

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

OF THE

CITY OF CRANSTON,

RHODE ISLAND



AS OF AND FOR THE
YEAR ENDED
JUNE 30, 2022

PREPARED BY:

DEPARTMENT OF FINANCE

THOMAS F. ZIDELIS, FINANCE DIRECTOR

CITY OF CRANSTON, RHODE ISLAND

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CITY OF CRANSTON, RHODE ISLAND

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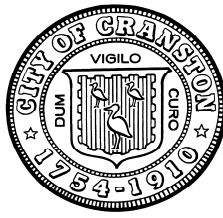
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Introductory Section

Kenneth J. Hopkins
Mayor



Thomas F. Zidelis
Finance Director

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

February 27, 2023

Honorable Mayor Kenneth J. Hopkins
and Members of the Cranston City Council
Cranston, Rhode Island 02910

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Cranston, Rhode Island for the year ended June 30, 2022. The report includes the independent auditors' report as required by Rhode Island Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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

MARCUM LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Rhode Island, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cranston, Rhode Island for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Cranston's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF CRANSTON

The City was established as a City in 1754 and incorporated as a City in 1910. With a population of 82,566 as determined by the Rhode Island Economic Development Corporation, the City is the second most populous municipality in the State of Rhode Island (the "State"). Primarily a residential community, the City contains many fine developments.

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

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

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

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

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

BUDGET PROCESS

The City's budget is adopted by the City Council no later than May 15th each year. The Council may increase, decrease, or strike out items of the budget as submitted by the Mayor. Within 48 hours of adoption, the Mayor may veto any changes made by the Council to the budget. The veto may be overridden by a two-thirds majority vote of the Council. Thereafter, the Mayor may at any time authorize the transfer of any unencumbered appropriation balance or portion thereof from a classification of expenditure to another within the same department, board, commission office or agency provided that the existence of the balance proposed to be transferred is certified in writing by the Director of Finance. At the request of the Mayor but only within the last three months of the fiscal year, the Council may by ordinance transfer any portion of an unencumbered appropriation balance certified by the Director of Finance from one department, board, commission, office, or agency to another except that no such transfer shall be made from the appropriation of the school committee.

LOCAL ECONOMY

Population

Ranked second in population among the thirty-nine cities and towns in the State in 2020, the City experienced a 3.2% increase in population from 2010 to 2020.

LONG-TERM FINANCIAL PLANNING

The City of Cranston places a high priority on economic development initiatives in order to solicit and secure new business as well as give continual support to the improvement of the City's present business community, improving the City's tax base and the employment opportunities for Cranston residents. The City has successfully implemented aggressive business recruitment and expansion programs and has reinvested in its urban business corridors. Through a variety of forward-thinking legislative initiatives, the city offers several different investment incentives to increase the financial viability of the City's new and existing development areas. Currently there are four different plans ranging from 5 to 20 years, incrementing in five-thousand intervals. Each plan requires certain minimum construction costs to qualify. Currently there is one company that participates in the 5-year plan and five companies that participate in the 10-year plan. These plans are in place to help companies expand their businesses which will ultimately lead to more employees working and contributing to the local economy of the City of Cranston. Please see section IV-Other Information section I of the attached report for further details.

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

INDUSTRIAL AND COMMERCIAL CENTERS

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

The Howard Industrial Park – This development is centrally located in the State off the interchange of Interstate 95 and Route 37. This area is a prime location and the home of some of the city's most significant industrial businesses such as Pepsi Cola Bottling Group, Swarovski North America, Yushin America, Inc., Tasca Motor Group, Gannon & Scott, Ross Simons and McLaughlin & Moran, Inc.

Garden City Center

Garden City Center, Rhode Island's premiere outdoor shopping venue has been a shopping destination of choice for five generations. The Center opened in 1948 and was the first suburban shopping center in the state with 500,000 square feet of retail and office space. Its well-manicured landscapes and enhanced gardens frame the architecturally unique shops and restaurants. The Center has national retailers such as LL Bean, Fat Face, Pottery Barn, Crate & Barrel, J Crew, LA Fitness, New Balance, Banana Republic, William Sonoma, Chico's, Jos A Banks, Talbots, The Container Store, GAP, Anthropologie, Destination Maternity, Soma-Intimates, The Loft, Clarkes Shoes, Sephora, Ulta Beauty, Old navy, White House/Black Market, Anthony's Cole Fired Pizza and Z-Gallerie. The Center also has regional and local retailers and restaurants such as Providence Diamond Company, Applebee's, Edible Arrangements, Ethan Allan Design Center, Bistro 22, Starbucks, B. Goode, Pinkberry, Legal Sea Bar, Tavern in the Square, Tropical Smoothie, The Simple Greek, and Whole Foods Market. In addition, Garden City has

completed construction of two new buildings under Phase four development consisting of 37,000 square feet of total space.

Chapel View Shopping Center

Located directly across from Garden City, an upscale mixed use shopping group, coupled with the many high-quality stores of its next-door neighbor, will establish this area of Cranston as one of the leading shopping centers of not only the State but of the Southeastern New England Region. Located on the former site of the State's Youth Training and Reform School, the developers have used a number of former historic structures, all over one hundred years old, to develop a European Village atmosphere that encompasses upscale condominiums, office space and retail components. Current tenants include The Grille at Chapel View, First Comp a division of Markel Insurance Company, Residential Mortgage Services, Champlain Foundation, Staples, Panera Bread, Massage Envy, Bling Eyewear, Qdoba Mexican Grill, Shaw's Supermarket, Recreational Equipment Inc. (REI), T.J. Max, Koch Eye Associates, Omaha Steaks and Uptown Burger. Topgolf has is currently under construction and is scheduled to open in its only location in the State of Rhode Island I in the fall of 2023. Topgolf features fun and competitive golf games for all ages, climate-controlled playing bays for year-round comfort, an impressive food and drink menu, private spaces for groups of any size, HDTVs to watch the big game and a music selection that will make every visit feel like a party.

RECENT DEVELOPMENT INITIATIVES

The City has invested in infrastructure to improve some of its key community restaurant and retail districts. The Rolfe Square and Pawtuxet Village districts have been renovated to include new lighting, trees, roads and sidewalks to provide a more inviting atmosphere for strolling while patronizing local shops and restaurants.

The Knightsville business district is under construction with an ambitious revitalization project. Significantly funded by Federal and State grants, the residents and business owners of this this area, rich in tradition, will enjoy a new open-air park that will include features such as a grand fountain, pergola, bocce court, and centerpiece gazebo. Phase two construction will see vibrant streetscape including new sidewalks, trees, lamp post lighting and repaved roadways.

Topgolf: An international golf, sports and entertainment facility is under construction and is planned to open in the fall of 2023. This will be the first TopGolf venue in New England and will serve as a regional attraction.

Cranston Print Works: Brady Sullivan Properties, New Hampshire developers are starting the first stage of redevelopment for the historic Cranston Print Works. This project will initially include 99,000 square feet of self-storage to be followed by 130 apartments in the historic mill property along with some additional self-storage.

20 Goddard Drive - The former Medium Security Prison Building Howard Industrial Park: Churchill and Banks, a well-known Rhode Island development company, has purchased the former medium security prison from the State of Rhode Island. "The prison will be razed, and a new 210,000 square foot industrial building will be built."

"Trolley Barn Plaza 777 Cranston Street: Paolino Properties is developing this long-time vacant parcel on the Cranston/Providence border as a multi-use project that includes an Auto Zone distribution warehouse.

Comstock Industrial Western Cranston Industrial Area: The Connecticut based developer, Comstock Industrial, LLC, has received approval for two industrial use buildings on 17 acres off Comstock Parkway that will total 270,000 square feet of warehouse distribution space.

Comstock Crossings: Plans have been approved at the corner of Comstock Parkway and Plainfield Pike for a commercial/ retail development of approximately 16,000 square feet including a restaurant and retail space.

661 Project, 661 Park Avenue: Legion Development, Inc. is has received approval to repurpose its bowling alley and retail space into a mixed- use development primarily with 69 residential apartment units and limited retail space.

Garden City Center: This commercial gem remains the center piece of retail and commercial development for Cranston. WS Development, the premier national shopping center developer, is continuing to maintain and enhance the 450,000 square foot shopping center with several new national tenants planning 2023 openings.

Training School Property: The Carpionato Group continues to finalize plans for the redevelopment of the former training school site that already received master plan approval for 160,000 square feet of commercial/retail space.

REVOLVING LOAN FUND

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

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

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

- Over 1,000 jobs have been created or retained as a result of the program.
- The loan portfolio has an average loan amount of \$100,000.
- The majority of loans have been made to companies with twenty-five or fewer employees.

There are three current loans in the portfolio. The City recently completed an update to the Revolving Loan Five Year Plan to ensure the continued success of the program.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cranston for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021; In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

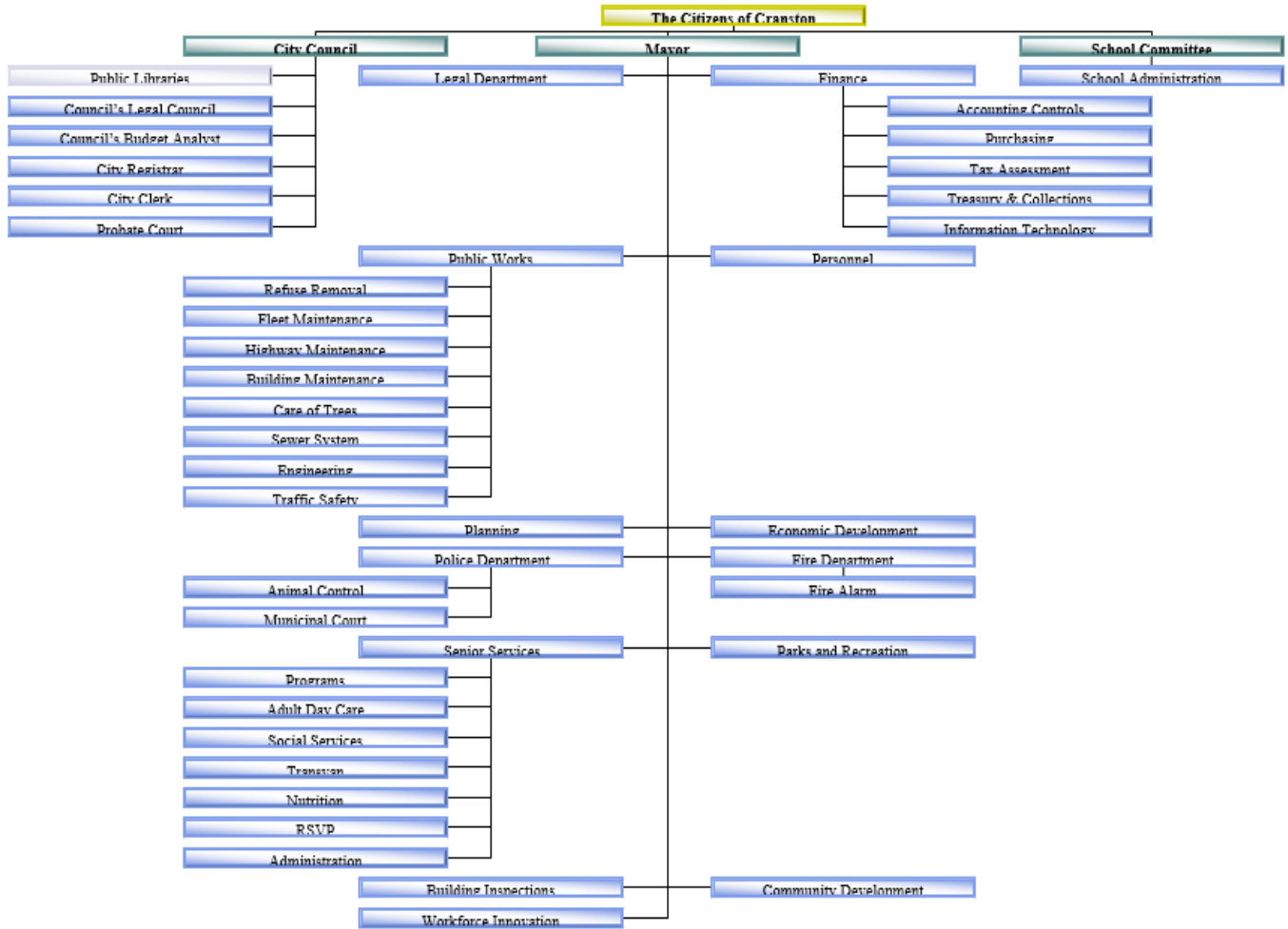
I would like to take this opportunity to thank the members of the Finance Department in the Division of Accounting Control, Treasury and Tax Collection, Contract and Purchase, Assessment and Management Information Systems for their diligence and cooperation on a daily basis in carrying out the duties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

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

Sincerely,

Thomas F. Zidelis

Thomas F. Zidelis
Finance Director



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

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

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

CITY OF CRANSTON, RHODE ISLAND

**PRINCIPAL OFFICIALS
JUNE 30, 2022**

MAYOR

Kenneth J. Hopkins

FINANCE DEPARTMENT

Thomas F. Zidelis - Finance Director
Michael Igoe, CPA - City Controller
Kenneth Mallette - Tax Assessor
David Capuano - City Treasurer
Mark Marchesi - Purchasing Agent
Elaine Scungio - Acting Information Technology Manager

CITY COUNCIL

Jessica M. Marino - Council President
Lammis J. Vargas - Council Vice President
Robert Ferri
Nicole Renzulli
Aniece Germain
John P. Donegan
Richard D. Campopiano
Christopher G. Paplauskas
Matthew Reilly



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cranston
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor Kenneth J. Hopkins
And Members of the Cranston City Council
City of Cranston, Rhode Island

Report on the Audit of the Financial Statements

Opinions

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

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

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 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.

Emphasis of Matter

As discussed in Note IV J, the financial statements required a number of restatements to correct opening balances. These restatements are related to fund balance reclassifications in accordance with GASB 54, *Fund Balance Reporting and Government Fund Type Definitions* and the adoption of GASB 87, *Leases*. Our opinion is modified with respect to this matter.

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'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 auditors' 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'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'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, Schedules of Changes in City's Net Pension Liability and Related Ratios, Schedule of City's Contributions and Investment Returns,

Schedule of City's Proportionate Share of the Net Pension Liability, Schedule of City's Contributions, Schedule of Changes in City and School's OPEB Liability and Related Ratios, Schedule of City's Contributions and accompanying notes on pages 13 through 27, and pages 119 through 139 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'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, the schedule of property taxes receivable, the schedule of capital assets used in the operation of governmental funds by function and activity, and the schedule of capital assets used in the operation of governmental funds of changes by function and activity is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the City'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'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's internal control over financial reporting and compliance.

Marcum LLP

Providence, Rhode Island
February 27, 2023

Kenneth J. Hopkins
MAYOR



Thomas F. Zidelis
FINANCE DIRECTOR

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

***MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022***

As management of the City of Cranston, Rhode Island, we offer readers of the City of Cranston's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022.

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

Financial Highlights

- The liabilities and deferred inflows of resources of the City of Cranston exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2022, by \$219.2 million (net position).
- The net position of the City increased by \$54.1 million (or 19.8%). The governmental net position increased by \$52.3 million (or 15.1%) and the business-type net position increased by \$1.8 million (or 2.5%).
- The governmental activities revenue increased \$13.5 million (or 3.6%) and the net results from activities increased from prior year by \$60.4 million. In 2022, the results of activities produced an increase in net position of \$52.3 million and in 2021 the results of activities, as restated, produced a decrease in net position of \$8.1 million, as restated.
- The business-type activities revenue decreased by \$0.3 million (or 0.1%), and the net results from activities decreased \$1.9 million to \$1.8 million for 2022 from \$3.7 million for 2021, as restated.
- The General Fund (the primary operating fund) reflected on a current financial resource basis reports an increase in fund balance of \$0.4 million (or 2.8%), compared to a \$0.7 million (or 5.1%) increase in the prior year.
- The City's total debt decreased by \$65.8 million. The decrease was due primarily to the retirements of \$69.0 million of liabilities in the Municipal Employee's Retirement System and a reduction of \$2.3 million in business type liabilities associated with the presentation of the City's Charter School offset by the recognition of \$7.7 in lease liabilities in accordance with GASB 87.

Overview of the Basic Financial Statements

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

Government-wide Financial Statements

Reporting the City as a Whole

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

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

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

The City and School Department maintains 43 and 139 individual governmental funds, respectively. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for both the General Fund and the School Department. For reporting purposes, the amount presented as the General Fund is comprised of the general fund and seven other funds. Similarly for reporting purposes, the amount presented as the School Department Fund is comprised of the school department's unrestricted fund and one other fund. Both the General Fund and School Department are considered to be major funds. Data from the City's and School Department's other governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of the other 182 governmental funds, which are consolidated into 20 funds for reporting purposes, is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds. The City of Cranston maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Cranston uses enterprise funds to account for its sewer operations, ice rink operations, and its school non-major programs. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Cranston and School Department uses an internal service fund to account for certain self-insured risks. The fund has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility fund, which is considered to be major fund of the City of Cranston. The ice rink fund and the school lunch program fund are the sole non-major enterprise funds and are presented separately in the proprietary fund financial statements. The internal service fund is also presented separately in the proprietary fund financial statements.

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

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

Condensed Summary of Net Position
As of June 30
(In Millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	(As Restated) <u>2021</u>	<u>2022</u>	(As Restated) <u>2021</u>	<u>2022</u>	(As Restated) <u>2021</u>
Assets:						
Current and other assets.....	\$ 194.8	\$ 88.9	\$ 30.3	\$ 29.3	\$ 225.1	\$ 118.2
Capital assets	168.1	147.7	66.1	68.7	234.2	216.4
Total Assets	362.9	236.6	96.4	98.0	459.3	334.6
Deferred Outflow of Resources ...	66.0	57.2	-	0.4	66.0	57.6
Total Assets & Deferred Outflows of Resources	428.9	293.8	96.4	98.4	525.3	392.2
Liabilities:						
Long-term liabilities outstanding	489.6	553.4	13.7	17.1	503.3	570.5
Other liabilities	109.9	40.5	6.9	7.1	116.8	47.6
Total Liabilities	599.5	593.9	20.6	24.2	620.1	618.1
Deferred Inflows of Resources ...	122.8	45.6	1.6	1.8	124.4	47.4
Total Liabilities & Deferred Inflows of Resources.....	722.3	639.5	22.2	26.0	744.5	665.5
Net Position:						
Net investment in capital assets.	60.4	54.8	51.2	52.7	111.6	107.5
Restricted-debt service.....	-	-	0.4	1.6	0.4	1.6
Unrestricted	(353.8)	(400.5)	22.6	18.1	(331.2)	(382.4)
Total Net Position	\$ (293.4)	\$ (345.7)	\$ 74.2	\$ 72.4	\$ (219.2)	\$ (273.3)

The composition of net position and the changes in net position over a period of time serves as a useful indicator of the City's financial position. The City's total liabilities at June 30, 2022, exceed assets by \$219.2 million and were comprised of \$(293.4) million from governmental activities and \$74.2 million from business-type activities. For the fiscal year ending June 30, 2022, \$(331.2) million of the total \$(219.2) million in net position is unrestricted.

Net investment in capital assets is comprised of \$111.6 and \$107.5 million of the Total Net Position at June 30, 2022, and 2021, respectively. This category reflects the total investment in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Summary of Net Position (Continued)

noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The second category of Net Position, restricted Net Position, represents Net Position that are subject to external restriction on how they may be used. Restricted Net Position used for debt service totaled \$0.4 million as of June 30, 2022 as compared to \$1.6 million as of June 30, 2021.

Normal Impacts

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

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

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

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

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

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

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

Governmental Activities - Condensed Summary of Net Position

The category of "Current and Other Assets" was \$194.8 million at June 30, 2022. This category consisted primarily of "Cash" of \$114.1 million as of June 30, 2022. This balance was attributable to a strong tax collection trend along with COVID-19 relief funds received from the Federal government (ARPA). "Receivables-Property Taxes" of \$5.4 million, "Net pension asset" of \$56.4 million. "Receivables-Intergovernmental" was \$4.2 million, "Advanced deposits-hospitalization" was \$4.9 million, "Lease Assets" of \$7.6 million and net other receivables accounted for \$2.2 million.

"Deferred Outflow of Resources" was \$66.0 million at June 30, 2022 and was comprised of \$55.4 million related to pensions, \$10.5 million related to OPEB and \$0.1 million from the deferred charge on refunding.

"Total liabilities" at June 30, 2022 were \$599.5 million. That included long-term liabilities outstanding of \$489.6 million, composed primarily of \$111.4 million in general obligation bonds and leases payable (used to fund various capital projects such as school construction and playground construction and improvements), \$326.5 million in outstanding pension liabilities and \$51.7 million in OPEB liabilities. Current liabilities total \$109.9 million at June 30, 2022 and were composed of \$11.0 million in accounts payable, \$6.1 of accrued liabilities, unearned revenue of \$29.6 million, \$51.4 million of Bond Anticipation Notes, \$10.5 million in current portion of long-term debt and claims and judgements of \$1.3 million.

"Deferred Inflow of Resources" of \$122.8 million of which \$101.7 million related to the City's pension liabilities, \$8.3 million related to the OPEB liability and \$12.8 million related to advanced tax collections.

Total net position at June 30, 2022 was \$(293.4) million and was comprised of unrestricted of \$(353.8) and "Net Investment in Capital Assets" of \$60.4 million.

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities - Condensed Summaries of Net Position

For business-type activities, such as the Sewer Enterprise Fund, “Current and Other Assets” of \$30.3 million consisted primarily of \$21.2 million in cash which was available to support the current operations of the Enterprise Funds, \$1.3 million of restricted cash, \$0.4 million of cash held in escrow, receivables of \$6.7 million, \$0.7 million in net sewer assessments.

Long-term liabilities of \$13.7 million were comprised of “Long-term liabilities due in more than one year” which represents the non-current portion of long-term liabilities, primarily general obligation bonds used to finance the capital operations of the Sewer Plant as well as SRF (State revolving fund) loan from Rhode Island Infrastructure Bank.

Other liabilities of \$6.9 million consisted primarily of \$5.5 million of “Accounts payable”, and \$1.2 million for the “Current portion of long-term bonds payable” and “Accrued interest payable” of \$0.2 million.

“Deferred Inflows of Resources” is comprised of \$1.6 million from the “Deferred sewer lease arrangement”.

The total net position for the Business-type Activities as of June 30, 2022, was \$74.2 million. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$51.2 million on June 30, 2022. As stated above, in the government-wide analysis of the Statement of Net Position \$0.4 million was restricted for debt service and \$22.6 million was designated “Unrestricted”.

Summary of Activities

A condensed Summary of Activities for the City of Cranston is presented below listing the major categories of revenues and expenses for the fiscal years ended June 30, 2022, and 2021.

Condensed Summary of Activities

Year Ended June 30 (In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
<i>Revenues:</i>						
<i>Program revenues:</i>						
Charges for services.....	\$ 58.9	\$ 57.1	\$23.4	\$28.8	\$82.3	\$ 85.9
Operating grants and contributions.....	123.9	117.1	6.3		130.2	117.1
Capital grants and contributions	0.1	0.1			0.1	0.1
<i>General Revenues:</i>						
Property taxes	199.3	186.6			199.3	186.6
Gain on sale of property.....						
State special funding for pensions	4.4	10.9	-	0.2	4.4	11.1
Motor vehicle phase-out taxes	-	4.2			-	4.2
Investment income.....	0.4	0.6	0.4	0.5	0.8	1.1
Other	6.0	2.9	0.4	1.3	6.4	4.2
<i>Total revenues</i>	393.0	379.5	30.5	30.8	423.5	410.3

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
 JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Summary of Activities (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	(As Restated)		(As Restated)		(As Restated)	
	2022	2021	2022	2021	2022	2021
Program Expenses:						
General government.....	\$ 13.6	\$ 28.1			\$ 13.6	\$ 28.1
Public safety	74.9	101.2			74.9	101.2
Public works	18.9	19.2			18.9	19.2
Education.....	217.8	227.5	\$6.3	\$5.5	224.1	233.0
Parks and recreation.....	3.3	3.1			3.3	3.1
Libraries.....	4.0	3.9			4.0	3.9
Senior services.....	3.2	3.0			3.2	3.0
Community development.....	1.4	0.8			1.4	0.8
Sewer			22.4	21.6	22.4	21.6
Interest and other costs	3.6	0.8			3.6	0.8
Total expenses	340.7	387.6	28.7	27.1	369.4	414.7
Change in net position	52.3	(8.1)	1.8	3.7	54.1	(4.4)
Net Position – July 1	(345.7)	(337.6)	72.4	68.7	(273.3)	(268.9)
Net Position – June 30.....	\$(293.4)	\$(345.7)	\$ 74.2	\$ 72.4	\$(219.2)	\$(273.3)

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

Governmental Activities - Condensed Summary of Activities

General revenues include all revenues not required to be reported as "program revenue". The total of other "general revenues" for the fiscal years ending June 30, 2022, and 2021 were \$210.2 million and \$205.2 million, respectively. Included in these totals were \$199.3 and \$186.6 million in property taxes for the years ended June 30, 2022, and 2021.

"Program expenses" are presented in the Condensed Statement of Activities by function and total \$340.7 and \$387.6 million including interest on long-term debt for the fiscal years June 30, 2022, and 2021, as restated, respectively.

"Changes in net position" increased \$60.4 million to \$52.3 million from \$(8.1) million, as restated, for the years ended June 30, 2022, and 2021, respectively. The change resulted primarily from a decrease in general government and public safety expenses related to services previously provided during the COVID-19 pandemic.

