##### ***June 30, 2020 measurement date –***

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

##### ***June 30, 2019 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

# CITY OF CENTRAL FALLS

## NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

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### **Municipal Employees' Retirement Plan (Continued)**

#### **Schedule of Proportionate Share of the Net Pension Liability (Asset) (Continued)**

##### *June 30, 2018 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

##### *June 30, 2017 measurement date –*

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, updated to the ultimate rates of the MP-2016 projection scale.

##### *June 30, 2016 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

##### *June 30, 2015 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date.

# CITY OF CENTRAL FALLS

## NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

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### Municipal Employees Retirement Plan (Continued)

#### Schedule of Proportionate Share of the Net Pension Liability (Asset) (Continued)

##### *June 30, 2015 measurement date (Continued) –*

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4-year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

## **SUPPLEMENTARY INFORMATION**

**CITY OF CENTRAL FALLS**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	CDBG Revolving	CDBG 2016	CDBG 2018	Fire Department Grants	Police Department Grants	City Clerk Department Grants	Cogswell Tower	Take It Outside
<b>Assets</b>								
Due from federal and state governments	\$ --	\$ --	\$ 94,008	\$ --	\$ 119,877	\$ --	\$ --	\$ --
Due from other funds	7,500	--	--	--	--	29,032	3,660	--
<b>Total Assets</b>	<u>7,500</u>	<u>--</u>	<u>94,008</u>	<u>--</u>	<u>119,877</u>	<u>29,032</u>	<u>3,660</u>	<u>--</u>
<b>Liabilities</b>								
Due to other funds	--	--	--	331	121,867	--	--	--
Unearned revenue	--	--	94,008	--	119,877	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>94,008</u>	<u>331</u>	<u>241,744</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance</b>								
Restricted	7,500	--	--	--	--	29,032	3,660	--
Unassigned	--	--	--	(331)	(121,867)	--	--	--
<b>Total Fund Balance</b>	<u>\$ 7,500</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (331)</u>	<u>\$ (121,867)</u>	<u>\$ 29,032</u>	<u>\$ 3,660</u>	<u>\$ --</u>

**CITY OF CENTRAL FALLS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

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**JUNE 30, 2022**

	Recreation Food Program	Blackstone Bike Way	City Clerk Historical Trust	DPW Grants	Mortgage Foreclosure	Rhode Island Department of Health	RIGHA RI Foundation Grant	Health Department Funding	Renewable Energy
<b>Assets</b>									
Cash and cash equivalents	\$ --	\$ --	\$ 44,124	\$ --	\$ 24,884	\$ --	\$ --	\$ --	\$ --
Due from other funds	--	--	35,227	--	--	73,245	--	59,240	--
<b>Total Assets</b>	--	--	79,351	--	24,884	73,245	--	59,240	--
<b>Liabilities</b>									
Due to other funds	--	--	--	--	24,884	--	--	--	--
<b>Total Liabilities</b>	--	--	--	--	24,884	--	--	--	--
<b>Fund Balance</b>									
Restricted	--	--	79,351	--	--	73,245	--	59,240	--
<b>Total Fund Balance</b>	\$ --	\$ --	\$ 79,351	\$ --	\$ --	\$ 73,245	\$ --	\$ 59,240	\$ --

**CITY OF CENTRAL FALLS**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	Community Garden	The Landing	Champs Grant	Arbor Day Green Space	Police School Violence Protection Program	Sacred Heart Tennis Courts	Turf Field	DOJ COVID Grant
<b>Assets</b>								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 19,885	\$ --	\$ --	\$ --	\$ --
Due from federal and state governments	--	168,710	--	--	--	--	--	--
Due from other funds	<u>57,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>33,000</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>57,500</u>	<u>168,710</u>	<u>--</u>	<u>19,885</u>	<u>--</u>	<u>33,000</u>	<u>--</u>	<u>--</u>
<b>Liabilities</b>								
Due to other funds	--	168,710	--	19,875	--	--	--	--
Deferred Revenues	<u>--</u>	<u>167,341</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Liabilities</b>	<u>--</u>	<u>336,051</u>	<u>--</u>	<u>19,875</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balance</b>								
Restricted	57,500	--	--	10	--	33,000	--	--
Unassigned	<u>--</u>	<u>(167,341)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Fund Balance</b>	<u>\$ 57,500</u>	<u>\$ (167,341)</u>	<u>\$ --</u>	<u>\$ 10</u>	<u>\$ --</u>	<u>\$ 33,000</u>	<u>\$ --</u>	<u>\$ --</u>

**CITY OF CENTRAL FALLS**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	<b>Macomber Stadium</b>	<b>Community Center</b>	<b>Mayors Office</b>	<b>Participatory Budgeting</b>	<b>RI Housing Leadsafe</b>	<b>Rhode Island Infrastructure Bank 2019</b>	<b>Police Federal Forfeiture</b>	<b>Police State Forfeiture</b>	<b>Police Seizures Escrow</b>	<b>JAG Grant</b>
<b>Assets</b>										
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 20,030	\$ 38,917	\$ 174,162	\$ --
Cash held in escrow - Rhode Island Infrastructure Bank	--	--	--	--	--	29,596	--	--	--	--
Due from other funds	9,728	1,000	--	30,000	--	--	--	--	--	--
<b>Total Assets</b>	<u>9,728</u>	<u>1,000</u>	<u>--</u>	<u>30,000</u>	<u>--</u>	<u>29,596</u>	<u>20,030</u>	<u>38,917</u>	<u>174,162</u>	<u>--</u>
<b>Liabilities</b>										
Deposits held for others	--	--	--	--	--	--	--	--	99,031	--
Due to other funds	--	--	--	--	--	--	21,298	68,757	71,859	866
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>21,298</u>	<u>68,757</u>	<u>170,890</u>	<u>866</u>
<b>Fund Balance</b>										
Nonspendable	--	--	--	--	--	29,596	--	--	--	--
Restricted	9,728	1,000	--	30,000	--	--	--	--	3,272	--
Unassigned	--	--	--	--	--	--	(1,268)	(29,840)	--	(866)
<b>Total Fund Balance</b>	<u>\$ 9,728</u>	<u>\$ 1,000</u>	<u>\$ --</u>	<u>\$ 30,000</u>	<u>\$ --</u>	<u>\$ 29,596</u>	<u>\$ (1,268)</u>	<u>\$ (29,840)</u>	<u>\$ 3,272</u>	<u>\$ (866)</u>

**CITY OF CENTRAL FALLS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**

E-1

**JUNE 30, 2022**

	Emergency Equipment Replacement	Recycling Account	Property Development	Redevelopment Agency	Med Pods	Osram Vision Plan	Bridging the Digital Divide	TOTALS
<b>Assets</b>								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 322,002
Cash held in escrow - RIIB	--	--	--	--	--	--	--	29,596
Due from federal and state governments	--	--	--	--	--	61,915	--	444,510
Due from other funds	590	--	155,925	207,901	35,105	--	--	738,653
<b>Total Assets</b>	<u>590</u>	<u>--</u>	<u>155,925</u>	<u>207,901</u>	<u>35,105</u>	<u>61,915</u>	<u>--</u>	<u>1,534,761</u>
<b>Liabilities</b>								
Deposits held for others	--	--	--	--	--	--	--	99,031
Due to other funds	--	--	--	--	--	61,915	--	560,362
Unearned revenue	--	--	--	--	--	61,915	--	443,141
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>123,830</u>	<u>--</u>	<u>1,102,534</u>
<b>Fund Balance</b>								
Nonspendable	--	--	--	--	--	--	--	29,596
Restricted	590	--	155,925	207,901	35,105	--	--	786,059
Unassigned	--	--	--	--	--	(61,915)	--	(383,428)
<b>Total Fund Balance</b>	<u>\$ 590</u>	<u>\$ --</u>	<u>\$ 155,925</u>	<u>\$ 207,901</u>	<u>\$ 35,105</u>	<u>\$ (61,915)</u>	<u>\$ --</u>	<u>\$ 432,227</u>