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities – Condensed Summary of Activities

Business-Type Activities provided by the City of Cranston consists primarily of the operation of the wastewater facility commonly known as the Sewer Enterprise Fund. Respectively, in fiscal years 2022 and 2021 the City generated \$30.5 and \$30.8 million in total revenues. The majority of revenues for this fund consist of charges for services of which amounted to \$23.8 and \$28.8 in fiscal years 2022 and 2021 as restated, respectively, of the total revenues.

The total amount of expenses for business-type activities were \$28.7 and \$27.1 million, as restated, for the fiscal years ended June 30, 2022, and 2021, respectively.

The “Change in Net Position” decreased \$1.9 million to \$1.8 million for the fiscal year ended June 30, 2022. This activity increased the “Business-Type Net Position” for the fiscal year ended June 30, 2022, to \$74.2 million as compared to \$72.4 million, as restated, for the fiscal year ended June 30, 2021.

Financial Analysis of City’s Funds

Governmental Funds

The City of Cranston’s governmental funds consists of three major funds. The major funds are the City’s General Fund, the School Unrestricted and School Bond Fund. Presented below is a condensed Balance Sheet for the two major funds of the governmental funds.

Combined fund balances for all the governmental funds were \$21.8 million. Fund balance was comprised of \$3.7 million “Non-spendable” fund balances, \$19.3 million “Restricted” fund balances and \$0.1 million “Committed” fund balances and \$(1.3) million of “Unassigned” fund balances. Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the City.

Assets of \$142.6 million include primarily \$113.0 million in “Cash”, \$3.6 million in “Taxes Receivable”, \$4.2 million in “Intergovernmental Receivables”, “Loans” of \$2.2 million, “Other Receivables” of \$2.4 million, “Prepaid” of \$0.2 million, “Advance deposits-hospitalization” of \$0.2 million, “Due from Other Funds” of \$16.8 million.

“Total liabilities and deferred inflows” of \$120.8 million consisted of \$10.8 million of “Accounts Payable”, \$9.7 million in “Due to Other Funds”, \$51.4 million of “Bond Anticipation Notes”, \$29.6 million in “Unearned Revenue”, \$1.9 million of Accrued Payroll, \$12.8 million of “Advanced Tax Collections”, “Unavailable Revenue” of \$3.2 million and other liabilities and \$1.4 million.

Condensed Balance Sheet

As of June 30
(In Millions)

	General Fund		School Unrestricted		School Bond Fund		Total Major Funds	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>Assets:</i>								
Current and other	\$68.4	\$54.1	\$10.8	\$11.8	\$42.5	-	\$121.7	\$65.9
<i>Total Assets</i>	68.4	54.1	10.8	11.8	42.5	-	121.7	65.9
<i>Liabilities:</i>								
Other liabilities	37.5	23.1	2.8	4.0	58.0	\$0.9	98.3	28.0
<i>Total Liabilities</i>	37.5	23.1	2.8	4.0	58.0	0.9	98.3	28.0

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

<i>Deferred Inflows:</i>										
Deferred inflows	<u>16.0</u>	<u>16.5</u>							<u>16.0</u>	<u>16.5</u>
<i>Total Deferred Inflows</i>	16.0	16.5							16.0	16.5
<i>Total Liabilities and Deferred Inflows</i>	<u>53.5</u>	<u>39.6</u>	<u>2.8</u>	<u>4.0</u>		<u>58.0</u>	<u>0.9</u>		<u>114.3</u>	<u>44.5</u>
<i>Fund Balance:</i>										
Non-spendable	0.2	3.9	3.4	4.2		-	-		3.6	8.1
Restricted	0.4	0.3	4.5	3.2		-	-		4.9	3.5
Committed	0.1	-	0.1	0.4		-	-		0.2	0.4
Assigned	-	-	-	-		-	-		-	-
Unassigned	<u>14.2</u>	<u>10.3</u>	-	-		<u>(15.5)</u>	<u>(0.9)</u>		<u>(1.3)</u>	<u>9.4</u>
<i>Total Fund Balance</i>	<u>\$14.9</u>	<u>\$14.5</u>	<u>\$8.0</u>	<u>\$7.8</u>		<u>\$(15.5)</u>	<u>\$(0.9)</u>		<u>\$7.4</u>	<u>\$21.4</u>

General Fund - Condensed Balance Sheet

The General Fund's total assets of \$68.4 million consists primarily of \$55.3 million in "Cash" \$3.6 million of "Taxes Receivable" \$1.5 million of "Intergovernmental Receivables", "Due from Other Funds" of \$7.5 million, other of \$0.3 million and "Advanced Deposits-hospitalization" of \$0.2 million.

Total liabilities and deferred inflows for the General Fund were \$53.5 million. This included \$26.9 million of "Unearned Revenue", "Accounts Payable" of \$0.7 million, \$12.8 million represented "Advanced Collections", \$7.6 million of amounts "Due to Other Funds", \$3.3 million of "Unavailable Revenue" and \$2.2 million of accrued liabilities.

As of June 30, 2022, the City's fund balance was \$14.9 million of which \$0.2 million was "Non-spendable", \$0.4 million was "Restricted" \$0.1 million "Committed" and \$14.2 million was "Unassigned". This represents a total increase of \$0.4 million from \$14.5 million for June 30, 2021. The \$0.4 million increase relates primarily to increased revenues generated from real estate transactions associated with historically low interest rates.

School Unrestricted - Condensed Balance Sheet

The School Department's total assets were \$10.8 million. The majority of that consisted primarily of amounts "Due from the City" of \$4.2 million, \$4.8 million of "Due from Other Funds", "Prepaid" of \$0.2 million and "Other" assets of \$1.6 million.

Liabilities for the School Department totaled \$2.8 million of "Accounts Payable".

For the fiscal year ending June 30, 2022, the School Department had a fund balance of \$8.0 million. This was comprised of \$3.4 million "Non-spendable", \$4.5 million "Restricted" and \$0.1 million of "Committed" fund balance. This represents a total increase of \$0.2 million from \$7.8 million as of June 30, 2021. The \$0.2 million increase relates primarily to revenue generated post-COVID 19 for charges for services.

School Bond Fund - Condensed Balance Sheet

The School bond fund total assets were \$42.5 million that consisted of "Cash".

Liabilities for the School bond fund totaled \$58.0 million. This included \$5.6 million of "Accounts Payable", \$0.9 million of "Retainage" and \$51.4 million of "Bond Anticipation Notes Payable".

For the fiscal year ending June 30, 2022, the School bond fund had a fund balance of \$(15.5) million which was all "Unassigned". This represents a total decrease of \$14.6 million from \$0.9 million as of June 30, 2021. The \$14.62 million decrease relates to current construction costs for various renovation and repair projects of school facilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

A condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the City of Cranston is presented below listing the major categories of revenues and expenditures for the fiscal years ended June 30, 2022 and 2021. The major funds for the City of Cranston are the "General Fund", the "School Unrestricted" and the "School Bond Fund".

The fund reporting format, also presented on a functional basis, presented in "Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds" presents all revenue types followed by the expenditures of the City. The fund financial statements report current year capital expenditures and do not report depreciation on capital assets. Likewise, principal payments on long-term liabilities are reported as current year expenditures and are not offset against the related long-term liability as within the Government-wide Financial Statements. The major source of revenues for the City comes from "General Property Taxes". For the years ending June 30, 2022, and 2021, the City collected \$186.3, and \$187.6 million of property taxes, respectively. Total revenues for all major governmental funds for the years ended June 30, 2022, and 2021 as restated, were \$324.3 and \$315.6 million, respectively. For the major governmental funds, the total expenditures for the years ending June 30, 2022, and 2021, were \$338.6, and \$314.8 million, respectively. For the year ended June 30, 2022, General Fund revenues exceeded expenditures by \$97.9 million before other financing sources (uses) as compared to \$96.6 million for the period ending June 30, 2021.

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

	General Fund		School Unrestricted		School Bond Fund		Total Major Funds	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues:								
General Revenues:								
Property Taxes	\$186.3	\$187.6					\$186.3	\$187.6
Intergovernmental	36.8	30.7	\$ 70.0	\$ 68.9			106.8	99.6
Charges for services	15.7	14.0	1.8	1.6			17.5	15.6
Investment income	0.3	0.2	-	-			0.3	0.2
State on behalf pension	-	-	9.4	9.1			9.4	9.1
Other	1.0	1.5	2.6	2.0	0.4	-	4.0	3.5
Total Revenues	240.1	234.0	83.8	81.6	0.4	-	324.3	315.6
Expenditures:								
Current:								
General Government	12.5	12.4					12.5	12.4
Public Safety	91.1	86.7					91.1	86.7
Public Works	17.5	17.7					17.5	17.7
Education	-	-	181.4	175.2			181.4	175.2
Parks and Recreation	3.0	2.8					3.0	2.8
Public Libraries	3.9	3.8					3.9	3.8
Senior Services	3.0	2.9					3.0	2.9
Other	0.2	0.2					0.2	0.2
Debt Service:								
Principal	7.3	6.9					7.3	6.9
Interest and other costs	3.7	4.0			0.1		3.8	4.0
Capital expenditures	-	-	-	-	14.9	2.2	14.9	2.2
Total Expenditures	142.2	137.4	181.4	175.2	15.0	2.2	338.6	314.8
Excess (deficiency) of revenue over expenditures	<u>97.9</u>	<u>96.6</u>	<u>(97.6)</u>	<u>(93.6)</u>	<u>(14.6)</u>	<u>(2.2)</u>	<u>(14.3)</u>	<u>0.8</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

<i>Other Financing Sources</i>									
<i>Uses):</i>									
Transfers in	-	0.1	97.8	96.0			97.8	96.1	
Transfers out	(97.5)	(96.0)	-	(0.1)			(97.5)	(96.1)	
<i>Net Other Financing Sources</i>	(97.5)	(95.9)	97.8	95.9			0.3	0.0	
<i>(Uses)</i>									
Net change in fund balance	0.4	0.7	0.2	2.3	(14.6)	(2.2)	(14.0)	0.8	
Fund Balance July 1	14.5	13.8	7.8	5.5	(0.9)	1.3	21.4	20.6	
Fund Balance June 30	<u>14.9</u>	<u>14.5</u>	<u>8.0</u>	<u>7.8</u>	<u>(15.5)</u>	<u>(0.9)</u>	<u>7.4</u>	<u>21.4</u>	

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

The City's General Fund had revenues of \$240.1 million for the fiscal year ended June 30, 2022. This was comprised of \$186.3 million in "General Property Taxes", \$36.8 million of "Intergovernmental" revenues, \$15.7 million in "Charges for Services", \$0.3 million in "Investment Income", and \$1.0 million in "Other" revenue.

Expenditures for the General Fund for fiscal year ended June 30, 2022, were \$142.2 million. These expenditures consisted of \$12.5 million in "General Government" expenditures, \$91.1 million of "Public Safety" expenditures, \$17.5 million of "Public Works" expenditures, \$3.0 million of "Parks and Recreation" expenditures, \$3.9 million of "Public Libraries" expenditures, \$3.0 million of "Senior Services" expenditures, \$0.2 million of "Other" expenditures, \$7.3 million of "Debt Service Principal" expenditures, \$3.7 million of "Interest and Other Costs".

In addition to general operating expenses, the General Fund also had "Net Other Financing Uses" of \$ 97.5 million. This was primarily of "Transfers Out" to the "School Unrestricted" for operations.

The net change in fund balances was \$0.4 million for the fiscal year ended June 30, 2022. This increase resulted primarily from excess intergovernmental revenues received for the loss of revenues sustained during COVID-19 pandemic.

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

The "School Unrestricted" fund had revenues for the year ended June 30, 2022, of \$83.8 million. This was derived from \$70.0 million of "Intergovernmental" revenues, \$1.8 million of "Charges for Services", \$9.4 million of "State on Behalf Pension Contribution" and \$2.6 million of "Other Income".

Expenditures for the School Unrestricted Fund totaled \$181.4 million. This entire amount represents expenditures related to "Education".

In addition to general operating revenues, the School Department had "Net other Financing Sources" of \$97.8 million. This amount was comprised of "Transfers In" of \$97.8 million for operations.

The net change in fund balance was \$0.2 million for the fiscal year ended June 30, 2022. This increase was due primarily from revues attained post-COVID 19 for charges for services.

The "School Bond Fund" had "Other" revenue for the year ended June 30, 2022, of \$0.4 million. This was derived from the bond premium received in relation to the bond anticipation notes issued for school construction projects.

Expenditures for the School Bond Fund totaled \$15.0 million. This was comprised of "Capital Expenditures" of \$14.9 million and "Interest and Other Costs" of \$0.1 million. These fees were associated with issuing the bond anticipation notes used to fund school construction projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

The net change in fund balance was \$(14.6) million for the fiscal year ended June 30, 2022. This decrease was due to costs incurred for school construction projects that were not bonded for in the current fiscal year.

Proprietary Funds

The Proprietary Funds consist of the Sewer Fund, the Non-Major Programs and the Internal Service Funds. Total operating revenues were \$69.7 million. The major sources of revenue consists of "Charges for Usage and Service" of \$62.0 million, "Intergovernmental" of \$6.3 million and "Miscellaneous" revenue of \$1.4 million. Total operating expenses for the year ending June 30, 2022, for the Proprietary Funds were \$68.6 million. Expenses were comprised of "Health Care Management" of \$26.2 million, the "Contract Payments" of \$18.0 million for sewer privatization, "Operation" expense of \$6.7 million. "Personnel" cost of \$0.5 million, "Claims" of \$13.7 million and \$3.5 million of "Depreciation" expense. Net Non-Operating Expense for the year ending June 30, 2022 was \$0.1 million. The Proprietary Funds ended fiscal year 2022 with \$1.0 million more in revenues than expenses.

Total Net Position was \$68.7 million at June 30, 2022, of that "Net Investment in Capital Assets" was \$51.2 million, "Restricted for Debt Service" of \$0.4 million and \$17.1 million was "Unrestricted". Total Net Position as of June 30, 2022 increased \$1.0 million or 1.4% from \$67.7 million at June 30, 2021, as restated, to \$68.7 million at June 30, 2022.

Analysis of Significant Budget Variations in the General Fund

For the fiscal year ended June 30, 2022, the General Fund Revenues were over budget projections by \$1.0 million or 0.3%. General Fund expenditures were over budget by \$0.7 million or 0.2%. This resulted in a \$0.3 million surplus for the General Fund.

Significant revenue variances include:

- General Property Taxes – Favorable variance of \$0.7 million due to the implementation of a new software system that allows taxpayers to pay via the internet as either an ACH or credit card payment during the COVID-19 pandemic and the State's garnishment program of income tax refunds for outstanding motor vehicle taxes.
- Charges for Services – A net favorable variance of \$1.6 million resulting from increased real estate revenues due to historically low interest rates.
- Intergovernmental – An unfavorable variance of \$1.1 million due to the failure to receive anticipated federal grants.

Most of the departments within the City had minimal surpluses/deficits with regard to their expense budgets. The two exceptions to that were the city clerk department and the fire department. They had a \$0.5 million and a \$0.5 million unfavorable variance, respectively. The city clerk department over expenditures were in direct correlation to increased revenues received for real estate transactions as a portion of the revenues collected are remitted to the state. The fire departments over expenditures were due to costs associated with administering COVID-19 vaccines to the public in addition to multiple unanticipated retirements arising during the COVID-19 pandemic. The City was able to offset these deficits with the additional revenues resulting in a \$0.3 million surplus for the fiscal year that ended June 30, 2022.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

The City of Cranston's investment in capital assets for its governmental and business-type activities as of June 30, 2022, and 2021, amounted to \$111.6 and \$107.5 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, motor vehicles, machinery and equipment and office furniture and equipment, and infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

Capital Assets (Continued)

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

Capital Assets at Year End
(In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Land.....	\$ 15.4	\$ 15.4	\$ 0.3	\$ 0.3	\$ 15.7	\$ 15.7
Construction in progress.....	26.4	4.3	0.6	0.1	27.0	4.4
Land improvements.....	57.1	52.7	0.6	0.6	57.7	53.3
Buildings.....	129.4	128.6	1.2	2.0	130.6	130.6
Motor vehicles.....	28.0	26.9	0.1	0.1	28.1	27.0
Equipment.....	22.1	21.0	1.9	1.9	24.0	22.9
Infrastructure.....	87.3	87.4			87.3	87.4
Leasehold improvements.....			0.1		0.1	
Sewer lines.....			52.5	52.3	52.5	52.3
Treatment and pumping plant.....			105.0	105.0	105.0	105.0
Total assets	365.7	336.3	162.3	162.3	528.0	498.6
Less: accumulated depreciation	<u>(197.6)</u>	<u>(188.5)</u>	<u>(96.2)</u>	<u>(93.6)</u>	<u>(293.8)</u>	<u>(282.1)</u>
Net capital assets	\$ 168.1	\$ 147.8	\$ 66.1	\$ 68.7	\$ 234.2	\$ 216.5

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, were \$528.0 million less accumulated depreciation of \$293.8 million for a net investment in capital assets of \$234.2 million.

Governmental Activities:

Major capital asset additions during the fiscal year ended June 30, 2022 included the following:

- \$15.0 million in school construction and renovations
- \$0.3 million in public building upgrades
- \$3.2 million for road repayment, storm drain repairs and equipment upgrades
- \$0.6 million for storm drain improvements

Business-Type Activities:

Major capital asset additions during the fiscal year ended June 30, 2022, included the following:

- \$0.2 million of machinery and equipment
- \$0.5 million of project in process for the sewer treatment plant

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022

Long-Term Liabilities

As of June 30, 2022, the governmental activities had total long-term obligations of \$501.6 million. Of that, \$326.6 million was pension related debt, \$51.7 million was for post-retirement health benefits \$14.6 million of compensated absences and \$100.9 million related to bonded debt guaranteed by the City's assets. Based on an actuarial valuation completed as of July 1, 2022, for governmental activities, the net pension liability for unpaid pension contributions decreased by \$69.0 million from \$396.5 million at June 30, 2021, to \$326.6 million at June 30, 2022. The net other post-employment benefit (OPEB) liability for governmental activities decreased \$1.7 million from \$53.4 million at June 30, 2021, to \$51.7 million at June 30, 2022. Additional information can be found in Note III. E. 1.

The business-type activities had total long-term obligations of \$14.9 million. The total \$14.9 million related to State Revolving Loans (SRF) from Rhode Island Infrastructure Bank (these funds are available for projects related to clean water). Additional information can be found in Note III. E. 1.

Debt Outstanding

For the year ending June 30, 2022, the City had \$100.9 million in debt (bonds, notes, etc.) outstanding as compared to \$100.5 million as of June 30, 2021, a net increase of \$0.4 million or 0.4% (considering debt issuances and retirements). The key factors for this increase were the issuance of \$9.6 million in general obligation bonds and bond premiums offset by retirements and amortization of bond premiums of \$9.2 million of outstanding debt.

For the year ending June 30, 2022, the Business-Type Activities had \$14.9 million in debt (bonds, notes, etc.) outstanding as compared to \$16.0 million at June 30, 2021, a net decrease of \$1.1 million or 6.9% (considering debt retirements). The key factor for this decrease was principal repayments of \$1.1 million.

Outstanding Debt, at June 30
(In Millions)

	<u>2022</u>	<u>2021</u>
<i>Governmental:</i>		
General obligation bonds	\$ 90.7	\$90.1
Capital lease.....	<u>2.0</u>	<u>2.9</u>
<i>Subtotal</i>	<u>92.7</u>	<u>93.0</u>
<i>Business-type:</i>		
Sewer revolving loans.....	<u>14.9</u>	<u>16.0</u>
<i>Subtotal</i>	<u>14.9</u>	<u>16.0</u>
<i>Total</i>	<u>\$ 107.6</u>	<u>\$ 109.0</u>

Principal payments of \$7.4 million and \$1.1 million were made in the governmental and business-type activities, respectively, during fiscal year 2022.

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt that would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the City subject to the 3% debt limit. The current 3% debt limit of the City is \$275.3 million based on taxable property as of December 31, 2020, of approximately \$9.2 billion. On June 30, 2022, the City had \$99.0 million of debt outstanding that is outside the 3% debt limit.

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

The City’s bond ratings are as follows:

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

Economic Factors and Next Year’s Budget and Rates

- As noted previously, the Fiscal Year 2023 operating budget was passed by a majority vote of the City Council. Property tax collections were assumed to be collected at 98.9% of the current levy.
- The City budgeted approximately \$20.7 million for Police and Fire Pension Fund contributions and \$4.8 million for Other Post-Employment Benefits (OPEB).

•
Unemployment Statistics

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

	<u>Annualized</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City of Cranston.....	10.2%	9.4%	7.5%	5.9%	5.0%	4.3%	4.0%	3.4%	9.5%	5.7%
State of Rhode Island.....	10.2	9.5	7.8	6.0	5.2	4.5	4.1	3.6	9.2	5.7
United States.....	8.1	7.4	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.4

Source: Rhode Island Department of Labor and Training.

Request for Information

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

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

Basic Financial Statements

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT A (1 OF 2)

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 114,112,497	\$ 21,169,171	\$ 135,281,668
Receivables:			
Property taxes	5,407,407	--	5,407,407
Sewer assessments and user fees, net	--	669,414	669,414
Intergovernmental	4,167,755	4,166,275	8,334,030
Loans	2,198,096	--	2,198,096
Other	2,344,543	3,230	2,347,773
Prepays	209,761	--	209,761
Advance deposits - hospitalization	4,086,138	--	4,086,138
Inventory	--	46,234	46,234
Lease receivable, current portion	37,983	--	37,983
Other assets	3,792	--	3,792
Internal balances	<u>(2,594,106)</u>	<u>2,594,106</u>	<u>--</u>
Total Current Assets	<u>129,973,866</u>	<u>28,648,430</u>	<u>158,622,296</u>
Noncurrent Assets			
Advance deposits - hospitalization	853,000	--	853,000
Net pension asset	56,434,958	--	56,434,958
Lease receivable, not of current portion	625,793	--	625,793
Lease asset	7,573,307	--	7,573,307
Restricted cash - debt service reserve	--	1,258,294	1,258,294
Held in escrow	<u>--</u>	<u>354,100</u>	<u>354,100</u>
Total	<u>65,487,058</u>	<u>1,612,394</u>	<u>67,099,452</u>
Capital Assets			
Nondepreciable:			
Land	15,375,557	342,712	15,718,269
Construction in progress	26,371,116	631,068	27,002,184
Depreciable (net of accumulated depreciation):			
Land improvements	34,403,678	321,215	34,724,893
Buildings and leasehold improvements	72,623,376	680,576	73,303,952
Sewer service to customers	--	121,228	121,228
Treatment and pumping plant	--	47,069,196	47,069,196
Vehicles	5,180,430	49,079	5,229,509
Machinery, equipment and furniture	4,148,445	806,425	4,954,870
Infrastructure	<u>10,028,443</u>	<u>16,076,941</u>	<u>26,105,384</u>
Total Net Capital Assets	<u>168,131,045</u>	<u>66,098,440</u>	<u>234,229,485</u>
Total Noncurrent Assets	<u>233,618,103</u>	<u>67,710,834</u>	<u>301,328,937</u>
Total Assets	<u>363,591,969</u>	<u>96,359,264</u>	<u>459,951,233</u>
Deferred Outflows of Resources			
Deferred charge on refunding	118,104	--	118,104
Deferred outflows of resources related to OPEB	10,529,978	--	10,529,978
Deferred outflows of resources related to pensions	<u>55,403,912</u>	<u>--</u>	<u>55,403,912</u>
	<u>66,051,994</u>	<u>--</u>	<u>66,051,994</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 429,643,963</u>	<u>\$ 96,359,264</u>	<u>\$ 526,003,227</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT A (2 OF 2)