**CITY OF CENTRAL FALLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>CDBG Revolving</u>	<u>CDBG 2016</u>	<u>CDBG 2018</u>	<u>Fire Department Grants</u>	<u>Police Department Grants</u>	<u>City Clerk Department Grants</u>	<u>Cogswell Tower</u>	<u>Take It Outside</u>
<b>Revenues</b>								
Intergovernmental	\$ 7,500	\$ 15,423	\$ 963,026	\$ 337,690	\$ 53,026	\$ 31,032	\$ --	\$ --
<b>Total Revenues</b>	<u>7,500</u>	<u>15,423</u>	<u>963,026</u>	<u>337,690</u>	<u>53,026</u>	<u>31,032</u>	<u>--</u>	<u>--</u>
<b>Expenditures</b>								
General government	--	16,031	33,520	19,446	7,322	2,000	--	--
Capital outlays	--	15,423	929,506	318,575	167,571	--	--	--
<b>Total Expenditures &amp; Capital Outlays</b>	<u>--</u>	<u>31,454</u>	<u>963,026</u>	<u>338,021</u>	<u>174,893</u>	<u>2,000</u>	<u>--</u>	<u>--</u>
<b>Excess of Revenue Over (Under)</b>								
<b>Expenditures Before Transfers</b>	<u>7,500</u>	<u>(16,031)</u>	<u>--</u>	<u>(331)</u>	<u>(121,867)</u>	<u>29,032</u>	<u>--</u>	<u>--</u>
Transfers in	--	--	--	--	--	--	--	104
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>104</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>								
	7,500	(16,031)	--	(331)	(121,867)	29,032	--	104
<b>Fund Balance - Beginning of Year</b>	<u>--</u>	<u>16,031</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,660</u>	<u>(104)</u>
<b>Fund Balance - End of Year</b>	<u>\$ 7,500</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (331)</u>	<u>\$ (121,867)</u>	<u>\$ 29,032</u>	<u>\$ 3,660</u>	<u>\$ --</u>

CITY OF CENTRAL FALLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Recreation Food Program	Blackstone Bike Way	City Clerk Historical Trust	DPW Grants	Mortgage Foreclosure	Rhode Island Department of Health	RIGHA RI Foundation Grant	Health Department Funding	Renewable Energy
<b>Revenues</b>									
Interest and investment income	\$ --	\$ --	\$ 51	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	26,087	425,680	73,288	19,752	--	--	--	59,240	--
<b>Total Revenues</b>	<u>26,087</u>	<u>425,680</u>	<u>73,339</u>	<u>19,752</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>59,240</u>	<u>--</u>
<b>Expenditures</b>									
General government	--	--	--	--	--	46,649	--	--	--
Recreation	26,017	42,822	--	--	--	--	--	--	--
Capital outlays	--	446,249	--	19,752	--	--	--	--	--
<b>Total Expenditures &amp; Capital Outlays</b>	<u>26,017</u>	<u>489,071</u>	<u>--</u>	<u>19,752</u>	<u>--</u>	<u>46,649</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Excess of Revenue Over (Under)</b>									
<b>Expenditures Before Transfers</b>	<u>70</u>	<u>(63,391)</u>	<u>73,339</u>	<u>--</u>	<u>--</u>	<u>(46,649)</u>	<u>--</u>	<u>59,240</u>	<u>--</u>
Transfer in	--	63,391	--	--	267	--	--	--	--
Transfer out	(70,205)	--	--	--	--	--	(5,764)	--	(278,813)
<b>Net Other Financing Sources (Uses)</b>	<u>(70,205)</u>	<u>63,391</u>	<u>--</u>	<u>--</u>	<u>267</u>	<u>--</u>	<u>(5,764)</u>	<u>--</u>	<u>(278,813)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(70,135)</u>	<u>--</u>	<u>73,339</u>	<u>--</u>	<u>267</u>	<u>(46,649)</u>	<u>(5,764)</u>	<u>59,240</u>	<u>(278,813)</u>
<b>Fund Balance - Beginning of Year</b>	<u>70,135</u>	<u>--</u>	<u>6,012</u>	<u>--</u>	<u>(267)</u>	<u>119,894</u>	<u>5,764</u>	<u>--</u>	<u>278,813</u>
<b>Fund Balance - End of Year</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 79,351</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 73,245</u>	<u>\$ --</u>	<u>\$ 59,240</u>	<u>\$ --</u>

**CITY OF CENTRAL FALLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Community Garden	The Landing	Champs Grant	Arbor Day Green Space	Police School Protection Program	Violence	Sacred Heart Tennis Courts	Turf Field	DOJ COVID Grant
<b>Revenues</b>									
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	4,092	\$ --	\$ --	\$ 36,986
Other revenues	57,500	--	--	--	--	--	33,000	--	--
<b>Total Revenues</b>	<u>57,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,092</u>	<u>33,000</u>	<u>--</u>	<u>36,986</u>
<b>Expenditures</b>									
General government	--	--	--	--	--	--	--	--	36,986
Planning	--	--	--	--	--	4,092	--	--	--
Capital outlays	--	58,989	--	--	--	--	--	--	--
<b>Total Expenditures &amp; Capital Outlays</b>	<u>--</u>	<u>58,989</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,092</u>	<u>--</u>	<u>--</u>	<u>36,986</u>
<b>Excess of Revenue Over (Under)</b>									
<b>Expenditures Before Transfers</b>	<u>57,500</u>	<u>(58,989)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>33,000</u>	<u>--</u>	<u>--</u>
Transfers in	--	--	5	--	--	--	--	619	--
<b>Net Other Financing Sources</b>	<u>--</u>	<u>--</u>	<u>5</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>619</u>	<u>--</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	57,500	(58,989)	5	--	--	--	33,000	619	--
<b>Fund Balance - Beginning of Year</b>	<u>--</u>	<u>(108,352)</u>	<u>(5)</u>	<u>10</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(619)</u>	<u>--</u>
<b>Fund Balance - End of Year</b>	<u>\$ 57,500</u>	<u>\$ (167,341)</u>	<u>\$ --</u>	<u>\$ 10</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 33,000</u>	<u>\$ --</u>	<u>\$ --</u>

CITY OF CENTRAL FALLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Macomber Stadium	Community Center	Mayors Office	Participatory Budgeting	RI Housing Leadsafe	Rhode Island Infrastructure Bank 2019	Police Federal Forfeiture	Police State Forfeiture	Police Seizures Escrow	JAG Grant
<b>Revenues</b>										
Interest and investment income	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 36	\$ 161	\$ 181	\$ --
Intergovernmental	--	--	24,000	--	95,684	--	7,508	2,538	--	50,735
Other revenues	--	--	--	30,000	--	--	--	--	--	--
<b>Total Revenues</b>	<u>--</u>	<u>--</u>	<u>24,000</u>	<u>30,000</u>	<u>95,684</u>	<u>--</u>	<u>7,544</u>	<u>2,699</u>	<u>181</u>	<u>50,735</u>
<b>Expenditures</b>										
General government	40,272	--	18,180	--	95,684	--	4,000	7,323	--	47,677
Capital outlays	--	--	--	--	--	297,442	--	--	--	--
<b>Total Expenditures &amp; Capital Outlays</b>	<u>40,272</u>	<u>--</u>	<u>18,180</u>	<u>--</u>	<u>95,684</u>	<u>297,442</u>	<u>4,000</u>	<u>7,323</u>	<u>--</u>	<u>47,677</u>
<b>Excess of Revenue Over (Under)</b>										
<b>Expenditures Before Transfers</b>	<u>(40,272)</u>	<u>--</u>	<u>5,820</u>	<u>30,000</u>	<u>--</u>	<u>(297,442)</u>	<u>3,544</u>	<u>(4,624)</u>	<u>181</u>	<u>3,058</u>
Transfers in	--	--	--	--	--	--	--	--	--	22,235
Transfer out	--	--	--	--	--	(455)	--	--	--	(26,801)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(455)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(4,566)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(40,272)</u>	<u>--</u>	<u>5,820</u>	<u>30,000</u>	<u>--</u>	<u>(297,897)</u>	<u>3,544</u>	<u>(4,624)</u>	<u>181</u>	<u>(1,508)</u>
<b>Fund Balance - Beginning of Year</b>	<u>50,000</u>	<u>1,000</u>	<u>(5,820)</u>	<u>--</u>	<u>--</u>	<u>327,493</u>	<u>(4,812)</u>	<u>(25,216)</u>	<u>3,091</u>	<u>642</u>
<b>Fund Balance - End of Year</b>	<u>\$ 9,728</u>	<u>\$ 1,000</u>	<u>\$ --</u>	<u>\$ 30,000</u>	<u>\$ --</u>	<u>\$ 29,596</u>	<u>\$ (1,268)</u>	<u>\$ (29,840)</u>	<u>\$ 3,272</u>	<u>\$ (866)</u>