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 11,008,522	\$ 5,503,648	\$ 16,512,170
Accrued liabilities	470,463	--	470,463
Accrued payroll	1,897,102	5,930	1,903,032
Compensated absences	1,461,143	5,639	1,466,782
Accrued interest payable	1,307,597	150,471	1,458,068
Retainage payable	922,652	--	922,652
Unearned revenue	29,600,866	47,865	29,648,731
Claims payable	1,328,537	--	1,328,537
Bond anticipation note payable	51,430,000	--	51,430,000
Long-term liabilities due within one year	<u>10,534,528</u>	<u>1,169,000</u>	<u>11,703,528</u>
Total Current Liabilities	<u>109,961,410</u>	<u>6,882,553</u>	<u>116,843,963</u>
Noncurrent Liabilities			
Net pension liability	326,557,637	--	326,557,637
Net OPEB liability	51,653,651	--	51,653,651
Long-term liabilities due in more than one year	<u>111,388,682</u>	<u>13,695,000</u>	<u>125,083,682</u>
Total Noncurrent Liabilities	<u>489,599,970</u>	<u>13,695,000</u>	<u>503,294,970</u>
Total Liabilities	<u>599,561,380</u>	<u>20,577,553</u>	<u>620,138,933</u>
Deferred Inflows of Resources			
Advance tax collections	12,781,920	--	12,781,920
Deferred sewer lease arrangement	--	1,603,444	1,603,444
Lease related	654,220	--	654,220
Deferred inflows of resources related to OPEB	8,350,749	--	8,350,749
Deferred inflows of resources related to pensions	<u>101,686,797</u>	--	<u>101,686,797</u>
	<u>123,473,686</u>	<u>1,603,444</u>	<u>125,077,130</u>
Total Liabilities and Deferred Inflows of Resources	<u>723,035,066</u>	<u>22,180,997</u>	<u>745,216,063</u>
Net Position			
Net investment in capital assets	60,373,561	51,212,580	111,586,141
Restricted for:			
Debt Service	--	354,100	354,100
Unrestricted	<u>(353,764,664)</u>	<u>22,611,587</u>	<u>(331,153,077)</u>
Total Net Position	<u>\$ (293,391,103)</u>	<u>\$ 74,178,267</u>	<u>\$ (219,212,836)</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 13,639,378	\$ 22,098,968	\$ 13,397,773	\$ --	\$ 21,857,363	\$ --	\$ 21,857,363
Public safety	74,887,153	5,223,357	1,399,370	92,089	(68,172,337)	--	(68,172,337)
Public works	18,859,206	1,455,438	--	--	(17,403,768)	--	(17,403,768)
Education	217,789,862	28,455,113	104,585,963	--	(84,748,786)	--	(84,748,786)
Parks and recreation	3,286,376	376,438	--	--	(2,909,938)	--	(2,909,938)
Public libraries	4,056,278	41,500	685,487	--	(3,329,291)	--	(3,329,291)
Senior services	3,188,806	1,229,636	--	--	(1,959,170)	--	(1,959,170)
Community development	1,416,617	--	2,904,066	--	1,487,449	--	1,487,449
Interest expense	3,582,444	--	--	--	(3,582,444)	--	(3,582,444)
Total Governmental Activities	<u>340,706,120</u>	<u>58,880,450</u>	<u>122,972,659</u>	<u>92,089</u>	<u>(158,760,922)</u>	<u>--</u>	<u>(158,760,922)</u>
Business-Type Activities							
Sewer fund	22,340,727	22,365,955	--	--	--	25,228	25,228
Non-major funds	<u>6,340,572</u>	<u>918,333</u>	<u>6,113,592</u>	<u>--</u>	<u>--</u>	<u>691,353</u>	<u>691,353</u>
Total Business-Type Activities	<u>28,681,299</u>	<u>23,284,288</u>	<u>6,113,592</u>	<u>--</u>	<u>--</u>	<u>716,581</u>	<u>716,581</u>
Totals	<u>\$ 369,387,419</u>	<u>\$ 82,164,738</u>	<u>\$ 129,086,251</u>	<u>\$ 92,089</u>	<u>(158,760,922)</u>	<u>716,581</u>	<u>(158,044,341)</u>
		General Revenues					
					199,285,734	--	199,285,734
					7,871,661	214,445	8,086,106
					3,526,815	451,500	3,978,315
					<u>426,420</u>	<u>395,636</u>	<u>822,056</u>
					<u>211,110,630</u>	<u>1,061,581</u>	<u>212,172,211</u>
					52,349,708	1,778,162	54,127,870
					<u>(345,740,811)</u>	<u>72,400,105</u>	<u>(273,340,706)</u>
					<u>\$ (293,391,103)</u>	<u>\$ 74,178,267</u>	<u>\$ (219,212,836)</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT C (1 OF 2)

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	School Unrestricted Fund	School Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 55,345,031	\$ 1,044	\$ 42,495,479	\$ 15,186,587	\$ 113,028,141
Receivables:					
Property taxes, net	3,610,694	--	--	--	3,610,694
Intergovernmental	1,500,225	--	--	2,667,530	4,167,755
Loans	--	--	--	2,198,096	2,198,096
Other	293,565	1,563,117	--	485,390	2,342,072
Security deposits	--	--	--	3,792	3,792
Prepays	--	179,586	--	30,175	209,761
Advance deposits - hospitalization	207,000	--	--	--	207,000
Due from City of Cranston General Fund	--	4,227,736	--	--	4,227,736
Due from other funds	<u>7,475,077</u>	<u>4,812,693</u>	<u>--</u>	<u>295,457</u>	<u>12,583,227</u>
Total Assets	<u>\$ 68,431,592</u>	<u>\$ 10,784,176</u>	<u>\$ 42,495,479</u>	<u>\$ 20,867,027</u>	<u>\$ 142,578,274</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 662,826	\$ 2,823,894	\$ 5,611,692	\$ 1,690,911	\$ 10,789,323
Accrued payroll	1,793,705	--	--	103,397	1,897,102
Accrued liabilities	464,039	--	--	6,424	470,463
Retainage payable	--	--	922,122	530	922,652
Due to other funds	7,649,969	--	39,602	1,979,680	9,669,251
Unearned revenue	26,903,324	--	--	2,697,542	29,600,866
Bond anticipation note payable	<u>--</u>	<u>--</u>	<u>51,430,000</u>	<u>--</u>	<u>51,430,000</u>
Total Liabilities	<u>37,473,863</u>	<u>2,823,894</u>	<u>58,003,416</u>	<u>6,478,484</u>	<u>104,779,657</u>
Deferred Inflows					
Advance tax collections	12,781,920	--	--	--	12,781,920
Unavailable tax revenue	<u>3,254,262</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,254,262</u>
Total Liabilities and Deferred Inflows	<u>53,510,045</u>	<u>2,823,894</u>	<u>58,003,416</u>	<u>6,478,484</u>	<u>120,815,839</u>
Fund Balances					
Nonspendable	207,000	3,429,149	--	--	3,636,149
Restricted	424,890	4,499,002	--	14,405,410	19,329,302
Committed	53,073	32,131	--	30,385	115,589
Unassigned	<u>14,236,584</u>	<u>--</u>	<u>(15,507,937)</u>	<u>(47,252)</u>	<u>(1,318,605)</u>
Total Fund Balances	<u>14,921,547</u>	<u>7,960,282</u>	<u>(15,507,937)</u>	<u>14,388,543</u>	<u>21,762,435</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 68,431,592</u>	<u>\$ 10,784,176</u>	<u>\$ 42,495,479</u>	<u>\$ 20,867,027</u>	<u>\$ 142,578,274</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT C (2 OF 2)

**RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022**

Amounts Reported for Governmental Activities in the Statement of Net Position (Exhibit A) are Different from the Governmental Fund Balance Sheet. The Details of this Difference are as Follows:

Total Fund Balance (Exhibit C, Page 1)	\$ 21,762,435
--	---------------

Capital Assets Used In Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds:

Total capital assets	365,752,042
Accumulated depreciation	(197,620,997)

Other Long-Term Assets are not Available to Pay for Current Period Expenditures and, Therefore, are Deferred in the Funds:

Net pension asset	56,434,958
Lease asset	7,573,307
Lease receivable	663,776
Property tax, interest and lien accrual, (net)	1,796,713
Unearned tax revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position	3,254,263
Deferred charge on refunding	118,104
Deferred outflows of net OPEB liability	10,529,978
Deferred outflows of net pension liability	55,403,912

Internal Service Fund is Used by Management to Charge the Cost of Self-Insurance to Individual Departments:

The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	(5,464,590)
--	-------------

Some Liabilities, Including Bonds Payable, are not Due and Payable in the Current Period and, Therefore, are not Reported in the Funds:

Bonds and notes payable	(98,991,945)
Capital lease	(1,956,118)
Compensated absences	(14,611,433)
Lease liability	(7,760,349)
Unearned salary	(64,508)
Net pension liability	(326,557,637)
Net OPEB liability	(51,653,651)
Deferred inflows of leases	(654,220)
Deferred inflows of net OPEB liability	(8,350,749)
Deferred inflows of net pension liability	(101,686,797)
Accrued interest payable	<u>(1,307,597)</u>

Net Position of Governmental Activities	\$ <u>(293,391,103)</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT D

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>School Department</u>	<u>School Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
General property taxes	\$ 186,332,779	\$ --	\$ --	\$ --	\$ 186,332,779
Intergovernmental	28,879,554	72,476,807	--	13,136,417	114,492,778
American rescue plan act	7,871,661	--	--	--	7,871,661
Elementary and secondary school emergency relief	--	--	--	5,487,393	5,487,393
Charges for services	15,736,245	1,735,121	--	4,552,694	22,024,060
Investment income	252,401	--	--	173,607	426,008
State on-behalf pension contributions	--	9,425,543	--	--	9,425,543
Other	<u>1,051,541</u>	<u>118,663</u>	<u>435,098</u>	<u>1,911,957</u>	<u>3,517,259</u>
Total Revenues	<u>240,124,181</u>	<u>83,756,134</u>	<u>435,098</u>	<u>25,262,068</u>	<u>349,577,481</u>
Expenditures					
Current:					
General government	12,524,325	--	--	363,943	12,888,268
Public safety	91,119,311	--	--	1,753,652	92,872,963
Public works	17,519,318	--	--	--	17,519,318
Education	--	181,410,362	--	18,950,530	200,360,892
Parks and recreation	2,970,953	--	--	--	2,970,953
Public libraries	3,850,155	--	--	123,674	3,973,829
Senior services	3,045,132	--	--	92,165	3,137,297
Community development	--	--	--	1,886,617	1,886,617
Other	194,337	--	--	--	194,337
Debt Service:					
Principal	7,267,000	--	--	--	7,267,000
Interest and other costs	3,678,869	--	113,238	113,433	3,905,540
Capital Outlay:					
Capital expenditures	--	--	14,889,324	4,097,861	18,987,185
Total Expenditures	<u>142,169,400</u>	<u>181,410,362</u>	<u>15,002,562</u>	<u>27,381,875</u>	<u>365,964,199</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>97,954,781</u>	<u>(97,654,228)</u>	<u>(14,567,464)</u>	<u>(2,119,807)</u>	<u>(16,386,718)</u>
Other Financing Sources (Uses)					
Issuance of debt	--	--	--	8,055,000	8,055,000
Bond premium	--	--	--	1,594,421	1,594,421
Right of use asset proceeds	--	57,856	--	--	57,856
Transfers in	--	284,940	--	--	284,940
Transfer from City General Fund	--	97,511,879	--	--	97,511,879
Transfers to School Unrestricted Fund	(97,511,879)	--	--	--	(97,511,879)
Transfers out	--	--	--	(284,940)	(284,940)
Net Other Financing (Uses) Sources	<u>(97,511,879)</u>	<u>97,854,675</u>	<u>--</u>	<u>9,364,481</u>	<u>9,707,277</u>
Net Change in Fund Balances	442,902	200,447	(14,567,464)	7,244,674	(6,679,441)
Fund Balances - July 1, 2021 (As Restated)	<u>14,478,645</u>	<u>7,759,835</u>	<u>(940,473)</u>	<u>7,143,869</u>	<u>28,441,876</u>
Fund Balances - June 30, 2022	<u>\$ 14,921,547</u>	<u>\$ 7,960,282</u>	<u>\$ (15,507,937)</u>	<u>\$ 14,388,543</u>	<u>\$ 21,762,435</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT E (1 OF 2)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit D) \$ (6,679,441)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	29,793,583
Depreciation expense	<u>(9,481,852)</u>

Total	<u>20,311,731</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

Change in unearned tax revenues that are recorded in the funds, but are not deferred under the measurement employed	(345,729)
Increase in property tax interest and lien revenue	<u>(222,537)</u>

Total	<u>(568,266)</u>
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Bonds and capital lease	(9,649,421)
Principal repayments:	
General obligation bonds	7,405,000
Capital lease	<u>953,119</u>

Total	<u>(1,291,302)</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT E (2 OF 2)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds:

Compensated absences and deferred salary	(117,972)
Net pension asset	36,729,558
Net pension liability	70,971,719
Net OPEB obligation	2,034,374
Changes in deferred inflows	(77,218,144)
Changes in deferred outflows	8,518,281
Amortization of deferred charge on refunding	(77,448)
Bond premium amortized	796,050
Lease liability	(187,042)
Accrued interest payable	<u>(55,096)</u>
Total	<u>41,394,280</u>
The net revenue of the activities of the Internal Service Fund is reported with Governmental Activities	<u>(817,294)</u>
Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 52,349,708</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT F (1 OF 2)

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major Fund		Totals	Internal Service Funds
	Sewer	Nonmajor Funds		
Assets				
Current Assets				
Cash and cash equivalents	\$ 18,821,070	\$ 2,348,101	\$ 21,169,171	\$ 1,084,356
Inventory	--	46,234	46,234	--
Receivables:				
Sewer assessments and user fees, net	669,414	--	669,414	--
Other	--	3,230	3,230	2,471
Due from other funds	2,627,628	--	2,627,628	61,313
Intergovernmental	3,770,743	395,532	4,166,275	--
Claims deposits	--	--	--	3,879,138
Total Current Assets	<u>25,888,855</u>	<u>2,793,097</u>	<u>28,681,952</u>	<u>5,027,278</u>
Noncurrent Assets				
Advance deposits - medical	--	--	--	853,000
Restricted cash - debt service reserve	1,258,294	--	1,258,294	--
Held in escrow	<u>354,100</u>	<u>--</u>	<u>354,100</u>	<u>--</u>
Subtotal Noncurrent Assets	1,612,394	--	1,612,394	853,000
Capital Assets				
Capital assets, net of accumulated depreciation	<u>64,541,655</u>	<u>1,556,785</u>	<u>66,098,440</u>	<u>--</u>
Total Noncurrent Assets	<u>66,154,049</u>	<u>1,556,785</u>	<u>67,710,834</u>	<u>853,000</u>
Total Assets	<u>\$92,042,904</u>	<u>\$ 4,349,882</u>	<u>\$96,392,786</u>	<u>\$ 5,880,278</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT F (2 OF 2)

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major Fund		Totals	Internal Service Funds
	Sewer	Nonmajor Funds		
Liabilities				
Current Liabilities				
Accounts payable	\$ 5,048,709	\$ 454,939	\$ 5,503,648	\$ 213,243
Accrued payroll	5,930	--	5,930	--
Compensated absences	--	5,639	5,639	--
Accrued interest	150,471	--	150,471	--
Due to other funds	--	33,522	33,522	9,797,131
Claims payable	--	--	--	1,334,494
Unearned revenue	--	47,865	47,865	--
Long-term liabilities due within one year	<u>1,169,000</u>	<u>--</u>	<u>1,169,000</u>	<u>--</u>
Total Current Liabilities	<u>6,374,110</u>	<u>541,965</u>	<u>6,916,075</u>	<u>11,344,868</u>
Noncurrent Liabilities				
Long-term liabilities due in more than one year	<u>13,695,000</u>	<u>--</u>	<u>13,695,000</u>	<u>--</u>
Total Noncurrent Liabilities	<u>13,695,000</u>	<u>--</u>	<u>13,695,000</u>	<u>--</u>
Total Liabilities	<u>20,069,110</u>	<u>541,965</u>	<u>20,611,075</u>	<u>11,344,868</u>
Deferred Inflows of Resources				
Deferred sewer lease arrangement	<u>1,603,444</u>	<u>--</u>	<u>1,603,444</u>	<u>--</u>
	1,603,444	--	1,603,444	--
Total Liabilities and Deferred Inflow of Resources	<u>21,672,554</u>	<u>541,965</u>	<u>22,214,519</u>	<u>11,344,868</u>
Net Position				
Net Investment in capital assets	49,677,655	1,534,925	51,212,580	--
Restricted:				
Debt service	354,100	--	354,100	--
Unrestricted (deficit)	<u>20,338,595</u>	<u>2,272,992</u>	<u>22,611,587</u>	<u>(5,464,590)</u>
Total Net Position	<u>\$ 70,370,350</u>	<u>\$ 3,807,917</u>	<u>\$ 74,178,267</u>	<u>\$ (5,464,590)</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT G

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major Fund		Totals	Internal Service Funds
	Sewer	Nonmajor Funds		
Operating Revenues				
Charges for usage and service	\$ 21,085,963	\$ 889,201	\$ 21,975,164	\$ 39,524,654
American rescue plan act	--	214,445	214,445	--
Intergovernmental	--	6,113,592	6,113,592	--
Miscellaneous	<u>1,279,992</u>	<u>29,132</u>	<u>1,309,124</u>	<u>79,214</u>
Total Operating Revenues	<u>22,365,955</u>	<u>7,246,370</u>	<u>29,612,325</u>	<u>39,603,868</u>
Operating Expenses				
Operations	1,022,325	5,831,666	6,853,991	577,128
Personnel	201,020	288,174	489,194	--
Claims	--	--	--	13,663,442
Contract payments	18,016,632	--	18,016,632	--
Health care management	--	--	--	26,181,004
Depreciation	<u>2,642,769</u>	<u>220,732</u>	<u>2,863,501</u>	<u>--</u>
Total Operating Expenses	<u>21,882,746</u>	<u>6,340,572</u>	<u>28,223,318</u>	<u>40,421,574</u>
Operating Income	<u>483,209</u>	<u>905,798</u>	<u>1,389,007</u>	<u>(817,706)</u>
Nonoperating Revenues (Expenses)				
Interest expense	(457,981)	--	(457,981)	--
Gain on sale of asset	--	451,500	451,500	--
Investment income	<u>395,377</u>	<u>259</u>	<u>395,636</u>	<u>413</u>
Total Nonoperating Revenues (Expenses)	<u>(62,604)</u>	<u>451,759</u>	<u>389,155</u>	<u>413</u>
Change in Net Position	420,605	1,357,557	1,778,162	(817,293)
Net Position - July 1, 2021 (As Restated)	<u>69,949,745</u>	<u>2,450,360</u>	<u>72,400,105</u>	<u>(4,647,297)</u>
Net Position - June 30, 2022	<u>\$ 70,370,350</u>	<u>\$ 3,807,917</u>	<u>\$ 74,178,267</u>	<u>\$ (5,464,590)</u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT H

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Governmental Activities
	Major Fund	Nonmajor Funds	Totals	Internal Service Funds
	Sewer			
Cash Flows from Operating Activities				
Cash received from customers	\$ 18,980,171	\$ 7,014,981	\$ 25,995,152	\$ 39,545,655
Cash paid to suppliers	(18,016,632)	(575,296)	(18,591,928)	--
Cash paid to employees	(198,144)	(287,644)	(485,788)	--
Cash paid for claims	--	--	--	(39,718,953)
Cash paid for other operating expenses	763,223	(5,229,295)	(4,466,072)	(476,016)
Net Cash Provided by (Used in) Operating Activities	1,528,618	922,746	2,451,364	(649,314)
Cash Flows from NonCapital Financing Activities				
Non-operating grant	21,900	214,445	236,345	--
Advances from interfund loans	(2,998,396)	(79,247)	(3,077,643)	747,199
Net Cash (Used in) Provided by NonCapital Financing Activities	(2,976,496)	135,198	(2,841,298)	747,199
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(666,716)	796,079	129,363	--
Principal paid on bonds	(1,146,999)	--	(1,146,999)	--
Interest paid on bonds	(466,052)	--	(466,052)	--
Net Cash Used in Capital and Related Financing Activities	(2,279,767)	796,079	(1,483,688)	--
Cash Flows from Investing Activities				
Income from investments	395,377	260	395,637	412
Net Cash Provided by Investing Activities	395,377	260	395,637	412
Net (Decrease) Increase in Cash	(3,332,268)	1,854,283	(1,477,985)	98,297
Cash - July 1, 2021 (Including Restricted Cash)	23,411,632	493,818	23,905,450	986,059
Cash - June 30, 2022 (Including Restricted Cash)	\$ 20,079,364	\$ 2,348,101	\$ 22,427,465	\$ 1,084,356
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 483,209	\$ 905,798	\$ 1,389,007	\$ (817,706)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	2,642,769	220,732	2,863,501	--
(Increase) decrease in accounts receivable	(82,252)	(3,230)	(85,482)	3,101
Decrease in claims deposit	--	--	--	224,856
Decrease in inventory	--	15,604	15,604	--
(Increase) decrease in intergovernmental receivables	(1,334,478)	(206,528)	(1,541,006)	--
Increase in accounts payable	1,785,548	11,471	1,797,019	(90,872)
Increase in accrued payroll	2,876	--	2,876	--
Increase (decrease) in prepaid assessments	(49,054)	530	(48,524)	--
Decrease in claims payable	--	--	--	31,307
(Decrease) increase in unearned revenue	(1,920,000)	(21,631)	(1,941,631)	--
Net Cash Provided by (Used in) Operating Activities	\$ 1,528,618	\$ 922,746	\$ 2,451,364	\$ (649,314)
Cash and Cash Equivalents as reported in the Statement of Net Position consistent of:				
Cash and cash equivalents	\$ 18,821,070	\$ 2,348,101	\$ 21,169,171	\$ 1,084,356
Restricted cash - debt service reserve	1,258,294	--	1,258,294	--
Total Cash and Cash Equivalents	\$ 20,079,364	\$ 2,348,101	\$ 22,427,465	\$ 1,084,356

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT I

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	Pension and Other Employee Benefit Trust Fund	Private Purpose Trust Fund	Custodial Funds
Assets			
Cash and cash equivalents	\$ 7,241,727	\$ 120,484	\$ 431,638
Investments:			
Real Estate Investment Trust	222,399	--	--
U.S. Government Agencies	8,148,774	--	--
Pooled Equity Index Funds	842,305	--	--
Pooled Fixed Income Index Funds	675,377	--	--
International Equity Mutual Funds	--	--	--
U.S. Equity Mutual Funds	47,614,597	--	--
Fixed Income Mutual Funds	14,588,646	--	--
Total Investments	72,092,098	--	--
Total Assets	79,333,825	120,484	431,638
Liabilities			
Accounts payable	673,057	--	--
Total Liabilities	673,057	--	--
Net Position			
Restricted for Pensions	69,572,808	--	--
Restricted for OPEB	9,087,960	--	--
Restricted for Other Purposes	--	120,484	431,638
Total Restricted Net Position	\$ 78,660,768	\$ 120,484	\$ 431,638

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT J

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Pension and Other Employee Benefit Trust Fund	Private Purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ 26,044,999	\$ --	\$ --
Plan member contributions	1,017,351	6,473	--
Other	<u>49,528</u>	<u>--</u>	<u>--</u>
Total Contributions	<u>27,111,878</u>	<u>6,473</u>	<u>--</u>
Investment Income:			
Interest and dividends	<u>1,434,516</u>	<u>42</u>	<u>309</u>
Total Investment Income	<u>1,434,516</u>	<u>42</u>	<u>309</u>
Total Additions	<u>28,546,394</u>	<u>6,515</u>	<u>309</u>
Deductions			
Benefits	30,426,623	3,450	--
Net depreciation in the fair value of investments	10,858,946	--	--
Administrative expenses	<u>264,672</u>	<u>--</u>	<u>--</u>
Total Deductions	<u>41,550,241</u>	<u>3,450</u>	<u>--</u>
Change in Net Position	(13,003,847)	3,065	309
Net Position Held in Trust for Pensions, and OPEB Benefits and Other Purposes- July 1, 2021	<u>91,664,615</u>	<u>117,419</u>	<u>431,329</u>
Net Position Held in Trust for Pensions, and OPEB Benefits and Other Purposes- June 30, 2022	<u>\$ 78,660,768</u>	<u>\$ 120,484</u>	<u>\$ 431,638</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

HISTORY AND ORGANIZATION

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***A – REPORTING ENTITY***

The City of Cranston, Rhode Island, is a municipal corporation governed by an elected mayor and City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable under Governmental Accounting Standard 61. As of June 30, 2022, there are no component units.

B – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***B – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

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

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund, custodial fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

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

The *School Bond Fund* accounts for the construction and improvements to school buildings, and for the acquisition of equipment for the Cranston School Department.

The City reports the following major proprietary funds:

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the City reports the following fund types:

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

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

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

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

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

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

The *Custodial Funds* account for amounts held for unclaimed estates in probate court and amounts held for performance bonds provided by developers using the economic resources measurement focus.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer department enterprise fund and of the City's internal service funds are charges to customers for sales and services. The sewer department also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Recently Issued Accounting Standards

During the fiscal year ended June 30, 2022, the City of Cranston, Rhode Island 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 adoption of GASB 87 resulted in the restatement as described in Note IV J. The adoption of the remaining statements did not have an impact on the City's financial position or results of operations.

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.
- 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)****Recently Issued Accounting Standards (Continued)**

- 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.

D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**1 - Deposits and Investments**

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

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

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

Investments for the City are reported at fair value.

2 - Receivables and Payables**Interfunds**

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*****2 - Receivables and Payables (Continued)****Property Taxes and Other Receivables**

In the government-wide financial statements, all trade, property tax, and sewer use amounts are shown net of an allowance for uncollectibles. Allowance percentages range from 10 to 100% of outstanding receivable balances at June 30, 2022 and are calculated based upon prior collection history.

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

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

3 - Inventories and Prepaid Items

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

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

4 - Restricted Assets

The restricted assets for the City are restricted for debt reserve requirements, building improvements and minor maintenance costs.

5 - Capital Assets

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

5 - Capital Assets (Continued)

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

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

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

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

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. As of June 30, 2022, there were no impairment losses recognized for long-lived assets.

6 - Compensated Absences

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

7 - Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS), Teachers' Survivors Benefit plan (TSB), and the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from ERS, TSB and MERS' fiduciary net position have been determined on the same basis as they are reported by ERS, TSB and MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)**8 - Net Pension Liability**

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

9 - Net OPEB Liability

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

10 – Custodial Funds

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

Unclaimed Estates in Probate – This fund accounts for unclaimed estates that are currently in probate.

Performance Bonds – This fund accounts for deposits received by the City to ensure certain work is completed by various developers. Once the work has been completed to the satisfaction of the Planning Department, the refunds are returned to the developers.

11 - Long-Term Obligations (Continued)

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*****11 - Long-Term Obligations (Continued)**

issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12 - Deferred Outflows

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

13 - Deferred Inflows of Resources

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)**14 - Fund Balance and Net Position***Net Position*

- Net position is classified in the following categories in the government-wide and proprietary fund financial statements:
- Net investment in capital assets - consists of all capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable by the acquisition, construction, or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance

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

- Nonspendable Fund Balance - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The highest level of decision-making authority for the City of Cranston is the City Council which can commit fund balance through the adoption of resolutions. Similar action must be taken to remove or revise commitments.
- Assigned Fund Balance - includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee)

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*****14 - Fund Balance and Net Position (Continued)**

or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

- Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund, and any residual deficit balance of any other governmental funds.

Stabilization Arrangements

Budget Stabilization Fund - this fund shall be created, into which the City shall transfer such funds as are available to provide for capital expenditures and other one-time expenditures. The fund was established by a City ordinance. Any such transfer shall not create an operating deficit in the General Fund. Any expenditure from or transfer to this fund must first be approved by the City Council. As of June 30, 2022, the remaining fund balance included in this fund was \$48,268 and is reported in the totals of the City's general fund on the governmental funds balance sheet within the committed fund balance.