**CITY OF CENTRAL FALLS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Emergency Equipment Replacement</b>	<b>Recycling Account</b>	<b>Property Development</b>	<b>Redevelopment Agency</b>	<b>Med Pods</b>	<b>Osram Vision Plan</b>	<b>Bridging the Digital Divide</b>	<b>TOTALS</b>
<b>Revenues</b>								
Interest and investment income	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 429
Intergovernmental	209,810	--	--	--	39,875	--	38,272	2,521,244
Other revenues	--	--	--	--	--	20,739	--	141,239
<b>Total Revenues</b>	<u>209,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>39,875</u>	<u>20,739</u>	<u>38,272</u>	<u>2,662,912</u>
<b>Expenditures</b>								
General government	209,810	--	--	--	4,770	82,654	38,272	710,596
Planning	--	--	--	--	--	--	--	4,092
Recreation	--	--	--	--	--	--	--	68,839
Capital outlays	--	--	--	--	--	--	--	2,253,507
<b>Total Expenditures &amp; Capital Outlays</b>	<u>209,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,770</u>	<u>82,654</u>	<u>38,272</u>	<u>3,037,034</u>
<b>Excess of Revenue Over (Under)</b>								
<b>Expenditures Before Transfers</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>35,105</u>	<u>(61,915)</u>	<u>--</u>	<u>(374,122)</u>
Transfers in	--	--	--	--	--	--	--	86,621
Transfer out	--	(17,239)	--	--	--	--	--	(399,277)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>(17,239)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(312,656)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>--</u>	<u>(17,239)</u>	<u>--</u>	<u>--</u>	<u>35,105</u>	<u>(61,915)</u>	<u>--</u>	<u>(686,778)</u>
<b>Fund Balance - Beginning of Year</b>	<u>590</u>	<u>17,239</u>	<u>155,925</u>	<u>207,901</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,119,005</u>
<b>Fund Balance - End of Year</b>	<u>\$ 590</u>	<u>\$ --</u>	<u>\$ 155,925</u>	<u>\$ 207,901</u>	<u>\$ 35,105</u>	<u>\$ (61,915)</u>	<u>\$ --</u>	<u>\$ 432,227</u>

# CITY OF CENTRAL FALLS

## TAX COLLECTOR'S ANNUAL REPORT

### FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	Balance - July 1, 2021	Current Year Assessment	Additions	Abatements	Refunds / Adjustments	Amount to be Collected	FY 2022 Collections	Balance - June 30, 2022
2022	\$ --	\$ 15,261,498	\$ 56,435	\$ (87,233)	\$ (69,888)	\$ 15,160,812	\$ 14,543,238	\$ 617,574
2021	734,458	--	259	(2,051)	16,393	749,059	623,080	125,979
2020	123,496	--	--	(1,806)	104	121,794	35,681	86,113
2019	140,902	--	--	--	75	140,977	18,531	122,446
2018	115,700	--	--	--	1,977	117,677	8,057	109,620
2017	102,406	--	--	--	497	102,903	4,943	97,960
2016	100,437	--	--	--	397	100,834	2,907	97,927
2015	149,805	--	--	--	420	150,225	2,116	148,109
2014	124,722	--	--	--	--	124,722	1,899	122,823
2013	131,917	--	--	--	--	131,917	971	130,946
2012	149,444	--	--	--	519	149,963	1,536	148,427
2011 and prior	420,785	--	--	--	--	420,785	1,509	419,276
	<u>\$ 2,294,072</u>	<u>\$ 15,261,498</u>	<u>\$ 56,694</u>	<u>\$ (91,090)</u>	<u>\$ (49,506)</u>	<u>\$ 17,471,668</u>	<u>\$ 15,244,468</u>	<u>\$ 2,227,200</u>
<i>Allowance for Uncollectible Accounts</i>	\$ (762,955)							\$ (762,955)
<i>Net Property Tax Receivable</i>	<u>\$ 1,531,117</u>							<u>\$ 1,464,245</u>