- Healthcare Budget Stabilization Fund - this fund shall be created, into which the excess of revenues from the various city departments over actual health care claims and related expenses shall be transferred. The fund was established by a City ordinance. Any additions are considered to be approved by the original City ordinance. Any such transfer shall not create an operating deficit in the General Fund. In the event that health care claims and related expenses exceed the budgeted appropriation, then funds may be transferred from the health care budget stabilization fund to cover the deficit. Any expenditure or transfer from this fund must first be approved by the City Council. As of June 30, 2022, the remaining fund balance included in this fund was \$53,073 and is reported in the totals of the City's General Fund on the governmental funds balance sheet within the committed fund balance.

15 - Estimates

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***D – ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*****16 – Leases***Lessee*

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***A – BUDGETS AND BUDGETARY ACCOUNTING***

It is the responsibility of the Mayor, with the cooperation of the Director of Finance, to submit a proposed budget for the following fiscal year to the City Council not later than the first day of April of each year. The City Council acts on the budget no later than the 15th day of May. Public hearings are conducted on the recommended budget and the final recommended budget is legally

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A – BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

enacted through an ordinance at the Financial City Council Meeting. Budget appropriations lapse at the end of the fiscal year, with the exception of capital project funds.

The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed appropriations) is fixed by resolution as part of the annual budget adoption process at the Financial City Council Meeting. Although the resolution prohibits spending in excess of the authorized budget, it does allow management the right to create intradepartmental transfers at any time during the fiscal year. Interdepartmental transfers and supplemental appropriations are restricted to the fourth quarter and must be approved by the City Council in the form of an ordinance. Interdepartmental transfers reallocate surplus funds from one department to another. Supplemental appropriations increase or decrease both revenue appropriation and expenditure appropriation by an equal amount. During the fiscal year ended June 30, 2022 there were no changes in appropriations.

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

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

B – CAPITAL PROJECTS AUTHORIZATIONS

The following is a summary of projects recorded in the Capital Projects Fund at June 30, 2022:

Project Name	Bond Project Authorization	Remaining Authority	Current Year Expenditures	Cumulative Expenditures	Net Cash Balance Available for Projects June 30, 2022
Governmental Funds:					
School bond fund	\$ 157,985,000	\$ 97,181,228	\$ 15,002,607	\$ 89,569,880	\$ 36,844,185
Police and fire bond fund	32,814,250	15,014,928	53,387	16,211,648	1,534,257
Public building bond fund	6,000,000	5,331,772	251,717	(76,794)	493,305
Recreation bond fund	8,258,766	455,696	53,184	5,808,528	1,941,358
Highway bond fund	29,354,560	6,022,560	3,165,935	18,289,873	1,876,192
Storm drains bond fund	6,000,000	2,631,982	631,796	2,322,523	413,699
Library bond fund	2,076,802	1,170,000	15,890	854,203	36,709
Neighborhood infrastructure fund	3,981,919	298,777	18,941	3,509,894	154,307
Open space bond fund	7,000,000	4,508,910	20,776	2,451,599	18,715
Enterprise Funds:					
Sewer system project	8,500,000	4,500,000	--	4,000,000	--

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B – CAPITAL PROJECTS AUTHORIZATIONS (CONTINUED)

Expenditures in excess of project authorization were covered within the City’s capital or restricted budget for year ended June 30, 2022. Deficits in the capital projects fund will be covered through a bond issuance in the next fiscal year

C – DEFICIT FUND BALANCE

During the year ended June 30, 2022, the City had a deficit fund balance in the following funds:

<u>Major Governmental Funds</u>	
School Bond Fund	\$ (15,507,937)
 <u>Non-Major Governmental Funds</u>	
WIOA Job Development Fund	\$ (47,252)
 <u>Internal Service Funds</u>	
City Internal Service Fund	\$ (6,949,636)

The major fund deficient will be eliminated from future bond proceeds. The nonmajor fund deficit will be eliminated through future intergovernmental grant receipts, new bond issuances or inter-fund contributions. The internal service fund deficit will be eliminated through a contribution to the fund from the General Fund in the 2022-23 fiscal period.

III. DETAILED NOTES

A – CASH AND INVESTMENTS

1 - Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposit policy for custodial credit risk requires that deposits be placed in financial institutions that are Federal Deposit Insurance Corporation (FDIC) insured up to \$250,000 and rated “well capitalized” on the institution’s most recent audited financial statements/SEC filings, if deposits exceed \$250,000. As of June 30, 2022, the City’s bank balance of \$68,207,808 was insured and collateralized as follows:

Insured	\$ 12,936,616
Collateralized	
Collateral held by Pledging Banks' Trust Department, not in the City's name	<u>55,271,192</u>
 Total Amount Subject to Custodial Risk	 <u>\$ 68,207,808</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

A – CASH AND INVESTMENTS (CONTINUED)

The City's carrying value of cash and cash equivalents included in pension funds and not available to the City at June 30, 2022 was \$143,075,517, and is presented within the following in the financial statements:

Governmental Activities	\$ 113,028,141
Business-Type Activities	21,169,171
Pension Trust Funds	5,801,979
OPEB Trust Funds	1,439,748
Internal Service Funds	1,084,356
Private Purpose Trust Funds	120,484
Custodial Funds	<u>431,638</u>
 Total	 <u><u>\$ 143,075,517</u></u>

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

At June 30, 2022, the City's investments, all of which are in the City's Pension Trust Funds, (including restricted investments) consisted of the following:

Type of Investment	Fair Value	Maturity		
		N/A	Less Than 1	1-5 Years
Equity Mutual Funds	\$ 47,614,598	\$ 47,614,598	\$ --	\$ --
Fixed Income Mutual Funds	13,342,042	--	13,342,042	--
Other Exchange Traded Products	1,370,759	1,370,759	--	--
U.S. Government Agencies	8,148,774	--	4,927,793	3,220,981
Pooled Equity Index Funds	842,304	842,304	--	--
Pooled Fixed Income Index Funds	675,377	--	675,377	--
Real Estate Investment Trusts	<u>98,244</u>	<u>98,244</u>	<u>--</u>	<u>--</u>
 Total	 <u><u>\$ 72,092,098</u></u>	 <u><u>\$ 49,925,905</u></u>	 <u><u>\$ 18,945,212</u></u>	 <u><u>\$ 3,220,981</u></u>

- 3 - Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. These investments do not specify an interest rate rather the rate of return is dependent on operating results and economic conditions. These investments are not rated by Standard & Poor's as of June 30, 2022.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

III. DETAILED NOTES (CONTINUED)

A – CASH AND INVESTMENTS (CONTINUED)

At June 30, 2022, the City's investments totaled \$72,092,098 (held in Fiduciary Funds) and none of those investment options represented 5% or more of the total investment balance.

- 4 - Credit Risk - The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Rhode Island or political subdivision.
- 5 - Custodial Credit Risk - The pension and OPEB trusts do not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the pension and OPEB trusts will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not believe that it has a significant custodial credit risk as all the investments are registered and held in the name of the pension and OPEB trusts.
- 6 - Fair Value of Financial Instruments - Fair value is defined as the amount at which an asset could be exchanged between knowledgeable and willing parties. GASB 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available, of how the market would price the asset or liability. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

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

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

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

A – CASH AND INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in valuation methodology used at 2022.

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Fair Value
June 30, 2022:			
Equity Mutual Funds	\$ 47,614,598	\$ --	\$ 47,614,598
Fixed Income Mutual Funds	13,342,042	--	13,342,042
Other Exchange Traded Products	1,370,759	--	1,370,759
U.S. Government Agencies	--	8,148,774	8,148,774
Pooled Equity Index Funds	--	842,304	842,304
Pooled Fixed Income Index Funds	--	675,377	675,377
Real Estate Investment Trusts	--	98,244	98,244
	<u>\$ 62,327,399</u>	<u>\$ 9,764,699</u>	<u>\$ 72,092,098</u>
Investments at Fair Value			

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

B – RECEIVABLES

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

	Property Taxes		
	Taxes	Interest & Liens	Total
Current Portion	\$ 5,210,694	\$ 3,141,714	\$ 8,352,408
Less allowance for uncollectibles	(1,600,000)	(1,345,001)	(2,945,001)
 Total Receivable	 \$ 3,610,694	 \$ 1,796,713	 \$ 5,407,407
	Development CDBG Loans Total		
Loans Receivable	\$ 241,351	\$ 1,956,745	\$ 2,198,096
	Sewer Use Charges		
	Use Charges	Interest & Liens	Total
Current Portion	\$ 678,896	\$ 110,636	\$ 789,532
Less allowance for uncollectibles	(95,000)	(25,118)	(120,118)
 Total Receivable	 \$ 583,896	 \$ 85,518	 \$ 669,414

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the governmental funds were as follows:

Unearned Revenue:	
American rescue plan act	\$ 26,595,287
Grant draw-downs prior to meeting all eligibility requirements	2,697,542
Unearned developer security deposits	308,037
Total unearned revenue	\$ 29,600,866

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021, as Restated	Increases	Decreases	Balance June 30, 2022
<u>Governmental Activities:</u>				
<u>Capital assets, not being depreciated:</u>				
Land	\$ 15,375,557	\$ --	\$ --	\$ 15,375,557
Construction in progress	4,280,726	22,098,890	8,500	26,371,116
Total capital assets, not being depreciated	<u>19,656,283</u>	<u>22,098,890</u>	<u>8,500</u>	<u>41,746,673</u>
<u>Capital assets, being depreciated:</u>				
Land improvements	52,748,514	4,397,138	--	57,145,652
Buildings	128,561,949	820,390	--	129,382,339
Machinery and equipment	13,402,243	1,066,000	4,968	14,463,275
Office furniture and equipment	7,641,277	36,217	--	7,677,494
Vehicles	26,968,275	1,395,990	406,387	27,957,878
Infrastructure	87,378,731	--	--	87,378,731
Total capital assets, being depreciated	<u>316,700,989</u>	<u>7,715,735</u>	<u>411,355</u>	<u>324,005,369</u>
Total capital assets	<u>336,357,272</u>	<u>29,814,625</u>	<u>419,855</u>	<u>365,752,042</u>
<u>Less accumulated depreciation for:</u>				
Land improvements	20,443,373	2,298,601	--	22,741,974
Buildings	54,355,178	2,403,785	--	56,758,963
Machinery and equipment	8,999,551	1,430,636	4,968	10,425,219
Office furniture and equipment	7,484,480	82,625	--	7,567,105
Vehicles	20,612,887	2,558,406	393,845	22,777,448
Infrastructure	76,642,489	707,799	--	77,350,288
Total accumulated depreciation	<u>188,537,958</u>	<u>9,481,852</u>	<u>398,813</u>	<u>197,620,997</u>
Total capital assets, being depreciated, net	<u>128,163,031</u>	<u>(1,766,117)</u>	<u>12,542</u>	<u>126,384,372</u>
Governmental Activities Capital Assets, net	<u>\$ 147,819,314</u>	<u>\$ 20,332,773</u>	<u>\$ 21,042</u>	<u>\$ 168,131,045</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

C - CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2021, as Restated	Increases	Decreases	Balance June 30, 2022
<u>Business-Type Activities:</u>				
<u>Capital assets, not being depreciated:</u>				
Land	\$ 342,712	\$ --	\$ --	\$ 342,712
Construction in progress	125,372	546,936	41,240	631,068
Total capital assets, not being depreciated	<u>468,084</u>	<u>546,936</u>	<u>41,240</u>	<u>973,780</u>
<u>Capital assets, being depreciated/amortized:</u>				
Land improvements	559,281	51,300	--	610,581
Buildings	2,000,336	61,010	827,052	1,234,294
Leasehold improvements	57,538	9,284	--	66,822
Machinery and equipment	1,793,045	140,164	--	1,933,209
Office furniture and equipment	1,124	--	--	1,124
Vehicles	45,838	46,355	--	92,193
Service to customers	217,509	--	--	217,509
Pumping plant and equipment	4,304,308	--	--	4,304,308
GIS project	1,103,834	--	--	1,103,834
Treatment plant and equipment	99,349,350	--	--	99,349,350
Infrastructure	52,278,400	182,433	--	52,460,833
Total capital assets, being depreciated/amortized	<u>161,710,563</u>	<u>490,546</u>	<u>827,052</u>	<u>161,374,057</u>
Total capital assets	<u>162,178,647</u>	<u>1,037,482</u>	<u>868,292</u>	<u>162,347,837</u>
<u>Less accumulated depreciation/amortization for:</u>				
Land improvements	274,136	15,230	--	289,366
Buildings	744,609	17,328	152,947	608,990
Leasehold improvements	8,366	3,184	--	11,550
Machinery and equipment	923,081	203,703	--	1,126,784
Office furniture and equipment	1,124	--	--	1,124
Vehicles	40,148	2,966	--	43,114
Service to customers	92,502	3,779	--	96,281
Pumping plant and equipment	2,534,007	70,172	--	2,604,179
GIS project	1,103,833	--	--	1,103,833
Treatment plant and equipment	52,067,228	1,913,030	--	53,980,258
Infrastructure	35,749,783	634,109	--	36,383,892
Total accumulated depreciation/amortization	<u>93,538,817</u>	<u>2,863,501</u>	<u>152,947</u>	<u>96,249,371</u>
Total capital assets, being depreciated/amortized, net	<u>68,171,746</u>	<u>(2,372,955)</u>	<u>674,105</u>	<u>65,124,686</u>
Business-Type Activities Capital Assets, net	<u>\$ 68,639,830</u>	<u>\$ (1,826,019)</u>	<u>\$ 715,345</u>	<u>\$ 66,098,466</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

III. DETAILED NOTES (CONTINUED)

C - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General Government	\$ 3,862,684
Public Safety	2,281,693
Public Works	1,814,154
Education	1,100,215
Parks and Recreation	296,070
Public Libraries	91,297
Senior Services	<u>35,739</u>

Total Depreciation Expense - Governmental Activities \$ 9,481,852

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

Business-Type Activities:

Sewer	\$ 2,642,769
Ice Rink	33,803
School Lunch	<u>186,929</u>

Total Depreciation Expense - Business-Type Activities \$ 2,863,501

Restatement of opening balances relates to implementation of GASB 87 and change in presentation of Charter School fund from enterprise fund to a non-major governmental fund.

Construction Commitments

The City had four active construction projects as of June 30, 2022. The total construction commitment as of June 30, 2022 was \$31,422,989.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

D – INTERFUND ACCOUNTS

1 - Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental	\$ 121,093
General fund	Nonmajor enterprise fund	33,522
General fund	School bond fund	39,602
Major enterprise fund	General fund	2,627,628
General fund	Internal service	7,637,630
School unrestricted	General fund	4,227,736
School unrestricted	Nonmajor governmental	1,563,130
School unrestricted	Internal service	<u>3,249,563</u>
		<u><u>\$ 19,499,904</u></u>

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

2 - Interfund Transfer

A summary of interfund transfers for the year ended June 30, 2022 is as follows:

	<u>Transfers In/(Out)</u>
Transfers out:	
General fund	\$ (97,511,879)
Nonmajor governmental funds	(284,940)
Transfers in:	
School education fund	284,940
School education fund	<u>97,511,879</u>
Total	<u><u>\$ --</u></u>

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

III. DETAILED NOTES (CONTINUED)

E – CHANGES IN LONG-TERM OBLIGATION

1 - Summary of Changes

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

Description	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding 7/1/21, As Restated	Additions	Retirements	Balance Outstanding 6/30/22	Current Portion
Governmental Activities									
General obligation debt:									
Advance Refunding (158) Public Improvements	06/18/08	\$ 13,075,000	4.00-5.00%	7/1/2028	\$ 6,545,000	\$ --	\$ 690,000	\$ 5,855,000	\$ 725,000
Public Improvements- 162A	3/29/2012	3,430,000	2.00-4.37%	7/1/2023	340,000	--	170,000	170,000	170,000
Refunding- 162B (issue 154 & 155)	4/10/2012	15,955,000	2.00-5.00%	7/1/2023	4,225,000	--	1,420,000	2,805,000	1,415,000
Public Improvements- 163	7/30/2013	10,210,000	3.00-4.75%	8/1/2033	2,080,000	--	520,000	1,560,000	520,000
Advance Refunding (156 & 157) Public Improvements- 164	7/15/2015	30,715,000	1.25-5.00%	7/15/2025	14,605,000	--	1,745,000	12,860,000	1,825,000
Public Improvements- 169	07/24/18	15,910,000	2.00-5.00%	2/1/2039	14,585,000	--	815,000	13,770,000	810,000
Public Improvements- 171	07/23/19	13,410,000	4.00-5.00%	8/1/2039	12,990,000	--	440,000	12,550,000	460,000
Refunding- 172 (issue 160, 162A and 163)	10/27/20	8,890,000	0.495-2.429%	8/1/2033	8,890,000	--	305,000	8,585,000	300,000
Public Improvements- 173	08/11/21	8,055,000	3.00-5.00%	8/15/4041	--	8,055,000	--	8,055,000	260,000
					<u>64,260,000</u>	<u>8,055,000</u>	<u>6,105,000</u>	<u>66,210,000</u>	<u>6,485,000</u>
Direct borrowings debt:									
Advance Refunding (159) School Borrowing	8/7/2008	7,000,000	3.75-6.00%	4/1/2029	3,350,000	--	350,000	3,000,000	365,000
RI Infrastructure Bank- 166	4/9/2016	1,755,000	0.40-2.41%	9/1/2035	1,436,000	--	82,000	1,354,000	84,000
School Improvements- RI Infrastructure Bank- 165	05/15/16	4,565,000	2.00-5.00%	5/15/2036	3,700,000	--	190,000	3,510,000	195,000
RI Infrastructure Bank- 167	07/15/16	2,240,000	0.986-2.32%	9/2/2032	1,834,000	--	138,000	1,696,000	140,000
School Improvements- RI Infrastructure Bank- 168	07/19/17	5,000,000	3.00-5.00%	4/1/2038	4,505,000	--	180,000	4,325,000	185,000
School Borrowing- 170	04/11/19	11,335,000	3.00-5.00%	5/15/2040	10,990,000	--	360,000	10,630,000	380,000
					<u>25,815,000</u>	<u>--</u>	<u>1,300,000</u>	<u>24,515,000</u>	<u>1,349,000</u>
Total general obligation bonds					90,075,000	8,055,000	7,405,000	90,725,000	7,834,000
Bond premiums					7,468,574	1,594,421	796,050	8,266,945	690,675
Total Bonds and Related Liabilities					<u>97,543,574</u>	<u>9,649,421</u>	<u>8,201,050</u>	<u>98,991,945</u>	<u>8,524,675</u>
Capital leases:									
Energy Lease Obligation	11/03/16	3,200,000	1.73%	7/15/2023	1,430,000	--	470,000	960,000	475,000
School Bus Lease 04	03/08/18	744,770	2.50%	6/15/2023	311,145	--	153,448	157,697	157,698
School Bus Lease 05	06/04/19	960,466	3.02%	6/15/2024	593,672	--	191,373	402,299	197,818
School Bus Lease 06	08/26/20	714,570	2.20%	6/15/2025	574,420	--	138,298	436,122	141,778
Total leases payable					<u>2,909,237</u>	<u>--</u>	<u>953,119</u>	<u>1,956,118</u>	<u>972,294</u>
Total Bonds, Notes and Related Liabilities					<u>100,452,811</u>	<u>9,649,421</u>	<u>9,154,169</u>	<u>100,948,063</u>	<u>9,496,969</u>
Compensated Absences					14,478,743	13,912,353	13,779,663	14,611,433	1,461,143
Lease liability					8,699,710	57,856	997,217	7,760,349	1,031,108
Unearned Salary					79,226	--	14,718	64,508	6,451
Net Pension Liability									
Municipal employees' retirement system- City of Cranston					19,419,343	--	19,419,343	--	--
Municipal employees' retirement system- Police					11,462,169	--	9,322,834	2,139,335	--
Municipal employees' retirement system- Fire					1,157,149	--	1,157,149	--	--
Employees' retirement system					148,143,708	--	39,559,266	108,584,442	--
Police and Fire employees' retirement system					217,346,987	--	1,513,127	215,833,860	--
Net OPEB Liability - School Department					14,639,023	--	2,669,374	11,969,649	--
Net OPEB Liability - City					<u>39,049,002</u>	<u>635,000</u>	<u>--</u>	<u>39,684,002</u>	<u>--</u>
Total General Long-Term Obligations					<u>\$ 574,927,871</u>	<u>\$ 24,254,630</u>	<u>\$ 97,586,860</u>	<u>\$ 501,595,641</u>	<u>\$ 11,995,671</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

E – CHANGES IN LONG-TERM OBLIGATION (CONTINUED)

1 - Summary of Changes (Continued)

Description	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance	Additions	Retirements	Balance	Current Portion
					Outstanding 7/1/21			Outstanding 6/30/22	
Business-Type Activities									
Enterprise funds:									
Sewer									
RI Infrastructure Bank	11/13/2003	\$ 2,000,000	3.00%	9/1/2024	\$ 400,000	\$ --	\$ 100,000	\$ 300,000	\$ 100,000
RI Infrastructure Bank	9/1/2005	900,000	3.00%	9/1/2025	300,000	--	60,000	240,000	60,000
RI Infrastructure Bank	9/1/2007	3,000,000	1.43%	9/1/2028	1,200,000	--	150,000	1,050,000	150,000
RI Infrastructure Bank	2/20/2014	18,000,000	0.35% - 3.14%	9/1/2034	13,534,000	--	788,000	12,746,000	808,000
RI Infrastructure Bank	9/1/2010	1,000,000	0.52% - 3.19%	9/1/2030	577,000	--	49,000	528,000	51,000
Total Enterprise Funds					<u>\$ 16,011,000</u>	<u>\$ --</u>	<u>\$ 1,147,000</u>	<u>\$ 14,864,000</u>	<u>\$ 1,169,000</u>

Restatement of opening balances relates to implementation of GASB 87 and change in presentation of Charter School fund from enterprise fund to a non-major governmental fund.

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

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

Year Ending June 30,	Governmental Activities				Business-Type Activities	
	General Obligation Debt		Bonds from Direct Borrowings		Clean Water Bonds from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,485,000	\$ 2,548,549	\$ 1,349,000	\$ 1,040,123	\$ 1,169,000	\$ 440,613
2024	6,605,000	2,285,317	1,403,000	983,413	1,191,000	413,027
2025	5,365,000	2,150,437	1,467,000	921,979	1,217,000	383,292
2026	5,500,000	1,823,128	1,531,000	858,621	1,146,000	351,873
2027	3,925,000	1,637,026	1,590,000	790,698	1,114,000	319,342
2028-2032	17,500,000	6,071,656	7,483,000	2,935,038	5,570,000	1,060,964
2033-2037	13,680,000	2,893,471	6,857,000	1,401,328	3,457,000	179,501
2038-2042	7,150,000	570,575	2,835,000	223,230	--	--
	<u>\$ 66,210,000</u>	<u>\$ 19,980,159</u>	<u>\$ 24,515,000</u>	<u>\$ 9,154,430</u>	<u>\$ 14,864,000</u>	<u>\$ 3,148,612</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

E – CHANGES IN LONG-TERM OBLIGATION (CONTINUED)

1 - Summary of Changes (Continued)

Compensated Absences

Governmental Activities - The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating \$14,611,433 as of June 30, 2022. This amount is recorded in the government-wide statements and paid out of the General Fund.

2 - Lease Receivables and Commitments

The City is obligated under various lessee agreements to make annual lease payments. Lease and interest expense recognized in fiscal year 2022 was \$997,218 and \$478,410, respectively. The lease asset, net of accumulated amortization and lease liability balances at June 30, 2022 are \$7,573,307 and \$7,760,349, respectively.

Annual requirements to amortize the liability and related interest are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,031,108	\$ 458,448
2024	1,017,451	386,005
2025	1,072,603	310,040
2026	833,138	244,909
2027	877,853	266,968
Thereafter	2,928,196	1,708,186
	\$ 7,760,349	\$ 3,374,556

The City has entered into various lessor agreements for use of land. Lease and interest income recognized in fiscal year 2022 was \$38,739 and \$25,486, respectively. The lease receivable and deferred lease inflow balances at June 30, 2022 are \$663,776 and \$654,200, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. DETAILED NOTES (CONTINUED)

E – CHANGES IN LONG-TERM OBLIGATION (CONTINUED)

2 - Lease Receivables and Commitments (Continued)

Future payments due to the City under non-cancelable agreements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 37,983	\$ 26,242
2024	39,683	24,542
2025	41,393	22,832
2026	26,302	21,362
2027	27,374	20,291
Thereafter	<u>491,041</u>	<u>151,930</u>
	<u>\$ 663,776</u>	<u>\$ 267,199</u>

3 - Statutory Debt Limitations

Debt Limit

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise accepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the City subject to the 3% debt limit. The current 3% debt limit of the City is \$290 million based on taxable property as of December 31, 2020 of approximately \$9.7 billion.

The State of Rhode Island General Assembly (General Assembly) may by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

III. DETAILED NOTES (CONTINUED)

E – CHANGES IN LONG-TERM OBLIGATION (CONTINUED)

3 - Statutory Debt Limitations (Continued)

incur debt are subject to referendum by the electors of the City. On June 30, 2022, the City had \$90,725,000 of debt outstanding, none of which is subject to the 3% debt limit.