**FY 2022 Cash Collections Summary**

July - August 2021 Collections Subject to 60-day FY 20 Accrual	September - June 2022 Collections	Total FY 2022 Cash Collections	July - August 2022 (FY 22) Cash Collections Subject to 60-day FY 22 Accrual
\$ --	\$ 14,543,238	\$ 14,543,238	\$ 136,410
166,295	456,785	623,080	9,807
3,144	32,537	35,681	(152)
1,743	16,788	18,531	386
124	7,933	8,057	(104)
690	4,253	4,943	(86)
512	2,395	2,907	9
803	1,313	2,116	143
292	1,607	1,899	291
35	936	971	87
62	1,474	1,536	--
--	1,509	1,509	19
<u>\$ 173,700</u>	<u>\$ 15,070,768</u>	<u>\$ 15,244,468</u>	<u>\$ 146,810</u>

**Schedule of Net Assessed Property, Value by Category**

Description of Property	Valuations December 31, 2020	Levy July 1, 2021
Real Property	\$ 575,054,280	\$ 13,254,339
Motor Vehicle	49,617,013	658,127
Tangible	23,887,539	1,349,032
<b>Total</b>	<u>\$ 648,558,832</u>	<u>\$ 15,261,498</u>
Exemptions	(74,303,696)	
<b>Net Assessed Value</b>	<u>\$ 574,255,136</u>	<u>\$ 15,261,498</u>

**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 15,244,468
July - August 2022 Collections Subject to 60-day FY 22 Accrual	\$ 146,810
	<u>\$ 15,391,278</u>
July - August 2021 Collections Subject to 60-day FY 21 Accrual	\$ (173,700)
Current Year Property Tax Revenue	<u>\$ 15,217,578</u>

# CITY OF CENTRAL FALLS

## ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

### FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 14,548,500
Last Year's Levy Tax Collection	600,204
Prior Years Property Tax Collection	68,874
Interest & Penalty	262,107
PILOT & Tax Treaty (excluded from levy) Collection	85,861
Other Local Property Taxes	-
Licenses and Permits	616,226
Fines and Forfeitures	188,564
Investment Income	-
Departmental	158,628
Rescue Run Revenue	331,793
Police & Fire Detail	91,043
Other Local Non-Property Tax Revenues	51,291
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	152,250
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	-
COVID - ESSER	-
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	511,873
COVID - Other	-
COVID - ARPA	724,242
MV Excise Tax Reimbursement	-
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	231,392
Meals & Beverage Tax / Hotel Tax	204,635
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	96,399
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	3,977,516
Motor Vehicle Phase Out	1,419,847
Other Revenue	183,735
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	<u>229,713</u>
<b>Total Revenue</b>	<b><u>\$ 24,734,693</u></b>
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	376,612
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
<b>Total Other Financing Sources</b>	<b><u>\$ 376,612</u></b>