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

4 - Authorized/Unissued Bonds

The amount of authorized, unissued bonds is as follows:

General	\$ 39,934,655
Schools	<u>97,181,228</u>
Total	<u>\$ 137,115,883</u>

5 - Unearned Salary

Unearned salary represents an agreement Cranston Public Schools made with the teachers union in 1992. Under the agreement any teacher who was employed by the school system prior to and inclusive of the 1991-1992 school year is eligible, upon departure from the Cranston Public School system, for a stipend. The amount of the stipend is based on the salary step held by the teacher during the 1991-1992 school year. The unearned salary, not to exceed \$1,500 per teacher will be paid in a lump sum upon each teacher’s separation from service. In the event a teacher dies while in the employ of the Cranston Public Schools the benefit will be paid to the teacher’s estate. As of June 30, 2022, there were 96 teachers eligible for the benefit, with an outstanding balance of \$64,508.

F – FUND BALANCE

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

III. DETAILED NOTES (CONTINUED)

F – FUND BALANCE (CONTINUED)

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

Nonspendable:

General fund	
Advance Deposits- Hospitalization	\$ 207,000
School Long-Term Receivable from Health Insurance Fund	3,249,563
School unrestricted fund	
Prepaid expenses	<u>179,586</u>
Total Nonspendable Fund Balance	<u><u>\$ 3,636,149</u></u>

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

Restricted:

General fund	
To Fund Future Library Expenses	\$ 263,049
To Fund Future Fire Expenses	<u>161,841</u>
	<u>424,890</u>
School unrestricted fund	
To Fund Education Expenses	<u>4,499,002</u>
	<u>4,499,002</u>
Nonmajor funds	
To Fund Recreation Bond Expenditures	1,941,358
To Fund Athletics	168,900
To Fund Charter School	938,983
To Fund Highway Bond	1,876,192
To Fund Public Building Bond	492,775
To Fund Library Expenses	36,709
To Fund Student Activities	756,410
To Fund Police and Fire Capital Projects	1,534,257
To Fund Storm Drain Projects	413,699
To Fund Neighborhood Infrastructure Capital Projects	154,307
To Fund Open Space	18,715
To Fund Future Community Development Expenditures	1,838,582
To Fund Future Public Service Expenditures	2,142,121
To Fund Future Senior Services Expenditures	101,146
To Fund Future Parks and Recreation Expenditures	1,761
To Fund Future Community Development Grant Expenditures	947,214
To Fund Future Capital Facilities Impact Expenditures	533,698
To Fund Future Cemetery Trust Expenditures	1,006
To Fund Future Historical Record Expenditures	<u>507,577</u>
	<u>14,405,410</u>
Total Restricted Fund Balance	<u><u>\$ 19,329,302</u></u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

III. DETAILED NOTES (CONTINUED)

F – FUND BALANCE (CONTINUED)

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

Committed:

General fund		
Self-Insurance Healthcare Reserve Fund	\$	53,073
Nonmajor funds		
Encumbrances for Athletics		30,385
School unrestricted fund		
Encumbrances for Education Supplies		<u>32,131</u>
Total Committed Fund Balance	\$	<u>115,589</u>

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

IV. OTHER INFORMATION

A – RISK MANAGEMENT

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

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

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

A – RISK MANAGEMENT (CONTINUED)

City of Cranston, including Cranston Public Schools, incurred approximately \$39 million for fiscal year 2022 under this plan.

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

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

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

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

Changes in the self-insurance liability for the fiscal years ended June 30, 2022 are as follows:

	2022	2021
July 1	\$ 1,297,230	\$ 1,079,491
Add incurred claims	39,524,654	38,232,970
Less payments of claims attributable to events of both the current and prior fiscal years:		
Health and life	39,493,347	38,015,231
Year Ended June 30	\$ 1,328,537	\$ 1,297,230

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)**A – RISK MANAGEMENT (CONTINUED)**

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years. The liability at June 30, 2022 has been recorded on the statement of net position under the claims payable line, within the government-wide statements \$1,328,537.

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

B – LEASE OF WASTEWATER TREATMENT FACILITY

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

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

At June 30, 2022, the balance of unearned revenue related to this was \$1,603,444.

During the term of the agreement, the City pays the Company a service fee, which is calculated based on definitive components and amounts, as adjusted in accordance with guidelines established in the agreement. The service fee is generally fixed at the beginning of each fiscal year. During 2022, the City paid service fees totaling approximately \$17 million. The City also recognized 4% of the lease payment (\$1,900,000) as revenue for the year ended June 30, 2022.

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

C – COMMITMENTS AND LITIGATION

Construction and other significant commitments have been reported as reserve for commitments in the fund equity section of the statement of net position.

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

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

D – EMPLOYEES’ RETIREMENT SYSTEM

Summary

The City contributes to five defined benefit pension plans - the Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS), a single-employer plan; the Municipal Employees’ Retirement System (MERS), an agent multiple-employer plan; the Employees’ Retirement System of the State of Rhode Island (ERS), a cost-sharing multiple employer plan; the Teachers’ Survivor Benefits of the State of Rhode Island (TSB), a cost-sharing multi-employer plan; the National (Industrial) Pension Plan, a cost-sharing multi-employer defined benefit plan; and the New England Teamsters & Trucking Industry Pension Plan, a cost-sharing multiple-employer plan. The PFERS is presented in the accompanying financial statements as a fiduciary fund. MERS, ERS, TSB, the National Industrial Pension Plan and the New England Teamsters & Trucking Industry Pension Plan are not included in the City’s financial statements. Financial information can be obtained for those plans by contacting the State of Rhode Island. As of and for the year ended June 30, 2022, the five plans had the following balances reported in the government-wide financial statements:

	Measurement Date	Net Pension Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police and Fire Employees' Retirement System	June 30, 2022	\$ 215,833,860	\$ 6,537,578	\$ --	\$ 7,177,482
Municipal Employees' Retirement System - City of Cranston	June 30, 2021	(8,467,810)	5,480,669	24,156,242	(4,106,128)
Municipal Employees' Retirement System - Police	June 30, 2021	2,139,335	8,067,467	10,816,899	221,839
Municipal Employees' Retirement System - Fire	June 30, 2021	(15,341,715)	4,871,133	16,430,651	(1,981,431)
Employees' Retirement System	June 30, 2021	108,584,442	26,782,608	35,887,626	4,984,168
Teachers' Survivor Benefits	June 30, 2021	(32,625,433)	3,664,457	14,395,479	(3,782,331)
		<u>\$ 270,122,679</u>	<u>\$ 55,403,912</u>	<u>\$ 101,686,897</u>	<u>\$ 2,513,599</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS)

Plan Administration

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

PFERS’ financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contract requirements and investment income is recognized when earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the plan. As of June 30, 2022, there are no separate financial statements available for the PFERS plan.

Valuation of Investments

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

Classes of Employees Covered

As of June 30, 2022, the plans’ membership consists of:

Retirees, disability retirees and beneficiaries receiving benefits	401
Active plan members vested	<u>8</u>
Totals	<u><u>409</u></u>

Benefit Provisions

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS) (Continued)

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

Contributions

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

The City establishes contributions based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, the City contributed \$21,532,473 to the Plan, including \$0 from the State.

Net Pension Liability

The components of the net pension liability of the plan as of June 30, 2022 (the date of the most recent actuarial valuation) was as follows:

Total Pension Liability	\$ 285,406,668
Plan fiduciary net position	<u>69,572,808</u>
Net Pension Liability (NPL)	<u>\$ 215,833,860</u>
Plan fiduciary net position as a percentage of the total pension liability	24.4%
Covered payroll (active plan members)	<u>\$ 1,000,797</u>
NPL as a percentage of covered payroll	21566.2%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)**1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS) (Continued)**

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

Actuarial Assumptions

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

The June 30, 2022, total pension liability was determined by rolling back the July 1, 2022 valuation results, using the following actuarial assumptions, applied to all periods included in the measurement:

Census data was collected as of July 1, 2022. Liabilities measured as of the census date were projected to June 30, 2022 assuming no demographic gains or losses.

Mortality rates for healthy lives were based on the RP-2000 Blue Collar mortality table with Scale AA improvement to 2026. The same tables were used for disabled lives but set forward three years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table (note that the rates shown below include the inflation component):

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS) (Continued)

Asset Class	Long-Term Expected Rate of Return	Target Allocation
US Stocks	4.30%	49.94%
International Stock	6.50%	14.68%
US Bonds	2.40%	25.64%
International Bonds	2.40%	2.88%
Other	3.00%	3.56%
Cash	1.30%	3.30%
		100.00%

Rate of Return

For the year ended **June 30, 2021**, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 14.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The assumed discount rate used to measure liabilities for valuation purposes is 7.90%. The projection of cash flows used to determine the discount rate for GASB 67 purposes assumed that future City contributions will follow the contribution pattern of the most recent five years (see table below), which results in an assumption that the City will contribute approximately 95.3% of the actuarially determined contributions. Based on these assumptions, the pension plan’s fiduciary net position is projected to fall short of meeting all future benefit obligations to current plan members. From the point where assets are projected to be depleted, a municipal bond rate of 2.18%, based on the S&P Municipal Bond 20 Year High Grade Rate Index, was used in the development of the blended GASB discount rate. The resulting blended rate of 7.90% was used to measure the Plan’s total pension liability.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS) (Continued)

Changes in Net Pension Liability

	Police and Fire Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2021	\$ 298,754,660	\$ 81,407,673	\$ 217,346,987
Changes for the year:			
Service cost	240,288	--	240,288
Interest on the total pension liability	22,644,814	--	22,644,814
Differences between expected and actual experience	(11,050,999)	--	(11,050,999)
Changes in assumptions	--	--	--
Employer contributions	--	21,532,473	(21,532,473)
Employee contributions	--	98,659	(98,659)
Net investment income	--	(8,205,152)	8,205,152
Benefit payments, including employee refunds	(25,182,095)	(25,182,095)	--
Administrative expense	--	(78,750)	78,750
Other changes	--	--	--
Net changes	<u>(13,347,992)</u>	<u>(11,834,865)</u>	<u>(1,513,127)</u>
Balances as of June 30, 2022	<u>\$ 285,406,668</u>	<u>\$ 69,572,808</u>	<u>\$ 215,833,860</u>

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

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

	1% Decrease	Current Discount Rate	1% Increase
	Net Pension Liability	\$ 242,923,729	\$ 215,833,860

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

1 - Police and Fire Employees’ Pension Plan of the City of Cranston (PFERS) (Continued)

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 \$7,177,482. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between expected and actual earnings	\$ 6,537,578	\$ --
	Net Deferred Outflows (Inflows) of Resources	
<u>Year Ending June 30,</u>	<u></u>	
2023	\$ 1,684,281	
2024	1,409,598	
2025	544,557	
2026	<u>2,899,142</u>	
Total	<u>\$ 6,537,578</u>	

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

Plan Description

The Municipal Employees’ Retirement System (MERS) - an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employees’ 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**2 - Municipal Employees' Retirement System of the State of Rhode Island (MERS) - General, Police and Fire (Continued)****Benefits Provided**

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

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

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

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

General employees

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**2 - Municipal Employees' Retirement System of the State of Rhode Island (MERS) - General, Police and Fire (Continued)**

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**2 - Municipal Employees' Retirement System of the State of Rhode Island (MERS) - General, Police and Fire (Continued)**

no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

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

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

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

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

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

Other benefit provisions

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**2 - Municipal Employees' Retirement System of the State of Rhode Island (MERS) - General, Police and Fire (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 every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Special Provisions Applying to Specific Units

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

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

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

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

Employees Covered by Benefit Terms

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>
Inactive, Nonretired Members	330	13	1
Retirees and Beneficiaries	619	28	33
Active Members	<u>632</u>	<u>145</u>	<u>185</u>
Total	<u><u>1581</u></u>	<u><u>186</u></u>	<u><u>219</u></u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The City of Cranston contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City’s Contributions for the year ended June 30, 2022 were \$4,653,421 which equals \$40,842,173 in covered payroll or 11.39%.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

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%
Projected Salary Increases:	
General Employees	3.50% to 7.25% including inflation
Police & Fire Employees	4.00% to 14.00% including inflation
Inflation	2.50%
Mortality	Variants of the PUB (10) Tables for Healthy and Disable Retirees, projected with Scale Ultimate MP16
Cost of Living Adjustment	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.

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, 2020.

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:

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Sub-total	15.00%	
INCOME		
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 Credits	2.80%	3.19%
Private Credits	3.20%	3.19%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPS	2.00%	0.30%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-total	15.00%	
	100.00%	

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

2 - Municipal Employees’ Retirement System of the State 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 medium-term expected rate of return best-estimate on an arithmetic basis.

Discount Rate

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

Changes in the Net Pension Liability (Asset)

	Municipal Employees' Retirement System - General Employees		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2020	\$ 159,767,138	\$ 140,347,795	\$ 19,419,343
Changes for the year:			
Service cost	2,161,355	--	2,161,355
Interest on the total pension liability	10,908,169	--	10,908,169
Differences between expected and actual experience	(809,725)	--	(809,725)
Changes in assumptions	--	--	--
Employer contributions	--	2,516,380	(2,516,380)
Employee contributions	--	717,805	(717,805)
Net investment income	--	36,868,366	(36,868,366)
Benefit payments, including employee refunds	(10,033,650)	(10,033,650)	--
Administrative expense	--	(140,476)	140,476
Other changes	--	184,877	(184,877)
Net changes	2,226,149	30,113,302	(27,887,153)
Balances as of June 30, 2021	\$ 161,993,287	\$ 170,461,097	\$ (8,467,810)

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

Municipal Employees' Retirement System - Police

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 62,325,000	\$ 50,862,831	\$ 11,462,169
Changes for the year:			
Service cost	2,439,255	--	2,439,255
Interest on the total pension liability	4,399,869	--	4,399,869
Differences between expected and actual experience	1,553,128	--	1,553,128
Changes in assumptions	--	--	--
Employer contributions	--	1,982,333	(1,982,333)
Employee contributions	--	1,253,877	(1,253,877)
Net investment income	--	14,534,254	(14,534,254)
Benefit payments, including employee refunds	(1,378,711)	(1,378,711)	--
Administrative expense	--	(55,378)	55,378
Other changes	--	--	--
Net changes	7,013,541	16,336,375	(9,322,834)
Balances as of June 30, 2021	\$ 69,338,541	\$ 67,199,206	\$ 2,139,335

Municipal Employees' Retirement System - Fire

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 82,355,587	\$ 81,198,438	\$ 1,157,149
Changes for the year:			
Service cost	3,182,960	--	3,182,960
Interest on the total pension liability	5,816,862	--	5,816,862
Differences between expected and actual experience	(35,026)	--	(35,026)
Changes in assumptions	--	--	--
Employer contributions	--	1,244,667	(1,244,667)
Employee contributions	--	1,603,059	(1,603,059)
Net investment income	--	22,702,257	(22,702,257)
Benefit payments, including employee refunds	(1,698,086)	(1,698,086)	--
Administrative expense	--	(86,500)	86,500
Other changes	--	177	(177)
Net changes	7,266,710	23,765,574	(16,498,864)
Balances as of June 30, 2021	\$ 89,622,297	\$ 104,964,012	\$ (15,341,715)

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

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

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

	Current Discount Rate		
	1% Decrease (6.0%)	(7.0%)	1% Increase (8.0%)
General Employees	\$ 5,692,950	\$ (8,467,810)	\$ (26,541,901)
Police	7,946,896	2,139,335	(5,273,263)
Fire	(7,842,625)	(15,341,715)	(24,913,361)

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 negative \$5,865,720. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Police	Fire	Total
Deferred outflow of resources:				
Difference between expected and actual experience	\$ --	\$ 3,250,079	\$ 334,916	\$ 3,584,995
Changes in assumptions	--	1,864,409	1,535,947	3,400,356
Net difference between projected and actual earnings on pension plan investments	3,018,080	947,725	1,561,680	5,527,485
Contributions subsequent to the measurement date	<u>2,462,589</u>	<u>2,005,254</u>	<u>1,438,590</u>	<u>5,906,433</u>
Total Deferred Outflow of Resources	\$ 5,480,669	\$ 8,067,467	\$ 4,871,133	\$ 18,419,269
Deferred inflow of resources:				
Difference between expected and actual experience	\$ (1,175,752)	\$ (1,819,420)	\$ (2,506,806)	\$ (5,501,978)
Changes in assumptions	(919,515)	(174,349)	(185,171)	(1,279,035)
Net difference between projected and actual earnings on pension plan investments	<u>(22,060,975)</u>	<u>(8,823,130)</u>	<u>(13,738,674)</u>	<u>(44,622,779)</u>
Total Deferred Inflow of Resources	\$ (24,156,242)	\$ (10,816,899)	\$ (16,430,651)	\$ (51,403,792)

\$5,906,433 reported as deferred outflows of resources related to pensions resulting from the City of Cranston’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

2 - Municipal Employees’ Retirement System of the State 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	Police	Fire	Total
2022	\$ (5,680,239)	\$ (1,487,491)	\$ (3,227,911)	\$ (10,395,641)
2023	(5,262,082)	(1,392,986)	(3,074,156)	(9,729,224)
2024	(4,739,753)	(1,410,052)	(3,114,709)	(9,264,514)
2025	(5,456,088)	(1,656,469)	(3,410,954)	(10,523,511)
2026	--	504,937	(9,270)	495,667
Thereafter	--	<u>687,375</u>	<u>(161,108)</u>	<u>526,267</u>
Total	\$ <u>(21,138,162)</u>	\$ <u>(4,754,686)</u>	\$ <u>(12,998,108)</u>	\$ <u>(38,890,956)</u>

General Employee (Non-Certified) Defined Contribution Plan

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

The City of Cranston recognized pension expense of \$990,551 for the fiscal year ended June 30, 2022. The Cranston School Department recognized pension expense of \$137,103 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>.

3 - Employees’ Retirement System of the State of Rhode Island (ERS)

Plan Description

Certain employees of the Cranston School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees’ Retirement System plan - administered by the Employees’ Retirement System of the State of Rhode Island (System).

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)

Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers’ payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

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

Benefit Provisions

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, Cranston School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Cranston School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Cranston School Department; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022 for the State and Cranston School Department, respectively.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)**D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)****3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)**

The School Department contributed \$13,700,256, \$3,105,536 and \$12,545,887 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year. The State’s share of contribution for fiscal 2022 was \$9,425,543 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2022, the Cranston School Department reported a liability of \$108,584,442 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Cranston School District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Cranston School District were as follows:

Cranston School District proportionate share of net pension liability	\$ 108,584,442
State's proportionate share of the net pension liability associated with the Cranston District	<u>80,525,098</u>
Total Net Pension Liability	<u>\$ 189,109,540</u>

The net pension liability was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Cranston School Department proportion of the net pension liability was based on a projection of the Cranston School Department’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021 the Cranston School Department’s proportion was 4.61%.

For the year ended June 30, 2022, the Cranston School Department recognized gross pension expense of \$9,444,475 and revenue of \$4,460,307 for support provided by the State. At June 30, 2022 the Cranston School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)

Deferred outflows of resources:

Contributions subsequent to the measurement date	<u>\$ 13,700,256</u>
Difference between expected and actual experience	\$ 1,089,899
Changes of assumptions	4,547,041
Net difference between projected and actual earnings on pension plan investments	3,643,530
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>3,801,882</u>
Total	<u>\$ 13,082,352</u>
Total with Subsequent Contributions	<u>\$ 26,782,608</u>

Deferred inflows of resources:

Difference between expected and actual experience	\$ (3,507,342)
Changes of assumptions	(2,387,887)
Net difference between projected and actual earnings on pension plan investments	(29,059,007)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(933,390)</u>
Total	<u>\$ (35,887,626)</u>

\$13,700,256 reported as deferred outflows of resources related to pensions resulting from the Cranston School Department contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	\$ (4,756,325)
2024	(4,455,756)
2025	(5,757,820)
2026	(7,502,458)
2027	(302,887)
Thereafter	<u>(30,028)</u>
Total	<u>\$ (22,805,274)</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)

Actuarial Assumptions

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality - Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

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:

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Sub-total	15.00%	
INCOME		
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	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-total	15.00%	
	100.00%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

3 - Employees’ Retirement System of the State of Rhode Island (ERS) (Continued)

all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 137,133,834	\$ 108,584,442	\$ 72,147,258

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan Description

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

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

The Cranston School Department recognized pension expense of \$2,568,613 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>.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**4 – Teachers' Survivors Benefits of the State of Rhode Island (TSB)****Plan Description**

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

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

Eligibility and Plan Benefits

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

4 – Teachers’ Survivors Benefits of the State of Rhode Island (TSB) (Continued)

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

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

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

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

Contributions

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

The Cranston School Department contributed \$124,156, \$123,736 and \$123,737 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2022 the Cranston School Department reported an asset of \$32,625,433 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Cranston School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Cranston School Department proportion was 16.67%.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

4 – Teachers’ Survivors Benefits of the State of Rhode Island (TSB) (Continued)

For the year ended June 30, 2022, the Cranston School Department recognized pension expense of \$(3,782,331). At June 30, 2022, the Cranston School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$ 124,156
Difference between expected and actual experience	\$ 1,209,072
Changes in assumptions	1,023,932
Net difference between projected and actual earnings on pension plan investments	1,165,763
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>141,534</u>
Total	\$ <u>3,540,301</u>
Total with Subsequent Contributions	\$ <u>3,664,457</u>

Deferred inflows of resources:

Difference between expected and actual experience	\$ (3,503,094)
Changes in assumptions	(1,174,756)
Net difference between projected and actual earnings on pension plan investments	(9,231,294)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(486,335)</u>
Total	\$ <u>(14,395,479)</u>

\$124,156 reported as deferred outflows of resources related to pensions resulting from the Cranston School Department contributions in fiscal year 2022 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>		
	2023	\$ (2,256,601)
	2024	(2,155,895)
	2025	(2,571,180)
	2026	(2,866,145)
	2027	(613,271)
	Thereafter	<u>(392,086)</u>
	Total	\$ <u>(10,855,178)</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

4 – Teachers’ Survivors Benefits of the State of Rhode Island (TSB) (Continued)

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality - Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

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

The actuarial assumptions used in the June 30, 2020 valuation 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:

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

4 – Teachers’ Survivors Benefits of the State of Rhode Island (TSB) (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<i>GROWTH</i>		
Global Equity		
US Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Sub-total	15.00%	
<i>INCOME</i>		
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	12.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-total	15.00%	
	100.00%	

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

4 – Teachers’ Survivors Benefits of the State of Rhode Island (TSB) (Continued)

Discount Rate

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

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

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

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ (29,339,952)	\$ (32,625,433)	\$ (36,820,031)

Pension Plan Fiduciary Net Position

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

5 - National (Industrial) Pension Plan

Plan Description

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

5 - National (Industrial) Pension Plan (Continued)

Funding Policy

Covered employees are not required to contribute to the Plan. For Fiscal Year ended June 30, 2022, the City was required to contribute \$1.87 per hour, and the School Department was required to contribute \$.99 per hour for each hour worked by the employees to the Plan.

Contributions

Contributions for the past three years were as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
City			
6/30/2020	\$ 399,417	\$ 399,417	100.00%
6/30/2021	427,085	427,085	100.00%
6/30/2022	439,260	439,260	100.00%
School Department			
6/30/2020	\$ 207,027	\$ 207,027	100.00%
6/30/2021	166,829	166,829	100.00%
6/30/2022	190,428	190,428	100.00%

6 - New England Teamsters & Trucking Industry Pension Plan

Plan Description

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

Funding Policy

Covered employees are currently not required to contribute to the Plan. For the Fiscal Year ended June 30, 2022, the City was required to contribute \$1.35 per hour for each hour worked by the employees to the Plan.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

D – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

6 - New England Teamsters & Trucking Industry Pension Plan (Continued)

Contributions

Contributions for the past three years were as follows:

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
6/30/2020	\$ 390,673	\$ 390,673	100.00%
6/30/2021	420,924	420,924	100.00%
6/30/2022	448,328	448,328	100.00%

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City contributes to two defined benefit OPEB plans, the City of Cranston Public Safety OPEB Plan, and the City of Cranston’s Cranston Public School OPEB Plan, both which are a single-employer plan. As of and for the year ended June 30, 2022, the two plans had the following balances reported in the government-wide financial statements:

	<u>Measurement Date</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
Public Safety Employees’ OPEB Plan	June 30, 2022	\$ 39,684,002	\$ 4,123,893	\$ 2,399,615	\$ 3,612,066
Cranston Public Schools OPEB Plan	June 30, 2022	11,969,649	6,406,085	5,951,134	1,454,489
		<u>\$ 51,653,651</u>	<u>\$ 10,529,978</u>	<u>\$ 8,350,749</u>	<u>\$ 5,066,555</u>

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

Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all public safety employees. The plan provides health benefits and life insurance benefits to eligible retired police and fire employees and their beneficiaries. The plans provisions may be amended by the City and the Trustees of the plan. The trust is accounted for as an OPEB trust fund in the City’s financial statements. As of June 30, 2022, there are no separate financial statements available for the Public Safety Employees OPEB plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)

Valuation of Investments

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

Classes of Employees Covered

As of July 1, 2022 (date of the last actuarial valuation) membership data was as follows:

Active employees	326
Retirees	340
	<hr/>
Total Plan Members	666
	<hr/> <hr/>

Funding Policy

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

Investments

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on plan investments, net of investment expense was negative 13.60%. The Money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)

The following was the City’s adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022:

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

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. These rates do not include inflation assumption which is assumed to be 2%. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
US Stocks	4.30%	49.94%
International Stock	6.50%	14.68%
US Bonds	2.40%	25.64%
International Bonds	2.40%	2.88%
Other	3.00%	3.56%
Cash	1.30%	3.30%
		100.00%

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)**E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)****1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)****Net OPEB Liability**

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

Total OPEB Liability	\$ 47,156,037
Plan fiduciary net position	<u>7,472,035</u>
City's Net OPEB Liability	<u>\$ 39,684,002</u>
Plan fiduciary net position as a percentage of total OPEB liability	15.85%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.9% per year, net of investment expense
Healthcare cost trend rates	5% for 2021 and after

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actual experience study for the period July 1, 2019 - June 30, 2020.