# CITY OF CENTRAL FALLS

## ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

### FOR THE YEAR ENDED JUNE 30, 2022

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 745,878	\$ 374,795	\$ -	\$ -	\$ 165,602	\$ -	\$ 601,213	\$ 146,197	\$ 2,639,103
Compensation - Group B	-	-	-	-	-	-	-	-	381,914
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	10,205	-	-	-	-	-	39,708	-	323,151
Overtime - Group B	-	-	-	-	-	-	-	-	54,043
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	321,236	40,707	-	-	29,394	-	105,998	6,008	437,185
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	66,068
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	5,543	1,320	-	-	1,512	-	5,696	256	19,851
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	3,335
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	45,087	28,248	-	-	16,060	-	51,697	14,476	81,351
Life Insurance	968	727	-	-	483	-	1,329	242	5,926
State Defined Contribution- Group A	6,068	3,295	-	-	2,151	-	6,078	1,063	15,095
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,291
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	91,478	5,171	-	-	-	-	22,640	-	84,121
Other Benefits- Group B	-	-	-	-	-	-	-	-	2,450
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	84,839	47,511	-	-	31,025	-	92,195	15,333	1,340,271
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	54,708
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	484,788	190,036	-	72,255	13,340	-	18,244	182,933	47,051
Materials/Supplies	19,223	21,337	-	-	1,894	-	45,184	12,265	188,684
Software Licenses	-	7,232	-	-	-	-	-	-	61,119
Capital Outlays	677,980	-	-	-	5,207	-	3,186,508	446,249	36,985
Insurance	277,922	-	-	-	-	-	-	-	-
Maintenance	180,202	-	-	-	-	-	71,753	34,212	14,270
Vehicle Operations	-	-	-	-	-	-	75,067	-	57,840
Utilities	466,945	-	-	-	-	-	22,335	-	29,745
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	321	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	19,251	-	-
Trash Removal & Recycling	-	-	-	-	-	-	717,111	-	-
Claims & Settlements	52,993	-	-	-	-	-	-	-	-
Community Support	95,847	-	-	-	-	-	-	-	-
Other Operation Expenditures	182,231	4,244	-	-	203,751	151,095	16,043	93,196	18,168
Tipping Fees	-	-	-	-	-	-	301,138	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,749,431</b>	<b>\$ 724,623</b>	<b>\$ -</b>	<b>\$ 72,255</b>	<b>\$ 470,419</b>	<b>\$ 151,095</b>	<b>\$ 5,399,509</b>	<b>\$ 952,430</b>	<b>\$ 5,965,705</b>

# CITY OF CENTRAL FALLS

## ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

### FOR THE YEAR ENDED JUNE 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ 2,826,324	\$ -	\$ 139,226	\$ -	\$ -	\$ -	\$ 7,638,336
Compensation - Group B	-	-	-	-	-	-	381,914
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-
Overtime- Group A	341,690	-	104	-	-	-	714,858
Overtime - Group B	-	-	-	-	-	-	54,043
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-
Active Medical Insurance- Group A	413,488	-	29,002	-	-	-	1,383,018
Active Medical Insurance- Group B	-	-	-	-	-	-	66,068
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental Insurance- Group A	21,334	-	1,556	-	-	-	57,068
Active Dental Insurance- Group B	-	-	-	-	-	-	3,335
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	57,631	-	7,167	-	-	-	301,717
Life Insurance	4,837	-	122	-	-	-	14,634
State Defined Contribution- Group A	9,151	-	1,138	-	-	-	44,039
State Defined Contribution - Group B	-	-	-	-	-	-	3,291
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	82,841	-	-	-	-	-	286,251
Other Benefits- Group B	-	-	-	-	-	-	2,450
Other Benefits- Group C	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	1,345,901	-	14,596	-	-	-	2,971,671
State Defined Benefit Pension - Group B	-	-	-	-	-	-	54,708
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-
Purchased Services	56,701	-	30,946	-	-	-	1,096,294
Materials/Supplies	78,852	-	2,083	-	-	-	369,522
Software Licenses	-	-	-	-	-	-	68,351
Capital Outlays	138,412	-	-	-	-	-	4,491,321
Insurance	-	-	-	-	-	-	277,922
Maintenance	14,310	-	-	-	-	-	314,747
Vehicle Operations	34,846	-	-	-	-	-	167,753
Utilities	33,060	-	-	-	-	-	552,085
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	321
Revaluation	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	19,251
Trash Removal & Recycling	-	-	-	-	-	-	717,111
Claims & Settlements	-	-	-	-	-	-	52,993
Community Support	-	-	-	-	-	-	95,847
Other Operation Expenditures	22,734	-	-	-	-	-	691,462
Tippling Fees	-	-	-	-	-	-	301,138
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	805,000	-	805,000
Municipal Debt- Interest	-	-	-	-	206,880	-	206,880
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	60,000	60,000
Rounding	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,482,112</b>	<b>\$ -</b>	<b>\$ 225,940</b>	<b>\$ -</b>	<b>\$ 1,011,880</b>	<b>\$ 60,000</b>	<b>\$ 24,265,399</b>