Discount Rate

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

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.9%)	Current Discount Rate (7.9%)	1% Increase (8.9%)
Net OPEB Liability	\$ 43,840,514	\$ 39,684,002	\$ 35,973,947

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

	1% Decrease (4.0%)	Current Trend Rate (5.0%)	1% Increase (6.0%)
Net OPEB Liability	\$ 36,217,704	\$ 39,684,002	\$ 43,616,248

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances as of July 1, 2020	\$ 47,533,523	\$ 8,382,884	\$ 39,150,639
Changes for the year:			
Service cost	924,192	--	924,192
Interest on total OPEB liability	3,636,797	--	3,636,797
Changes in terms	--	--	--
Experience (gain) and loss	--	--	--
Employer contributions	--	4,512,526	(4,512,526)
Employee contributions	--	413,459	(413,459)
Net investment income (loss)	--	(870,677)	870,677
Benefit payments	(4,938,475)	(4,938,475)	--
Administrative expenses	--	(27,682)	27,682
Net changes	<u>(377,486)</u>	<u>(910,849)</u>	<u>533,363</u>
Balances as of June 30, 2021	<u>\$ 47,156,037</u>	<u>\$ 7,472,035</u>	<u>\$ 39,684,002</u>

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 \$3,612,066. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual experience	\$ 2,674,930	\$ (1,621,635)
Net difference between projected and actual earnings on OPEB plan investments	<u>1,448,963</u>	<u>(777,980)</u>
Total	<u>\$ 4,123,893</u>	<u>\$ (2,399,615)</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

1 - Other Post-Employment Benefits (OPEB) – Public Safety Employees (Continued)

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	\$ 139,797
2024	451,440
2025	763,541
2026	<u>369,500</u>
	<u>\$ 1,724,278</u>

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

Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all School Department employees. The plan provides health benefits and dental insurance benefits to eligible retired employees and their beneficiaries. The plans provisions may be amended by the Cranston School Committee and the Trustees of the plan. The OPEB activity is accounted for in the School Unrestricted Fund in the City’s financial statements. As of June 30, 2022, there are no separate, audited GAAP-basis financial statements available for the Board of Education Employees OPEB plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Valuation of Investment

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Classes of Employees Covered

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

Active employees	1,072
Inactive employees	--
Retirees	114
Total Plan Members	1,186

Funding Policy

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

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

The School Department funds post-retirement benefits on a pay-as-you-go basis. Expenditures for the benefits described above for the year ended June 30, 2022 were \$505,233.

Investments

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on plan investments, net of investment expense was negative 13.18%. The Money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)**E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)****2 - Other Post-Employment Benefits (OPEB) - School Department Employees (Continued)**

The following was the City's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	60%
Fixed income	<u>40%</u>
	<u><u>100%</u></u>

The long-term expected rate of return on OPEB plan investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Equities	5.3%
Non-U.S. Equities (Unhedged)	8.0%
U.S. Bonds	3.1%
Non-U.S. Bonds (Hedged)	2.8%
Intermediate-Term Credit Bonds	3.6%
Short-Term Credit Bonds	3.5%
Real Estate Investment Trusts	4.8%
Inflation	1.9%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Net OPEB Liability

The following table shows the School Department’s annual OPEB liability as of June 30, 2022.

Total OPEB Liability	\$ 13,585,575
Plan fiduciary net position	<u>1,615,926</u>
School Department's Net OPEB Liability	<u>\$ 11,969,649</u>
Plan fiduciary net position as a percentage of total OPEB liability	12%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	5% per year, net of investment expense
Healthcare cost trend rates	4.5% for 2022 and years later

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the 2014 ERSRI experience study for general employees.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 5.0 percent. The projection of cash flows used to determine the discount rate assumed that school contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Net OPEB Liability	\$ 12,976,052	\$ 11,969,649	\$ 11,013,839

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

	1% Decrease (3.5%)	Rate (4.5%)	1% Increase (5.5%)
Net OPEB Liability	\$ 10,551,622	\$ 11,969,649	\$ 13,628,759

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Net OPEB Liability

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

	Increase (Decrease)				
	School Liability (a)	Charter Liability (b)	Total OPEB Liability (a)+(b)	Plan Fiduciary Net Position (c)	Net OPEB Liability (a)+(b)-(c)
Balances as of July 1, 2021	\$ 16,282,315	\$ 230,767	\$ 16,513,082	\$ 1,874,058	\$ 14,639,024
Changes for the year:					
Service cost	484,049	8,722	492,771	--	492,771
Interest on total OPEB liability	812,484	14,640	827,124	--	827,124
Change in assumptions	--	--	--	--	--
Experience (gain) and loss	(3,250,640)	(58,573)	(3,309,213)	--	(3,309,213)
Employer contributions	--	--	--	630,971	(630,971)
Net investment income (loss)	--	--	--	(258,132)	258,132
Benefit payments	(921,583)	(16,606)	(938,189)	(630,971)	(307,218)
Administrative expenses	--	--	--	--	--
Net changes	<u>(2,875,690)</u>	<u>(51,817)</u>	<u>(2,927,507)</u>	<u>(258,132)</u>	<u>(2,669,375)</u>
Balances as of June 30, 2022	<u>\$ 13,406,625</u>	<u>\$ 178,950</u>	<u>\$ 13,585,575</u>	<u>\$ 1,615,926</u>	<u>\$ 11,969,649</u>

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

E – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

2 - Other Post-Employment Benefits (OPEB) - School Department Employees (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 \$1,454,489. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 5,526,466	\$ (3,313,657)
Difference in assumptions	598,151	(2,515,332)
Net difference between projected and actual earning on OPEB plan investments	<u>281,468</u>	<u>(122,145)</u>
Total	<u>\$ 6,406,085</u>	<u>\$ (5,951,134)</u>

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

<u>Year Ending June 30,</u>	
2023	\$ 233,493
2024	237,536
2025	240,241
2026	273,078
2027	96,568
Therafter	<u>(625,965)</u>
	<u>\$ 454,951</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

IV. OTHER INFORMATION (CONTINUED)

F – CITY OF CRANSTON DEFINED CONTRIBUTION PLAN

Plan Description

The Plan name is “City of Cranston Defined Contribution Plan” ID # is 05-6000110, Determination Letter Form 5300 is filed with IRS, and ING Specimen Adoption Agreement for 401(a) Defined Contribution Plan. Defined Contribution Plan for the Teamsters Bargaining Union and Laborers International Union of North America where the employee and the employer contribute 3% of earnings all stated in Form 5300 and the ING Plan Document. Plan based on approved enabling legislation presented in January 2010 and approved in that session. Total employer contributions made to the plan during June 30, 2022 were \$142,177. Total employee contributions made to the plan during June 30, 2022 were \$142,177.

G – SCHOOL DEPARTMENT DEFINED CONTRIBUTION PLAN

Plan Description

The Plan name is “Cranston Public Schools 401(a) Retirement Plan”. ID # is 801343, effective July 1, 2012. Defined Contribution Plan for the Local Rhode Island 153 Bargaining Union where the employee and employer contribute 3% of earnings all stated in the Security Benefit Plan Document. Total employer contributions made to the plan during the fiscal year ending June 30, 2022 was \$51,924. Total employee contributions made to the plan during the fiscal year ending June 30, 2022 was \$51,924.

H – ON-BEHALF PAYMENTS

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the City’s teachers to the Employees’ Retirement System of the State of Rhode Island was \$9,425,543.

I – TAX ABATEMENTS

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

For the fiscal year ended June 30, 2022, the City of Cranston abated property taxes totaling \$118,182 under this program, including the following tax abatement agreements to new businesses locating in a commercially zoned property or existing businesses that are expanding:

CITY OF CRANSTON, RHODE ISLAND

EXHIBIT K

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

IV. OTHER INFORMATION (CONTINUED)

I – TAX ABATEMENTS (CONTINUED)

Purpose	Percentage of taxes abated during the fiscal year	Amount of taxes abated during the fiscal year
Increase size and employment of manufacturing business	3%	\$ 7,510
Renovating a building	43%	34,385
Additional manufacturing facility for medical device company	7%	8,552
Wholesale distribution facility for restaurant supplies company	26%	34,282
Global supply chain and warehouse (purchase of building)	20%	27,273
Increase in employment of services business	14%	6,179

J – RESTATEMENT

The following reflects the effect of implementation of GASB Statement No. 87, *Leases* and fund balance reclassifications in accordance with GASB 54, *Fund Balance Reporting and Government Fund Type Definitions*:

Enterprise Funds:

Fund Balance as originally stated at July 1, 2021	\$ 71,716,622
Reclassification of Charter school to Special Revenue Fund	<u>683,483</u>
Fund Balance at July 1, 2021, as restated	<u>\$ 72,400,105</u>

Governmental Funds:

Fund Balance as originally stated at July 1, 2021	\$ 27,530,232
Reclassification of Charter school to Special Revenue Fund	(683,483)
Adjustment on Charter school to modified accrual basis of accounting	<u>1,595,127</u>
Fund Balance at July 1, 2021, as restated	<u>\$ 28,441,876</u>

Government-wide Funds:

Governmental activities:

Net Position as originally stated at July 1, 2021	\$ (345,057,328)
Reclassification of Charter school to Special Revenue Fund	(683,483)
Adjustments due to adoption of GASB 87	
Lease receivable	702,515
Deferred inflows - leases	(702,515)
Lease asset	8,699,710
Lease liability	<u>(8,699,710)</u>
Net Position at July 1, 2021, as restated	<u>\$ (345,740,811)</u>

Governmental and business-type activities:

Net Position as originally stated at July 1, 2021	\$ (273,340,706)
Adjustments due to adoption of GASB 87	
Lease receivable	702,515
Deferred inflows - leases	(702,515)
Lease asset	8,699,710
Lease liability	<u>(8,699,710)</u>
Net Position at July 1, 2021, as restated	<u>\$ (273,340,706)</u>

**Required
Supplementary
Information**

CITY OF CRANSTON, RHODE ISLAND

RSI-1

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Favorable/ (Unfavorable)
Revenues				
General property taxes	\$ 185,589,673	\$ 185,589,673	\$ 186,332,779	\$ 743,106
Intergovernmental	37,721,603	37,721,603	36,593,215	(1,128,388)
Charges for services:				
Licenses and permits	3,491,225	3,491,225	4,403,559	912,334
Fines and forfeitures	1,465,000	1,465,000	1,273,680	(191,320)
Departmental	9,183,272	9,183,272	10,059,006	875,734
Investment income	200,000	200,000	185,066	(14,934)
Education	72,129,704	72,014,617	72,014,617	--
Other	1,262,400	1,262,400	1,030,632	(231,768)
Total Revenues	<u>311,042,877</u>	<u>310,927,790</u>	<u>311,892,554</u>	<u>964,764</u>
Expenditures				
Current:				
Executive	674,084	678,984	664,445	14,539
City Council	388,297	383,397	317,553	65,844
Law	648,148	648,148	658,428	(10,280)
Personnel	212,761	212,761	220,265	(7,504)
City Clerk	1,884,573	1,884,573	2,418,516	(533,943)
Probate Court	19,039	19,039	18,906	133
Municipal Court	404,507	404,507	350,595	53,912
Board of Canvassers	369,965	369,965	329,487	40,478
City Planning	521,629	521,629	493,158	28,471
Economic Development	209,703	209,703	213,072	(3,369)
Inspections	1,201,521	1,201,521	1,212,151	(10,630)
Finance	5,372,393	5,372,393	5,607,849	(235,456)
Fire	36,430,950	36,430,950	36,918,878	(487,928)
Rescue Fund	1,186,500	1,186,500	901,734	284,766
Police	27,161,054	27,161,054	27,362,181	(201,127)
Long-term debt	25,934,366	25,934,366	25,934,366	--
Public works	17,308,221	17,308,221	17,519,318	(211,097)
Parks and recreation	2,849,036	2,849,036	2,970,953	(121,917)
Public libraries	3,816,205	3,816,205	3,816,205	--
Senior services	3,393,245	3,393,245	3,045,132	348,113
Municipal Debt	11,189,725	11,189,725	10,945,869	243,856
Education	169,641,583	169,526,496	169,526,496	--
Community Grants	180,000	180,000	167,500	12,500
Boards and Commissions	39,602	39,602	22,923	16,679
Harbor Master	5,770	5,770	3,914	1,856
Total Expenditures	<u>311,042,877</u>	<u>310,927,790</u>	<u>311,639,894</u>	<u>(712,104)</u>
Excess (Deficiency) of Budgeted Revenues				
Over Expenditures	--	--	252,660	252,660
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	252,660	<u>\$ 252,660</u>
Fund Balance - July 1, 2021			<u>13,896,279</u>	
Fund Balance - June 30, 2022			<u>\$ 14,148,939</u>	

CITY OF CRANSTON, RHODE ISLAND

RSI-2

REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - SCHOOL UNRESTRICTED
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Favorable/ (Unfavorable)
Revenues				
State aid	\$ 68,914,704	\$ 68,799,617	\$ 68,799,617	\$ --
Federal through State	1,350,000	1,350,000	2,509,595	1,159,595
Tuition	1,390,000	1,390,000	1,635,912	245,912
Miscellaneous	475,000	475,000	217,872	(257,128)
Total Revenues	<u>72,129,704</u>	<u>72,014,617</u>	<u>73,162,996</u>	<u>1,148,379</u>
Expenditures				
Salaries	106,101,817	104,728,453	106,109,496	(1,381,043)
Employee benefits	40,429,646	40,126,005	40,191,827	(65,822)
Purchased services	20,437,368	20,269,187	18,720,205	1,548,982
Supplies and materials	4,063,732	3,922,166	4,266,726	(344,560)
Capital outlay	1,854,110	1,804,110	1,332,382	471,728
Other	(946,599)	112,480	100,552	11,928
Total Expenditures	<u>171,940,074</u>	<u>170,962,401</u>	<u>170,721,188</u>	<u>241,213</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(99,810,370)</u>	<u>(98,947,784)</u>	<u>(97,558,192)</u>	<u>1,389,592</u>
Other Financing Sources				
Transfers in City of Cranston	99,810,370	97,511,879	97,511,879	--
Re-Appropriation of Fund Balance	--	1,435,905	--	(1,435,905)
Transfers from other funds	--	--	284,940	284,940
Transfer to capital reserve	--	--	(205,000)	(205,000)
	<u>99,810,370</u>	<u>98,947,784</u>	<u>97,591,819</u>	<u>(1,355,965)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ --</u>	33,627	<u>\$ 33,627</u>
Fund Balance - July 1, 2021			<u>6,363,474</u>	
Fund Balance - June 30, 2022			<u>\$ 6,397,101</u>	

CITY OF CRANSTON, RHODE ISLAND

RSI-2a

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Budget – GAAP Reconciliation

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

	General Fund			School Unrestricted Fund		
	Revenues	Expenditures	Fund Balance	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis, June 30, 2022	\$ 311,892,554	\$ 311,639,894	\$ 14,148,939	\$ 73,162,996	\$ 170,721,188	\$ 6,397,101
Revenue/Expenditures accounted for on the budgetary basis associated with Education funds	(72,014,617)	(169,526,496)	--	--	--	--
Encumbrances outstanding at June 30, 2022 charged to budgetary expenditures	--	--	--	--	(32,131)	32,131
Encumbrances outstanding at June 30, 2021 liquidated during the year June 30, 2022	--	--	--	--	376,502	(376,502)
Expenditures in the school department capital reserve fund - not budgeted in general fund	--	--	--	1,167,595	919,260	248,335
Transfer to school department capital reserve - not budgeted in the school unrestricted	--	--	--	--	--	250,000
Opening balances for funds that do not meet the GASB 54 definition for a special revenue fund Deficit reduction payment	--	--	582,366	--	--	1,409,217
Current year activity for funds that do not meet the GASB 54 definition for a special revenue fund	246,244	56,002	190,242	--	--	--
State Teachers' Retirement on-behalf payment	--	--	--	9,425,543	9,425,543	--
BALANCE, GAAP BASIS, JUNE 30, 2022	<u>\$ 240,124,181</u>	<u>\$ 142,169,400</u>	<u>\$ 14,921,547</u>	<u>\$ 83,756,134</u>	<u>\$ 181,410,362</u>	<u>\$ 7,960,282</u>

CITY OF CRANSTON, RHODE ISLAND

RSI-3 (1 OF 6)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
CRANSTON RETIREMENT SYSTEM – POLICE AND FIRE PENSION
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability									
Service cost	\$ 240,288	\$ 288,030	\$ 279,641	\$ 434,021	\$ 517,492	\$ 561,127	\$ 550,317	\$ 696,010	\$ 802,841
Interest on the Total Pension Liability	22,644,814	22,489,492	23,281,092	22,902,534	23,006,008	23,599,906	23,368,984	22,826,090	22,844,850
Changes of benefit terms	--	--	--	--	--	--	--	--	--
Difference between expected and actual experience of the Total Pension Liability	(11,050,999)	4,418,410	(8,473,275)	6,629,821	(98,273)	(5,783,927)	1,233,114	(2,386,467)	--
Changes of assumptions	--	--	--	--	--	(1,790,318)	(4,978,421)	(8,277,796)	--
Benefit payments, including refunds of employee contributions	(25,182,095)	(25,182,095)	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)	(23,747,994)
Net change in total pension liability	(13,347,992)	2,013,837	(9,965,118)	4,977,499	(901,569)	(7,218,036)	(3,879,366)	(11,209,857)	(100,303)
Total pension liability - beginning	298,754,660	296,740,823	306,705,941	301,728,442	302,630,011	309,848,047	313,727,413	324,937,270	325,037,573
Total pension liability - ending (a)	\$ 285,406,668	\$ 298,754,660	\$ 296,740,823	\$ 306,705,941	\$ 301,728,442	\$ 302,630,011	\$ 309,848,047	\$ 313,727,413	\$ 324,937,270
B. Plan fiduciary net position									
Contributions - employer	\$ 21,532,473	\$ 21,457,077	\$ 21,463,003	\$ 21,569,803	\$ 22,568,319	\$ 21,403,849	\$ 21,316,456	\$ 21,994,344	\$ 21,994,344
Contributions - employee	98,659	101,122	144,191	201,448	240,058	279,548	257,734	336,937	368,575
Net investment income (loss)	(8,205,152)	17,009,093	1,110,760	4,016,741	5,322,330	5,803,466	(2,072,781)	2,983,286	9,690,430
Benefit payments, including refunds of employee contributions	(25,182,095)	(25,182,095)	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)	(23,747,994)
Pension Plan Administrative Expense	(78,750)	(69,750)	(142,889)	(73,636)	(293,500)	(65,569)	(598,630)	(451,177)	(629,880)
Other	--	--	--	--	--	1	--	429,963	381,765
Net change in plan fiduciary net position	(11,834,865)	13,315,447	(2,477,511)	725,479	3,510,411	3,616,471	(5,150,581)	1,225,659	8,057,240
Plan fiduciary net position - beginning	81,407,673	68,092,226	70,569,737	69,844,258	66,333,847	62,717,376	67,867,957	66,642,298	58,585,058
Plan fiduciary net position - ending (b)	69,572,808	81,407,673	68,092,226	70,569,737	69,844,258	66,333,847	62,717,376	67,867,957	66,642,298
C. Net pension liability - ending (a) - (b)	\$ 215,833,860	\$ 217,346,987	\$ 228,648,597	\$ 236,136,204	\$ 231,884,184	\$ 236,296,164	\$ 247,130,671	\$ 245,859,456	\$ 258,294,972
D. Plan fiduciary net position as a percentage of the total pension liability	24.38%	27.25%	22.95%	23.01%	23.15%	21.92%	20.24%	21.63%	20.51%
E. Covered payroll	\$ 1,000,797	\$ 1,065,712	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734	\$ 2,905,865
F. Net pension liability as a percentage of covered payroll	21566.20%	20394.53%	18059.77%	11552.75%	9649.52%	8760.23%	9276.77%	8360.48%	8888.75%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-3 (2 OF 6)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – GENERAL EMPLOYEES
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability								
Service cost	\$ 2,161,355	\$ 2,349,834	\$ 2,386,996	\$ 2,449,869	\$ 2,350,820	\$ 2,362,034	\$ 2,346,927	\$ 2,376,369
Interest on the Total Pension Liability	10,908,169	10,887,375	10,683,189	10,473,985	10,359,681	10,231,218	9,977,843	9,687,460
Changes of benefit terms	--	--	--	--	--	--	2,581,501	--
Difference between expected and actual experience of the Total Pension Liability	(809,725)	(1,001,401)	(374,386)	(494,724)	468,058	(1,706,718)	--	--
Changes of assumptions	--	(1,901,901)	--	--	7,489,555	--	(2,865,321)	233,636
Benefit payments, including refunds of employee contributions	(10,033,650)	(9,851,548)	(9,669,007)	(9,149,144)	(9,287,558)	(9,048,633)	(8,291,699)	(8,530,234)
Net change in total pension liability	2,226,149	482,359	3,026,792	3,279,986	11,380,556	1,837,901	3,749,251	3,767,231
Total pension liability - beginning	159,767,138	159,284,779	156,257,987	152,978,001	141,597,445	139,759,544	136,010,293	132,243,062
Total pension liability - ending (a)	\$ 161,993,287	\$ 159,767,138	\$ 159,284,779	\$ 156,257,987	\$ 152,978,001	\$ 141,597,445	\$ 139,759,544	\$ 136,010,293
B. Plan fiduciary net position								
Contributions - employer	\$ 2,516,380	\$ 2,565,916	\$ 2,367,241	\$ 2,161,301	\$ 2,342,837	\$ 2,403,173	\$ 2,479,865	\$ 2,276,531
Contributions - employee	717,805	777,209	787,306	812,598	836,339	847,508	488,592	478,002
Net investment income	36,868,366	5,123,806	8,862,094	10,452,584	14,401,043	30,596	3,119,891	18,017,830
Benefit payments, including refunds of employee contributions	(10,033,650)	(9,851,548)	(9,669,007)	(9,149,144)	(9,287,558)	(9,048,633)	(8,291,699)	(8,530,234)
Pension Plan Administrative Expense	(140,476)	(141,173)	(138,533)	(139,150)	(136,055)	(193,515)	(124,435)	(112,827)
Other	184,877	(10,222)	(13,385)	(57,545)	254,209	28,596	176,372	7,388
Net change in plan fiduciary net position	30,113,302	(1,536,012)	2,195,716	4,080,644	8,410,815	(5,932,275)	(2,151,414)	12,136,690
Plan fiduciary net position - beginning	140,347,795	141,883,807	139,688,091	135,607,447	127,196,632	133,128,907	135,280,321	123,143,631
Plan fiduciary net position - ending (b)	170,461,097	140,347,795	141,883,807	139,688,091	135,607,447	127,196,632	133,128,907	135,280,321
C. Net pension liability - ending (a) - (b)	\$ (8,467,810)	\$ 19,419,343	\$ 17,400,972	\$ 16,569,896	\$ 17,370,554	\$ 14,400,813	\$ 6,630,637	\$ 729,972
D. Plan fiduciary net position as a percentage of the total pension liability	105.23%	87.85%	89.08%	89.40%	88.65%	89.83%	95.26%	99.46%
E. Covered payroll	\$ 23,988,407	\$ 25,403,609	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205	\$ 23,528,405
F. Net pension liability as a percentage of covered payroll	-35.30%	76.44%	70.06%	67.09%	71.60%	59.44%	27.43%	3.10%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-3 (3 OF 6)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – POLICE
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability								
Service cost	\$ 2,439,255	\$ 2,482,115	\$ 2,238,638	\$ 2,148,101	\$ 2,014,684	\$ 1,964,581	\$ 1,375,751	\$ 1,316,743
Interest on the Total Pension Liability	4,399,869	4,091,084	3,773,606	3,498,259	3,011,196	2,735,086	2,278,196	2,112,199
Changes of benefit terms	--	--	--	--	--	--	2,566,626	--
Difference between expected and actual experience of the Total Pension Liability	1,553,128	(1,413,525)	(392,714)	(648,949)	3,152,114	(61,897)	--	--
Changes of assumptions	--	589,857	--	--	2,582,739	--	386,791	(648,637)
Benefit payments, including refunds								
of employee contributions	(1,378,711)	(1,255,070)	(1,156,667)	(1,061,625)	(941,558)	(1,021,160)	(598,672)	(594,343)
Net change in total pension liability	7,013,541	4,494,461	4,462,863	3,935,786	9,819,175	3,616,610	6,008,692	2,185,962
Total pension liability - beginning	62,325,000	57,830,539	53,367,676	49,431,890	39,612,715	35,996,105	29,987,413	27,801,451
Total pension liability - ending (a)	\$ 69,338,541	\$ 62,325,000	\$ 57,830,539	\$ 53,367,676	\$ 49,431,890	\$ 39,612,715	\$ 35,996,105	\$ 29,987,413
B. Plan fiduciary net position								
Contributions - employer	\$ 1,982,333	\$ 1,842,074	\$ 1,439,364	\$ 1,199,854	\$ 1,040,242	\$ 1,109,071	\$ 857,531	\$ 687,959
Contributions - employee	1,253,877	1,219,110	1,097,900	1,057,127	1,099,252	1,087,172	641,751	619,646
Net investment income (loss)	14,534,254	1,856,896	2,949,295	3,212,740	4,095,964	(11,700)	763,454	4,119,654
Benefit payments, including refunds of employee contributions	(1,378,711)	(1,255,070)	(1,156,667)	(1,061,625)	(941,558)	(1,021,160)	(598,672)	(594,343)
Pension Plan Administrative Expense	(55,378)	(51,162)	(46,104)	(42,770)	(38,697)	(31,476)	(30,599)	(25,797)
Other		32,219	(2)	2	(394,850)	(2)	13,001	--
Net change in plan fiduciary net position	16,336,375	3,644,067	4,283,786	4,365,328	4,860,353	1,131,905	1,646,466	4,807,119
Plan fiduciary net position - beginning	50,862,831	47,218,764	42,934,978	38,569,650	33,709,297	32,577,392	30,930,926	26,123,807
Plan fiduciary net position - ending (b)	67,199,206	50,862,831	47,218,764	42,934,978	38,569,650	33,709,297	32,577,392	30,930,926
C. Net pension liability (asset) - ending (a) - (b)	\$ 2,139,335	\$ 11,462,169	\$ 10,611,775	\$ 10,432,698	\$ 10,862,240	\$ 5,903,418	\$ 3,418,713	\$ (943,513)
D. Plan fiduciary net position as a percentage of the total pension liability	96.91%	81.61%	81.65%	80.45%	78.03%	85.10%	90.50%	103.15%
E. Covered payroll	\$ 12,502,586	\$ 12,191,132	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870	\$ 7,745,546
F. Net pension liability as a percentage of covered payroll	17.11%	94.02%	96.65%	98.69%	99.91%	56.25%	42.62%	-12.18%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-3 (4 OF 6)

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION ASSET AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – FIRE
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
A. Total pension liability								
Service cost	\$ 3,182,960	\$ 3,179,256	\$ 3,063,391	\$ 2,942,326	\$ 2,469,994	\$ 2,326,126	\$ 2,143,259	\$ 2,109,017
Interest on the Total Pension Liability	5,816,862	5,305,512	4,943,164	4,470,059	4,169,635	3,925,426	3,436,541	3,126,099
Changes of benefit terms	--	--	--	--	--	--	1,629,797	--
Difference between expected and actual experience of the Total Pension Liability	(35,026)	300,156	(1,584,171)	181,502	(928,566)	(2,398,843)	(249,261)	--
Changes of assumptions	--	135,602	--	--	3,052,432	--	--	(649,235)
Benefit payments, including refunds of employee contributions	(1,698,086)	(1,536,674)	(1,071,175)	(720,365)	(753,251)	(583,801)	(482,813)	(444,721)
Net change in total pension liability	7,266,710	7,383,852	5,351,209	6,873,522	8,010,244	3,268,908	6,477,523	4,141,160
Total pension liability - beginning	82,355,587	74,971,735	69,620,526	62,747,004	54,736,760	51,467,852	44,990,329	40,849,169
Total pension liability - ending (a)	\$ 89,622,297	\$ 82,355,587	\$ 74,971,735	\$ 69,620,526	\$ 62,747,004	\$ 54,736,760	\$ 51,467,852	\$ 44,990,329
B. Plan fiduciary net position								
Contributions - employer	\$ 1,244,667	\$ 1,197,397	\$ 819,835	\$ 792,107	\$ 971,858	\$ 991,610	\$ 1,226,727	\$ 1,006,080
Contributions - employee	1,603,059	1,535,942	1,470,003	1,406,154	1,300,194	1,189,766	943,698	933,528
Net investment income (loss)	22,702,257	2,964,386	4,806,199	5,312,666	6,811,465	(19,290)	1,266,662	6,811,997
Benefit payments, including refunds of employee contributions	(1,698,086)	(1,536,674)	(1,071,175)	(720,365)	(753,251)	(583,801)	(482,813)	(444,721)
Pension Plan Administrative Expense	(86,500)	(81,676)	(75,131)	(70,725)	(64,352)	(51,895)	(50,769)	(42,657)
Other	177	170,908	85	138,343	297,336	786	830	727
Net change in plan fiduciary net position	23,765,574	4,250,283	5,949,816	6,858,180	8,563,250	1,527,176	2,904,335	8,264,954
Plan fiduciary net position - beginning	81,198,438	76,948,155	70,998,339	64,140,159	55,576,909	54,049,733	51,145,398	42,880,444
Plan fiduciary net position - ending (b)	104,964,012	81,198,438	76,948,155	70,998,339	64,140,159	55,576,909	54,049,733	51,145,398
C. Net pension liability asset - ending (a) - (b)	\$ (15,341,715)	\$ 1,157,149	\$ (1,976,420)	\$ (1,377,813)	\$ (1,393,155)	\$ (840,149)	\$ (2,581,881)	\$ (6,155,069)
D. Plan fiduciary net position as a percentage of the total pension liability	117.12%	98.59%	102.64%	101.98%	102.22%	101.53%	105.02%	113.68%
E. Covered payroll	\$ 16,018,925	\$ 15,351,310	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323	\$ 11,626,334
F. Net pension liability as a percentage of covered payroll	-95.77%	7.54%	-13.45%	-9.81%	-10.75%	-6.91%	-21.97%	-52.94%

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

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
 LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability	4.61%	4.58%	4.50%	4.52%	4.51%	4.63%	4.51%	4.52%
City's proportionate share of the net pension liability	\$ 108,584,442	\$ 146,198,218	\$ 143,724,256	\$ 143,161,570	\$ 142,133,353	\$ 138,136,783	\$ 124,172,981	\$ 109,977,503
State's proportionate share of the net pension liability associated with the school district	80,525,098	108,628,857	107,664,351	106,788,248	107,418,666	94,603,413	84,831,083	75,416,640
Total	\$ 189,109,540	\$ 254,827,075	\$ 251,388,607	\$ 249,949,818	\$ 249,552,019	\$ 232,740,196	\$ 209,004,064	\$ 185,394,143
City's covered payroll	\$ 87,754,592	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 65,343,396	\$ 75,293,840	\$ 71,583,452
City's proportionate share of the net pension liability as a percentage of its covered payroll	123.74%	169.58%	171.71%	176.31%	179.37%	211.40%	164.92%	153.64%
Plan fiduciary net position as a percentage of the total pension liability	90.14%	55.08%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

Note:

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

CITY OF CRANSTON, RHODE ISLAND

RSI-3 (6 OF 6)

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' SURVIVOR BENEFIT COST-SHARING PLAN
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension asset	16.67%	16.59%	16.43%	16.44%	16.59%	16.33%	15.92%	16.15%
City's proportionate share of the net pension asset	<u>\$ (32,625,433)</u>	<u>\$ (19,705,400)</u>	<u>\$ (18,641,818)</u>	<u>\$ (14,668,001)</u>	<u>\$ (13,726,036)</u>	<u>\$ (16,261,491)</u>	<u>\$ (14,863,013)</u>	<u>\$ (20,076,310)</u>
City's covered payroll	\$ 87,754,592	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 71,583,452	\$ 75,293,840	\$ 66,347,524
City's proportionate share of the net pension asset as a percentage of its covered payroll	37.18%	22.86%	22.27%	18.06%	17.32%	22.72%	19.74%	30.26%
Plan fiduciary net position as a percentage of the total pension asset	185.70%	153.10%	150.20%	137.40%	136.10%	153.30%	146.60%	173.30%

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

Note:

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

CITY OF CRANSTON, RHODE ISLAND

RSI-4 (1 OF 6)

SCHEDULE OF CITY CONTRIBUTIONS
CRANSTON RETIREMENT SYSTEM – POLICE AND FIRE PENSION
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 21,532,473	\$ 21,457,077	\$ 21,463,003	\$ 21,569,803	\$ 22,568,319	\$ 21,403,849	\$ 21,316,456	\$ 21,353,591	\$ 21,006,057
Contributions in relation to the actuarially determined contribution	21,532,473	21,457,077	21,463,003	21,569,803	22,568,319	21,403,849	21,316,456	22,376,110	22,376,109
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (1,022,519)	\$ (1,370,052)
Covered payroll	\$ 1,000,797	\$ 1,065,712	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734	\$ 2,905,865
Contributions as a percentage of covered payroll	2151.53%	2013.40%	1695.25%	1055.28%	939.15%	793.51%	800.18%	760.90%	770.03%

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

Notes to Schedule:

Valuation date: July 1, 2022
 Measurement date: June 30, 2022
 Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
 Amortization method: Level dollar basis,
 Court approved plan: Closed 28-year period with the July 1, 2013 valuation. Opted out of Court approved plan: Closed 23-year period beginning with the July 1, 2013 valuation
 Asset valuation method: Market value of assets
 Inflation: 3.00%
 Salary increases: 3%
 Investment rate of return: 7.90%
 Cost of living adjustments: For Court approved members, every other year COLA freeze for a ten year period, effective July 1, 2013. In years 11 and 12 a 1.5% COLA would apply and then a 3.0% COLA for each year thereafter. For others, No COLAs will be paid for a ten year period effective July 1, 2013. Upon the expiration of the ten year period, 3.0% annually thereafter, effective each July 1st.

CITY OF CRANSTON, RHODE ISLAND

RSI-4 (2 OF 6)

SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – GENERAL EMPLOYEES
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,516,380	\$ 2,565,916	\$ 2,367,241	\$ 2,161,301	\$ 2,342,837	\$ 2,403,173	\$ 2,479,865	\$ 2,276,531
Contributions in relation to the actuarially determined contribution	<u>2,516,380</u>	<u>2,565,916</u>	<u>2,367,241</u>	<u>2,161,301</u>	<u>2,342,837</u>	<u>2,403,173</u>	<u>2,479,865</u>	<u>2,276,531</u>
Contribution Deficiency (Excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 23,988,407	\$ 25,403,609	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205	\$ 23,528,405
Contributions as a percentage of covered payroll	10.49%	10.10%	9.53%	8.75%	9.66%	9.92%	10.26%	9.68%

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

Notes to Schedule:

Valuation date: June 30, 2020

Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal
 Amortization method Level percentage of payroll, closed
 Remaining amortization period 17 years
 Asset valuation method 5-year smoothed market
 Inflation 2.50%
 Salary increases 3.00% to 14.00% including inflation
 Investment rate of return 7.00%
 Retirement age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.

Mortality Males: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
 Females: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – POLICE
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,982,333	\$ 1,842,074	\$ 1,439,364	\$ 1,199,854	\$ 1,040,242	\$ 1,109,071	\$ 857,531	\$ 687,959
Contributions in relation to the actuarially determined contribution	1,982,333	1,842,074	1,439,364	1,199,854	1,040,242	1,109,071	857,531	687,959
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 12,502,586	\$ 12,191,132	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870	\$ 7,745,546
Contributions as a percentage of covered payroll	15.86%	15.11%	13.11%	11.35%	9.57%	10.57%	10.69%	8.88%

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

Notes to Schedule:

Valuation date: June 30, 2020

Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level percentage of payroll, closed

Remaining amortization period: 17 years

Asset valuation method: 5-year smoothed market

Inflation: 2.50%

Salary increases: 3.00% to 14.00% including inflation

Investment rate of return: 7.00%

Retirement age: Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.

Mortality: Males: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
Females: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN – FIRE
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,244,667	\$ 1,197,397	\$ 819,835	\$ 792,107	\$ 971,858	\$ 991,610	\$ 1,226,727	\$ 1,006,080
Contributions in relation to the actuarially determined contribution	1,244,667	1,197,397	819,835	792,107	971,858	991,610	1,226,727	1,006,080
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 16,018,925	\$ 15,351,310	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323	\$ 11,626,334
Contributions as a percentage of covered payroll	7.77%	7.80%	5.58%	5.64%	7.50%	8.15%	10.44%	8.65%

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

Notes to Schedule:

Valuation date: June 30, 2020
 Measurement date: June 30, 2021
 Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
 Amortization method: Level percentage of payroll, closed
 Remaining amortization period: 18 years
 Asset valuation method: 5-year smoothed market
 Inflation: 2.50%
 Salary increases: General Employees - 3.50% to 7.25%
 Police & Fire Employees - 4.00% to 14.00%
 Investment rate of return: 7.00%
 Retirement age: Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.
 Mortality: Males: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
 Females: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE OF CITY CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST EIGHT FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 13,700,256	\$ 13,105,536	\$ 12,545,887	\$ 11,597,002	\$ 11,085,649	\$ 10,443,656	\$ 8,928,408	\$ 8,897,203
Contributions in relation to the actuarially determined contribution	13,700,256	13,105,536	12,545,887	11,597,002	11,085,649	10,443,656	8,928,408	8,897,203
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 89,919,568	\$ 87,754,592	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 65,343,396	\$ 75,293,840
Contributions as a percentage of covered payroll	15.24%	14.93%	14.55%	13.86%	13.65%	13.18%	13.66%	11.82%

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

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

Notes to Schedule:
Valuation date: June 30, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:
Actuarial cost method: Entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 17 years
Asset valuation method: 5-year smoothed market
Inflation: 2.50%
Salary increases: Teachers - 3.0% to 13.0%
Investment rate of return: 7.00%
Mortality: Males: RP-2014 Combined Healthy for Males with White Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
Females: RP-2014 Combined Healthy for Females with White Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE OF CITY CONTRIBUTIONS
TEACHERS' SURVIVOR BENEFIT COST-SHARING PLAN
LAST EIGHT FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 124,156	\$ 122,736	\$ 123,737	\$ 122,562	\$ 122,309	\$ 104,893	\$ 96,065	\$ 98,373
Contributions in relation to the actuarially determined contribution	124,156	122,736	123,737	122,562	122,309	104,893	96,065	98,373
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 89,919,568	\$ 87,754,592	\$ 86,213,284	\$ 83,700,855	\$ 81,199,212	\$ 79,238,665	\$ 71,583,452	\$ 75,293,840
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.15%	0.15%	0.13%	0.13%	0.13%

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

Notes:

1) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 16-16-35.

Notes to Schedule:

Valuation date: June 30, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 17 years
Asset valuation method: 5-year smoothed market
Inflation: 2.50%
Salary increases: Teachers - 3.0% to 13.0%
Investment rate of return: 7.00%
Mortality: Males: RP-2014 Combined Healthy for Males with White Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).
Females: RP-2014 Combined Healthy for Females with White Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).

CITY OF CRANSTON, RHODE ISLAND

RSI-5 (1 OF 2)

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 924,192	\$ 910,189	\$ 892,711	\$ 954,238	\$ 930,661	\$ 890,585
Interest on the total OPEB liability	3,636,797	3,587,362	3,350,222	3,776,605	3,867,250	3,830,040
Change in terms	--	--	(556,407)	--	--	--
Differences between expected and actual experience	--	1,086,712	4,099,493	(5,576,847)	(1,729,986)	--
Benefit payments	(4,938,475)	(5,005,273)	(4,605,759)	(4,378,012)	(4,104,990)	(4,467,496)
Net change in total OPEB liability	(377,486)	578,990	3,180,260	(5,224,016)	(1,037,065)	253,129
Total OPEB liability - beginning	47,533,523	46,954,533	43,774,273	48,998,289	50,035,354	49,782,225
Total OPEB liability - ending	<u>\$ 47,156,037</u>	<u>\$ 47,533,523</u>	<u>\$ 46,954,533</u>	<u>\$ 43,774,273</u>	<u>\$ 48,998,289</u>	<u>\$ 50,035,354</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 4,512,526	\$ 2,040,266	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions - retired members	413,459	438,863	396,346	385,781	368,718	362,505
Net investment income	(870,677)	1,914,392	242,263	410,584	316,629	174,087
Benefit payments	(4,938,475)	(5,106,910)	(4,605,759)	(4,378,012)	(4,104,989)	(4,467,496)
OPEB Plan Administrative Expense	(27,682)	(24,328)	(24,164)	(23,396)	(19,792)	(17,471)
Net change in plan fiduciary net position	(910,849)	(737,717)	497,664	821,678	1,669,406	1,107,341
Plan fiduciary net position - beginning	8,382,884	9,120,601	8,622,937	7,801,259	6,131,853	5,024,512
Plan fiduciary net position - ending	<u>7,472,035</u>	<u>8,382,884</u>	<u>9,120,601</u>	<u>8,622,937</u>	<u>7,801,259</u>	<u>6,131,853</u>
Net OPEB liability - ending	<u>\$ 39,684,002</u>	<u>\$ 39,150,639</u>	<u>\$ 37,833,932</u>	<u>\$ 35,151,336</u>	<u>\$ 41,197,030</u>	<u>\$ 43,903,501</u>
Plan fiduciary net position as a percentage of the total OPEB liability	15.85%	17.64%	19.42%	19.70%	15.92%	12.26%
Covered payroll	\$ 26,967,333	\$ 26,055,394	\$ 24,369,602	\$ 24,825,724	\$ 24,041,185	\$ 23,228,198
Net OPEB liability as percentage of covered payroll	147.16%	150.26%	155.25%	141.59%	171.36%	189.01%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-5 (2 OF 2)

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 492,771	\$ 758,165	\$ 758,165	\$ 570,694	\$ 546,119	\$ 538,422
Interest on the total OPEB liability	827,124	436,834	544,115	400,456	380,630	363,147
Changes of assumptions	--	4,808,320	930,455	--	--	--
Differences between expected and actual experience	(3,309,211)	(3,318,952)	(640,086)	3,327,983	172,483	--
Benefit payments	(938,189)	(945,945)	(750,281)	(662,755)	(542,485)	(357,642)
Net change in total OPEB liability	(2,927,505)	1,738,422	842,368	3,636,378	556,747	543,927
Total OPEB liability - beginning	16,513,082	14,774,660	13,932,292	10,295,914	9,739,167	9,195,240
Total OPEB liability - ending	\$ 13,585,577	\$ 16,513,082	\$ 14,774,660	\$ 13,932,292	\$ 10,295,914	\$ 9,739,167
Plan Fiduciary Net Position						
Contributions - employer	\$ 630,971	\$ 1,631,995	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Contributions - retired members	--	--	--	--	--	--
Net investment income	(258,132)	221,586	38,077	43,177	37,929	49,267
Benefit payments	(630,971)	(659,695)	(519,171)	(449,828)	(368,198)	(512,786)
OPEB Plan Administrative Expense	--	(2,980)	(1,645)	(1,530)	--	--
Net change in plan fiduciary net position	(258,132)	1,190,906	36,432	41,647	537,929	49,267
Plan fiduciary net position - beginning	1,874,058	683,152	646,720	605,073	67,144	17,877
Plan fiduciary net position - ending	1,615,926	1,874,058	683,152	646,720	605,073	67,144
Net OPEB liability - ending	\$ 11,969,651	\$ 14,639,024	\$ 14,091,508	\$ 13,285,572	\$ 9,690,841	\$ 9,672,023
Plan fiduciary net position as a percentage of the total OPEB liability	11.89%	11.35%	4.62%	4.64%	5.88%	0.69%
Covered payroll	\$ 90,299,925	\$ 90,387,800	\$ 87,331,208	\$ 86,830,931	\$ 83,894,619	\$ 82,578,112
Net OPEB liability as percentage of covered payroll	13.26%	16.20%	16.14%	15.30%	11.55%	11.71%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-6 (1 OF 2)

SCHEDULE OF CITY CONTRIBUTIONS
CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
LAST SIX FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution (1)	\$ 4,512,526	\$ 4,040,266	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions in relation to the actuarially determined contribution	<u>4,512,526</u>	<u>4,040,266</u>	<u>4,488,978</u>	<u>4,426,721</u>	<u>5,108,840</u>	<u>5,055,716</u>
Contribution Deficiency (Excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	\$ 26,967,333	\$ 26,055,394	\$ 24,369,602	\$ 24,825,724	\$ 24,041,185	\$ 23,228,198
Contributions as a percentage of covered payroll	16.73%	15.51%	18.42%	17.83%	21.25%	21.77%

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

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

Notes to Schedule:

Valuation date: June 30, 2022
Measurement date: June 30, 2022

CITY OF CRANSTON, RHODE ISLAND

RSI-6 (2 OF 2)

SCHEDULE OF CITY CONTRIBUTIONS
CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
LAST SIX FISCAL YEARS*

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution (1)	\$ 630,971	\$ 659,695	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Contributions in relation to the actuarially determined contribution	630,971	659,695	519,171	449,828	868,198	512,786
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 90,299,925	\$ 90,387,800	\$ 87,331,208	\$ 86,830,931	\$ 83,894,619	\$ 82,578,112
Contributions as a percentage of covered payroll	0.70%	0.73%	0.59%	0.52%	1.03%	0.62%

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

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

Notes to Schedule:

Valuation date: June 30, 2022

Measurement date: June 30, 2022

CITY OF CRANSTON, RHODE ISLAND

RSI-7 (1 OF 2)

SCHEDULE OF CITY INVESTMENT RETURNS
CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
LAST FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	-13.60%	18.70%	3.28%	5.92%	6.15%

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

CITY OF CRANSTON, RHODE ISLAND

RSI-7 (2 OF 2)

SCHEDULE OF CRANSTON PUBLIC SCHOOLS INVESTMENT RETURNS
CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
LAST FIVE FISCAL YEARS*

	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	-13.18%	23.99%	5.88%	7.14%	6.47%

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

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

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Student Activity Funds – This fund accounts for the receipt and disbursement of school student activity programs.

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

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

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

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

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

Special Revenue Funds (Continued)

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

- RSVP
- Multipurpose Center
- Adult Day Care

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

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

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

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

Capital Project Funds

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

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

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

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

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

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

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

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

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

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 1 (1 OF 2)

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds											
	School Federal Grants	School State Grants	School Private Grants	School Athletic Funds	Student Activity Funds	Charter School	Community Services	Public Service	Senior Services	Governmental Special Revenue Funds	Community Development Block Grant	WIOA Job Development
Assets												
Cash and cash equivalents	\$ 137,091	\$ 584,740	\$ 1,094,500	\$ 2,732	\$ 756,410	\$ 958,458	\$ 1,821,722	\$ 1,841,683	\$ 98,318	\$ 1,093,538	\$ --	\$ 14,466
Receivables:												
Intergovernmental	2,567,177	65,315	--	--	--	35,038	--	--	--	--	--	--
Loans	--	--	--	--	--	--	241,351	--	--	--	1,956,745	--
Other	10,935	--	3,625	--	--	--	--	464,339	3,787	2,704	--	--
Security deposits	--	--	3,792	--	--	--	--	--	--	--	--	--
Prepays	--	--	5,625	--	--	24,550	--	--	--	--	--	--
Due from:												
Other funds	--	8,490	61,451	198,328	--	--	19,977	2,652	3,567	992	--	--
Total Assets	\$ 2,715,203	\$ 658,545	\$ 1,168,993	\$ 201,060	\$ 756,410	\$ 1,018,046	\$ 2,083,050	\$ 2,308,674	\$ 105,672	\$ 1,097,234	\$ 1,956,745	\$ 14,466
Liabilities and Fund Balances												
Liabilities												
Accounts payable	\$ 1,191,986	\$ 32,919	\$ 12,936	\$ 1,775	\$ --	\$ 74,746	\$ 3,117	\$ 2,679	\$ 4,526	\$ 51,840	\$ --	\$ --
Accrued payroll	--	--	--	--	--	--	--	98,956	--	--	--	4,441
Accrued expenses	--	--	--	--	--	--	--	--	--	--	6,424	--
Retainage payable	--	--	--	--	--	--	--	--	--	--	--	--
Due to other funds	1,519,981	154,170	152,931	--	--	4,317	--	64,918	--	1,352	24,734	57,277
Unearned revenues	3,236	471,456	1,003,126	--	--	--	241,351	--	--	--	978,373	--
Total Liabilities	2,715,203	658,545	1,168,993	1,775	--	79,063	244,468	166,553	4,526	53,192	1,009,531	61,718
Fund Balances												
Restricted	--	--	--	168,900	756,410	938,983	1,838,582	2,142,121	101,146	1,044,042	947,214	--
Committed	--	--	--	30,385	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--	--	--	--	(47,252)
Total Fund Balances	--	--	--	199,285	756,410	938,983	1,838,582	2,142,121	101,146	1,044,042	947,214	(47,252)
Total Liabilities and Fund Balances	\$ 2,715,203	\$ 658,545	\$ 1,168,993	\$ 201,060	\$ 756,410	\$ 1,018,046	\$ 2,083,050	\$ 2,308,674	\$ 105,672	\$ 1,097,234	\$ 1,956,745	\$ 14,466

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 1 (2 OF 2)