Financing Uses: Transfer to Capital Funds	\$ -
Financing Uses: Transfer to Other Funds	70,770
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
<b>Total Other Financing Uses</b>	<b>\$ 70,770</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>775,136</b>
<b>Fund Balance<sup>1</sup>- beginning of year</b>	<b>\$1,108,912</b>
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	-
Misc. Adjustment	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>1,108,912</b>
<b>Rounding</b>	<b>-</b>
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 1,884,048</b>

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

# CITY OF CENTRAL FALLS

## COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2 MUNICIPAL

### FOR THE YEAR ENDED JUNE 30, 2022

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2021 adjusted</b>						\$ 1,108,912	-	\$ 1,108,912	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>No Misc adjustments made for Fiscal 2021</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2022 adjusted</b>						<u>\$ 1,108,912</u>	<u>-</u>	<u>\$ 1,108,912</u>	
<b>General Fund</b>	\$ 19,886,499	\$ 313,221	\$ 19,606,588	\$ 563	\$ 592,567	\$ 1,285,243	\$ -	\$ 1,285,243	\$ 1,877,812
CDBG 2016 - 2016	11,423	-	31,434	-	(16,031)	16,031	-	16,031	-
CDBG 2017 - 2017	-	-	-	-	-	-	-	-	-
CDBG 2018 - 2018	963,026	-	963,026	-	-	-	-	-	-
CDBG 2019 - 2019	957,553	-	957,553	-	-	-	-	-	-
CDBG Revolving 2000	7,500	-	-	-	7,500	-	-	-	7,500
American Rescue Plan - 8129	724,242	-	724,242	-	-	-	-	-	-
RIDOH - 7070	-	-	46,649	-	(46,649)	119,894	-	119,894	73,245
Recreation Summer Lunch Program - 2510	26,087	-	26,017	70,205	(70,135)	70,135	-	70,135	-
School Building Capital Fund - 2810	3,319,935	-	3,161,593	-	338,342	(238,010)	-	(238,010)	100,332
Blackstone Bikeway - 3020	425,680	63,391	489,071	-	-	-	-	-	-
The Landing - 8108	-	-	38,989	-	(38,989)	(108,352)	-	(108,352)	(167,341)
<b>Totals per audited financial statements</b>	<u>\$ 26,525,945</u>	<u>\$ 376,612</u>	<u>\$ 26,065,182</u>	<u>\$ 70,770</u>	<u>\$ 766,605</u>	<u>\$ 1,124,943</u>	<u>\$ -</u>	<u>\$ 1,124,943</u>	<u>\$ 1,891,548</u>
<b>Reconciliation from financial statements to MTP2</b>									
Program activity in CDBG funds that are not reported on the MTP2 because they are for program revenues & expenses and not for administration	\$ (1,791,252)	\$ -	\$ (1,799,783)	\$ -	8,531	\$ (16,031)	\$ -	\$ (16,031)	\$ (7,500)
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 24,734,693</u>	<u>\$ 376,612</u>	<u>\$ 24,265,399</u>	<u>\$ 70,770</u>	<u>\$ 775,136</u>	<u>\$ 1,108,912</u>	<u>\$ -</u>	<u>\$ 1,108,912</u>	<u>\$ 1,884,048</u>

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

# CITY OF CENTRAL FALLS

## NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2022

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### 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)

# CITY OF CENTRAL FALLS

## NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 4 – EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS (CONTINUED)

- 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/>.*