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Project Funds								Total Nonmajor Governmental Funds
	Police and Fire Bond Fund	Public Building Bond Fund	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Library Bond Fund	Neighborhood Infrastructure Bond Fund	Open Space Bond Fund	
Assets									
Cash and cash equivalents	\$ 1,534,257	\$ 573,638	\$ 1,952,577	\$ 1,920,729	\$ 591,997	\$ 36,709	\$ 154,307	\$ 18,715	\$ 15,186,587
Receivables:									
Intergovernmental	--	--	--	--	--	--	--	--	2,667,530
Loans	--	--	--	--	--	--	--	--	2,198,096
Other	--	--	--	--	--	--	--	--	485,390
Security deposits	--	--	--	--	--	--	--	--	3,792
Prepays	--	--	--	--	--	--	--	--	30,175
Due from:									
Other funds	--	--	--	--	--	--	--	--	295,457
Total Assets	<u>\$ 1,534,257</u>	<u>\$ 573,638</u>	<u>\$ 1,952,577</u>	<u>\$ 1,920,729</u>	<u>\$ 591,997</u>	<u>\$ 36,709</u>	<u>\$ 154,307</u>	<u>\$ 18,715</u>	<u>\$ 20,867,027</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ --	\$ 80,333	\$ 11,219	\$ 44,537	\$ 178,298	\$ --	\$ --	\$ --	\$ 1,690,911
Accrued payroll	--	--	--	--	--	--	--	--	103,397
Accrued expenses	--	--	--	--	--	--	--	--	6,424
Retainage payable	--	530	--	--	--	--	--	--	530
Due to other funds	--	--	--	--	--	--	--	--	1,979,680
Unearned revenues	--	--	--	--	--	--	--	--	2,697,542
Total Liabilities	<u>--</u>	<u>80,863</u>	<u>11,219</u>	<u>44,537</u>	<u>178,298</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,478,484</u>
Fund Balances									
Restricted	1,534,257	492,775	1,941,358	1,876,192	413,699	36,709	154,307	18,715	14,405,410
Committed	--	--	--	--	--	--	--	--	30,385
Unassigned	--	--	--	--	--	--	--	--	(47,252)
Total Fund Balances	<u>1,534,257</u>	<u>492,775</u>	<u>1,941,358</u>	<u>1,876,192</u>	<u>413,699</u>	<u>36,709</u>	<u>154,307</u>	<u>18,715</u>	<u>14,388,543</u>
Total Liabilities and Fund Balances	<u>\$ 1,534,257</u>	<u>\$ 573,638</u>	<u>\$ 1,952,577</u>	<u>\$ 1,920,729</u>	<u>\$ 591,997</u>	<u>\$ 36,709</u>	<u>\$ 154,307</u>	<u>\$ 18,715</u>	<u>\$ 20,867,027</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 2 (1 OF 2)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds										WMO Job Development	
	School Federal Grants	School State Grants	School Private Grants	School Athletic Funds	Student Activity Funds	Charter School	Community Services	Public Service	Senior Services	Governmental Special Revenue Funds		Community Development Block Grant
Revenues												
Intergovernmental	\$ 8,275,606	\$ 952,749	\$ 625,122	\$ --	\$ --	\$ 74,932	\$ --	\$ 92,089	\$ --	\$ --	\$ 2,904,066	\$ 211,853
Elementary and secondary school emergency relief	5,487,393	--	--	--	--	--	--	--	--	--	--	--
Charges for services	--	--	--	--	--	2,668,264	--	1,532,779	96,465	255,186	--	--
Investment income	--	--	--	--	--	--	--	170,053	86	2,044	--	8
Other	--	--	--	113,177	981,308	339	105,744	624,573	--	--	--	--
Total Revenues	13,762,999	952,749	625,122	113,177	981,308	2,743,535	275,797	2,250,442	96,551	257,230	2,904,066	211,861
Expenditures												
Current:												
General government	--	--	--	--	--	--	856	--	--	173,863	--	189,224
Public safety	--	--	--	--	--	--	--	1,742,399	--	11,253	--	--
Education	13,481,076	952,749	622,105	207,893	970,511	2,716,196	--	--	--	--	--	--
Public libraries	--	--	--	--	--	--	113,936	--	--	9,738	--	--
Senior services	--	--	--	--	--	--	--	--	92,165	--	--	--
Community development	--	--	--	--	--	--	--	--	--	--	1,886,617	--
Debt service:												
Interest and other costs	--	--	--	--	--	--	--	--	--	--	--	--
Capital:												
Capital expenditures	--	--	--	--	--	--	--	--	--	--	--	--
Total Expenditures	13,481,076	952,749	622,105	207,893	970,511	2,716,196	114,792	1,742,399	92,165	194,854	1,886,617	189,224
Excess (Deficiency) of Revenues Over Expenditures	281,923	--	3,017	(94,716)	10,797	27,339	161,005	508,043	4,386	62,376	1,017,449	22,637
Other Financing Sources (Uses)												
Issuance of general obligation bond	--	--	--	--	--	--	--	--	--	--	--	--
Bond premium	--	--	--	--	--	--	--	--	--	--	--	--
Transfer out	(281,923)	--	(3,017)	--	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	(281,923)	--	(3,017)	--	--	--	--	--	--	--	--	--
Net Change in Fund Balances	--	--	--	(94,716)	10,797	27,339	161,005	508,043	4,386	62,376	1,017,449	22,637
Fund Balances - July 1, 2021 (As Restated)	--	--	--	294,001	745,613	911,644	1,677,577	1,634,078	96,760	981,666	(70,235)	(69,889)
Fund Balances - June 30, 2022	\$ --	\$ --	\$ --	\$ 199,285	\$ 756,410	\$ 938,983	\$ 1,838,582	\$ 2,142,121	\$ 101,146	\$ 1,044,042	\$ 947,214	\$ (47,252)

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 2 (2 OF 2)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Project Funds							Total Non-Major Governmental Funds	
	Police and Fire Bond Fund	Public Building Bond Fund	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Library Bond Fund	Neighborhood Infrastructure Bond Fund		Open Space Bond Fund
Revenues									
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,136,417
Elementary and secondary school emergency relief	--	--	--	--	--	--	--	--	5,487,393
Charges for services	--	--	--	--	--	--	--	--	4,552,694
Investment income	154	--	201	--	--	10	44	6	173,607
Other	--	86,816	--	--	--	--	--	--	1,911,957
Total Revenues	154	86,816	201	--	--	10	44	6	25,262,068
Expenditures									
Current:									
General government	--	--	--	--	--	--	--	--	363,943
Public safety	--	--	--	--	--	--	--	--	1,753,652
Education	--	--	--	--	--	--	--	--	18,950,530
Public libraries	--	--	--	--	--	--	--	--	123,674
Senior services	--	--	--	--	--	--	--	--	92,165
Community development	--	--	--	--	--	--	--	--	1,886,617
Debt service:									
Interest and other costs	13,972	7,911	22,615	65,404	2,338	--	1,193	--	113,433
Capital:									
Capital expenditures	39,415	243,745	30,569	3,100,308	629,410	15,890	17,748	20,776	4,097,861
Total Expenditures	53,387	251,656	53,184	3,165,712	631,748	15,890	18,941	20,776	27,381,875
Excess (Deficiency) of Revenues Over Expenditures	(53,233)	(164,840)	(52,983)	(3,165,712)	(631,748)	(15,880)	(18,897)	(20,770)	(2,119,807)
Other Financing Sources (Uses)									
Issuance of general obligation bond	989,210	564,485	1,601,255	4,646,625	168,950	--	84,475	--	8,055,000
Bond premium	195,805	111,736	316,956	919,761	33,442	--	16,721	--	1,594,421
Transfer out	--	--	--	--	--	--	--	--	(284,940)
Net Other Financing Sources (Uses)	1,185,015	676,221	1,918,211	5,566,386	202,392	--	101,196	--	9,364,481
Net Change in Fund Balances	1,131,782	511,381	1,865,228	2,400,674	(429,356)	(15,880)	82,299	(20,770)	7,244,674
Fund Balances - July 1, 2021 (As Restated)	402,475	(18,606)	76,130	(524,482)	843,055	52,589	72,008	39,485	7,143,869
Fund Balances - June 30, 2022	\$ 1,534,257	\$ 492,775	\$ 1,941,358	\$ 1,876,192	\$ 413,699	\$ 36,709	\$ 154,307	\$ 18,715	\$ 14,388,543

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 3

NONMAJOR BUDGETARY FUNDS
 SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

COMMUNITY DEVELOPMENT BLOCK GRANT

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues				
Program income	\$ 350,000	\$ 350,000	\$ 409,375	\$ 59,375
Federal grants	<u>1,284,625</u>	<u>1,284,625</u>	<u>594,018</u>	<u>(690,607)</u>
Total Revenues	<u>1,634,625</u>	<u>1,634,625</u>	<u>1,003,393</u>	<u>(631,232)</u>
Expenditures				
Current:				
Program Activities	<u>1,634,625</u>	<u>1,634,625</u>	<u>1,071,516</u>	<u>563,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (68,123)</u>	<u>\$ (68,123)</u>

WORKFORCE INVESTMENT ACT

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues				
Program income	\$ 282,493	\$ 282,493	\$ 328,319	\$ 45,826
Investment income	<u>--</u>	<u>--</u>	<u>10</u>	<u>10</u>
Total Revenues	<u>282,493</u>	<u>282,493</u>	<u>328,329</u>	<u>45,836</u>
Expenditures				
Current:				
Program activities	<u>282,493</u>	<u>282,493</u>	<u>332,015</u>	<u>(49,522)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,686)</u>	<u>\$ (3,686)</u>

**Proprietary Funds
(Nonmajor Enterprise Funds)**

**PROPRIETY FUNDS
NONMAJOR ENTERPRISE FUNDS**

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

The following is a list of Nonmajor Enterprise Funds in this section:

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

Ice Rink – This fund accounts for the activity of the Cranston Ice Rink.

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 4

COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
 JUNE 30, 2022

	Business-Type Activities		
	School Lunch	Ice Rink	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,818,930	\$ 529,171	\$ 2,348,101
Inventory	46,234	--	46,234
Receivables:			
Other	3,230	--	3,230
Intergovernmental	<u>395,532</u>	<u>--</u>	<u>395,532</u>
Total Current Assets	<u>2,263,926</u>	<u>529,171</u>	<u>2,793,097</u>
Capital Assets			
Capital assets, net of accumulated depreciation	<u>875,924</u>	<u>680,861</u>	<u>1,556,785</u>
Total Noncurrent Assets	<u>875,924</u>	<u>680,861</u>	<u>1,556,785</u>
Total Assets	<u>3,139,850</u>	<u>1,210,032</u>	<u>4,349,882</u>
Liabilities			
Current Liabilities			
Accounts payable	450,166	4,773	454,939
Compensated absences	--	5,639	5,639
Due to other funds	--	33,522	33,522
Unearned revenue	<u>47,865</u>	<u>--</u>	<u>47,865</u>
Total Current Liabilities	<u>498,031</u>	<u>43,934</u>	<u>541,965</u>
Total Liabilities	<u>498,031</u>	<u>43,934</u>	<u>541,965</u>
Net Position			
Net investment in capital assets	854,063	680,861	1,534,924
Unrestricted	<u>1,787,756</u>	<u>485,237</u>	<u>2,272,993</u>
Total Net Position	<u>\$ 2,641,819</u>	<u>\$ 1,166,098</u>	<u>\$ 3,807,917</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 5

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Business-Type Activities</u>		
	<u>School Lunch</u>	<u>Ice Rink</u>	<u>Totals</u>
Operating Revenues			
Charges for usage and service	\$ 124,678	\$ 764,523	\$ 889,201
American rescue plan act	--	214,445	214,445
Intergovernmental	6,113,592	--	6,113,592
Miscellaneous	<u>29,132</u>	<u>--</u>	<u>29,132</u>
Total Operating Revenues	<u>6,267,402</u>	<u>978,968</u>	<u>7,246,370</u>
Operating Expenses			
Operations	4,639,161	1,192,505	5,831,666
Personnel	58,074	230,100	288,174
Depreciation	<u>186,929</u>	<u>33,803</u>	<u>220,732</u>
Total Operating Expenses	<u>4,884,164</u>	<u>1,456,408</u>	<u>6,340,572</u>
Operating Income (Loss)	<u>1,383,238</u>	<u>(477,440)</u>	<u>905,798</u>
NonOperating Revenues			
Gain on sale of asset	--	451,500	451,500
Investment income	<u>32</u>	<u>227</u>	<u>259</u>
Total NonOperating Revenues	<u>32</u>	<u>451,727</u>	<u>451,759</u>
Change in Net Position	1,383,270	(25,713)	1,357,557
Net Position - July 1, 2021, as Restated	<u>1,258,549</u>	<u>1,191,811</u>	<u>2,450,360</u>
Net Position - June 30, 2022	<u>\$ 2,641,819</u>	<u>\$ 1,166,098</u>	<u>\$ 3,807,917</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 6

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities</u>		
	<u>School Lunch</u>	<u>Ice Rink</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash received from customers	\$ 6,250,458	\$ 764,523	\$ 7,014,981
Cash paid to suppliers	--	(575,296)	(575,296)
Cash paid to employees	(58,074)	(229,570)	(287,644)
Cash paid for other operating expenses	(4,555,189)	(674,106)	(5,229,295)
Net Cash (Used in) Provided by Operating Activities	<u>1,637,195</u>	<u>(714,449)</u>	<u>922,746</u>
Cash Flows from NonCapital Financing Activities			
Non-operating grant	--	214,445	214,445
Advances from interfund loans	--	(79,247)	(79,247)
Net Cash Provided by NonCapital Financing Activities	<u>--</u>	<u>135,198</u>	<u>135,198</u>
Cash Flows from Capital and Related Financing Activities			
(Acquisition) disposal of capital assets	(256,871)	1,052,950	796,079
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(256,871)</u>	<u>1,052,950</u>	<u>796,079</u>
Cash Flows from Investing Activities			
Income from investments	32	228	260
Net Cash Provided by Investing Activities	<u>32</u>	<u>228</u>	<u>260</u>
Net Increase in Cash	1,380,356	473,927	1,854,283
Cash - July 1, 2021 (Including Restricted Cash)	<u>438,574</u>	<u>55,244</u>	<u>493,818</u>
Cash - June 30, 2022 (Including Restricted Cash)	<u>\$ 1,818,930</u>	<u>\$ 529,171</u>	<u>\$ 2,348,101</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ 1,383,238	\$ (477,440)	\$ 905,798
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	186,929	33,803	220,732
(Increase) decrease in accounts receivable	(3,230)	--	(3,230)
Decrease in inventory	15,604	--	15,604
(Increase) decrease in intergovernmental receivables	7,917	(214,445)	(206,528)
Increase (decrease) in accounts payable	68,368	(56,897)	11,471
Increase (decrease) in compensated absences	--	530	530
Decrease in unearned revenue	(21,631)	--	(21,631)
Net Provided by (Used in) Operating Activities	<u>\$ 1,637,195</u>	<u>\$ (714,449)</u>	<u>\$ 922,746</u>

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 7

COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
 JUNE 30, 2022

	Governmental Activities		Totals
	School Department Internal Service Fund	City Internal Service Fund	
Assets			
Current Assets			
Cash and cash equivalents	\$ --	\$ 1,084,356	\$ 1,084,356
Receivables:			
Other	2,471	--	2,471
Due from other funds	--	61,313	61,313
Claims deposit	3,879,138	--	3,879,138
Total Current Assets	3,881,609	1,145,669	5,027,278
Noncurrent Assets			
Advance deposits - medical	853,000	--	853,000
Total Noncurrent Assets	853,000	--	853,000
Total Assets	4,734,609	1,145,669	5,880,278
Liabilities			
Current Liabilities			
Accounts payable	--	213,243	213,243
Due to other funds	3,249,563	6,547,568	9,797,131
Claims payable	--	1,334,494	1,334,494
Total Current Liabilities	3,249,563	8,095,305	11,344,868
Net Position			
Unrestricted	1,485,046	(6,949,636)	(5,464,590)
Total Net Position	\$ 1,485,046	\$ (6,949,636)	\$ (5,464,590)

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 8

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities		
	School Department Internal Service Fund	City Internal Service Fund	Totals
Operating Revenues			
Charges for usage and service	\$ 26,719,992	\$ 12,804,662	\$ 39,524,654
Miscellaneous	--	79,214	79,214
	<u>26,719,992</u>	<u>12,883,876</u>	<u>39,603,868</u>
Total Operating Revenues			
Operating Expenses			
Operations	--	577,128	577,128
Claims	--	13,663,442	13,663,442
Health care management	26,181,004	--	26,181,004
	<u>26,181,004</u>	<u>14,240,570</u>	<u>40,421,574</u>
Total Operating Expenses			
Operating (Loss) Income	<u>538,988</u>	<u>(1,356,694)</u>	<u>(817,706)</u>
NonOperating Revenues			
Investment income	--	413	413
	<u>--</u>	<u>413</u>	<u>413</u>
NonOperating Revenues			
Change in Net Position	538,988	(1,356,281)	(817,293)
Net Position - July 1, 2021	<u>946,058</u>	<u>(5,593,355)</u>	<u>(4,647,297)</u>
Net Position - June 30, 2022	<u>\$ 1,485,046</u>	<u>\$ (6,949,636)</u>	<u>\$ (5,464,590)</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 9

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities		
	School Department	City	Totals
	Internal Service Fund	Internal Service Fund	
Cash Flows from Operating Activities			
Cash received from customers	\$ 26,723,093	\$ 12,822,562	\$ 39,545,655
Cash paid for claims	(25,956,148)	(13,762,805)	(39,718,953)
Cash paid for other operating expenses	--	(476,016)	(476,016)
Net Cash Provided by (Used in) Operating Activities	<u>766,945</u>	<u>(1,416,259)</u>	<u>(649,314)</u>
Cash Flows from NonCapital Financing Activities			
Change in interfund loans	<u>(766,945)</u>	<u>1,514,144</u>	<u>747,199</u>
Net Cash Provided by (Used in) NonCapital Financing Activities	<u>(766,945)</u>	<u>1,514,144</u>	<u>747,199</u>
Cash Flows from Investing Activities			
Income from investments	<u>--</u>	<u>412</u>	<u>412</u>
Net Increase in Cash	--	98,297	98,297
Cash - July 1, 2021 (Including Restricted Cash)	<u>--</u>	<u>986,059</u>	<u>986,059</u>
Cash - June 30, 2022 (Including Restricted Cash)	<u>\$ --</u>	<u>\$ 1,084,356</u>	<u>\$ 1,084,356</u>
Reconciliation of Operating Income to Net Cash			
Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ 538,988	\$ (1,356,694)	\$ (817,706)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Decrease in accounts receivable	3,101	--	3,101
Decrease in claims deposits	224,856	--	224,856
Decrease in accounts payable	--	(90,872)	(90,872)
(Increase) decrease in claims payable	--	31,307	31,307
Net Cash Provided by (Used in) Operating Activities	<u>\$ 766,945</u>	<u>\$ (1,416,259)</u>	<u>\$ (649,314)</u>

Fiduciary Funds

FIDUCIARY FUNDS

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

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

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

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

CUSTODIAL FUNDS

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

Unclaimed Estates in Probate – This fund accounts for unclaimed estates that are currently in probate.

Performance Bonds – This fund accounts for deposits received by the City to ensure certain work is completed by various developers. Once the work has been completed to the satisfaction of the Planning Department, the refunds are returned to the developers.

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 10

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2022

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Assets				
Cash and cash equivalents	\$ 5,801,979	\$ 1,439,748	\$ --	\$ 7,241,727
Investments:				
Real Estate Investment Trust	--	124,155	98,244	222,399
U.S. Government Agencies	7,363,350	785,424	--	8,148,774
Pooled Equity Index Funds	--	--	842,305	842,305
Pooled Fixed Income Index Funds	--	--	675,377	675,377
U.S. Equity Mutual Funds	43,080,783	4,533,814	--	47,614,597
Fixed Income Mutual Funds	13,326,696	1,261,950	--	14,588,646
Total Investments	63,770,829	6,705,343	1,615,926	72,092,098
Total Assets	69,572,808	8,145,091	1,615,926	79,333,825
Liabilities				
Accounts payable	--	673,057	--	673,057
Total Liabilities	--	673,057	--	673,057
Net Position Restricted for Pensions and OPEB Benefits and Other Purposes				
	<u>\$ 69,572,808</u>	<u>\$ 7,472,034</u>	<u>\$ 1,615,926</u>	<u>\$ 78,660,768</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 11

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Additions				
Contributions:				
Employer contributions	\$ 21,532,473	\$ 4,512,526	\$ --	\$ 26,044,999
Plan member contributions	98,659	413,459	505,233	1,017,351
Other	<u>49,528</u>	<u>--</u>	<u>--</u>	<u>49,528</u>
Total Contributions	<u>21,680,660</u>	<u>4,925,985</u>	<u>505,233</u>	<u>27,111,878</u>
Investment Income:				
Interest and dividends	<u>1,296,433</u>	<u>138,083</u>	<u>--</u>	<u>1,434,516</u>
Total Investment Income	<u>1,296,433</u>	<u>138,083</u>	<u>--</u>	<u>1,434,516</u>
Total Additions	<u>22,977,093</u>	<u>5,064,068</u>	<u>505,233</u>	<u>28,546,394</u>
Deductions				
Benefits	24,982,914	4,938,476	505,233	30,426,623
Net depreciation in the fair value of investments	9,597,213	1,008,760	252,973	10,858,946
Administrative expenses	<u>231,831</u>	<u>27,682</u>	<u>5,159</u>	<u>264,672</u>
Total Deductions	<u>34,811,958</u>	<u>5,974,918</u>	<u>763,365</u>	<u>41,550,241</u>
Change in Net Position	(11,834,865)	(910,850)	(258,132)	(13,003,847)
Net Position Held in Trust for Pensions, and OPEB Benefits and Other Purposes- July 1, 2021	<u>81,407,673</u>	<u>8,382,884</u>	<u>1,874,058</u>	<u>91,664,615</u>
Net Position Held in Trust for Pensions, and OPEB Benefits and Other Purposes- June 30, 2022	<u>\$ 69,572,808</u>	<u>\$ 7,472,034</u>	<u>\$ 1,615,926</u>	<u>\$ 78,660,768</u>

Other Schedules

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 13 (1 OF 2)

SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	Balance - July 1, 2021	Current Year Assessment	Additions	Abatements and Adjustments		Amount to be Collected	FY 2022 Collections	Balance - June 30, 2022	July - August 2021 Collections Subject to 60- day FY 21 Accrual	September - June 2022 Collections	Total FY 2022 Cash Collections	July - August 2022 (FY 23) Cash Collections Subject to 60- day FY 22 Accrual
2022	\$ --	\$ 186,867,012	\$ 291,889	\$ 842,913	\$ 186,315,988	\$ 185,320,058	\$ 995,930	\$ --	\$ 185,320,058	\$ 185,320,058	\$ 323,531	
2021	1,151,887	--	35,815	(72,826)	1,260,528	926,489	334,039	472,001	454,488	926,489	14,354	
2020	440,578	--	--	(79,863)	520,441	101,001	419,440	20,533	80,468	101,001	6,002	
2019	525,064	--	--	1,179	523,885	46,840	477,045	4,601	42,239	46,840	3,555	
2018	536,014	--	--	(5,152)	541,166	21,130	520,036	2,076	19,054	21,130	1,548	
2017	562,579	--	--	1,163	561,416	17,995	543,421	1,790	16,205	17,995	1,856	
2016	577,147	--	--	190	576,957	15,360	561,597	2,492	12,868	15,360	1,773	
2015	687,657	--	--	409	687,248	13,130	674,118	4,410	8,720	13,130	1,766	
2014	703,626	--	--	2,075	701,551	16,483	685,068	5,914	10,569	16,483	2,050	
2013	732,996	--	--	716,453	16,543	16,543	--	4,869	11,674	16,543	--	
	5,917,548	\$ 186,867,012	\$ 327,704	\$ 1,406,541	\$ 191,705,723	\$ 186,495,029	5,210,694	\$ 518,686	\$ 185,976,343	\$ 186,495,029	\$ 356,435	
Allowance for Uncollectible Accounts	(1,800,000)						(1,600,000)					
Net Property Tax Receivable	\$ 4,117,548						\$ 3,610,694					

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 13 (2 OF 2)

SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Schedule of Net Assessed Property Value by Category		
Description of Property	Valuations	Levy
	December 31, 2020	July 1, 2021
Real Property	\$ 8,783,486,990	\$ 168,138,186
Motor Vehicle	504,549,440	8,799,357
Tangible	<u>369,533,271</u>	<u>9,929,469</u>
Total	9,657,569,701	186,867,012
Exemptions	<u>(480,332,614)</u>	<u>--</u>
Net Assessed Value	<u>\$ 9,177,237,087</u>	<u>\$ 186,867,012</u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 186,495,029
July - August 2021 Collections Subject to 60-day FY 21 Accrual	<u>356,435</u>
	186,851,464
July - August 2021 Collections Subject to 60-day FY 20 Accrual	<u>(518,685)</u>
Current Year Property Tax Revenue	<u>\$ 186,332,779</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 14

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2022

	Land	Land Improvements	Infrastructure	Buildings	Vehicles	Office Furniture & Equipment	Machinery And Equipment	Total	CIP	Grand Total
General government	\$ 15,375,557	\$ 29,009,373	\$ 86,658,540	\$ 106,182,827	\$ 366,856	\$ 1,438,808	\$ 1,623,670	\$ 240,655,631	\$ 1,238,080	\$ 241,893,711
Public safety	--	76,897	17,602	1,575,706	14,612,010	1,249,490	9,260,863	26,792,568	194,331	26,986,899
Public works	--	24,719,225	98,687	402	6,619,577	28,987	1,555,344	33,022,222	441,583	33,463,805
Education	--	96,390	--	20,444,510	5,217,670	1,211,564	122,759	27,092,893	24,477,620	51,570,513
Parks and recreation	--	3,243,767	603,902	363,482	811,946	9,508	1,591,375	6,623,980	--	6,623,980
Public libraries	--	--	--	612,608	17,458	3,661,162	186,561	4,477,789	19,502	4,497,291
Senior services	--	--	--	202,804	312,361	77,975	122,703	715,843	--	715,843
Total	<u>\$ 15,375,557</u>	<u>\$ 57,145,652</u>	<u>\$ 87,378,731</u>	<u>\$ 129,382,339</u>	<u>\$ 27,957,878</u>	<u>\$ 7,677,494</u>	<u>\$ 14,463,275</u>	<u>\$ 339,380,926</u>	<u>\$ 26,371,116</u>	<u>\$ 365,752,042</u>

CITY OF CRANSTON, RHODE ISLAND

SCHEDULE 15

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2022

	Balance July 1, 2021, as Restated	Additions	Retirements	Balance June 30, 2022
General government	\$ 241,488,959	\$ 407,752	\$ 3,000	\$ 241,893,711
Public safety	25,817,555	1,304,986	135,642	26,986,899
Public works	28,500,332	5,120,306	156,833	33,463,805
Education	29,042,061	22,533,952	5,500	51,570,513
Parks and recreation	6,503,154	120,826	--	6,623,980
Public libraries	4,299,756	197,535	--	4,497,291
Senior services	<u>705,455</u>	<u>129,268</u>	<u>118,880</u>	<u>715,843</u>
Total Capital Assets	<u>\$ 336,357,272</u>	<u>\$ 29,814,625</u>	<u>\$ 419,855</u>	<u>\$ 365,752,042</u>

Annual Supplementary Transparency Report

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 185,806,937	\$ -
Last Year's Levy Tax Collection	344,308	-
Prior Years Property Tax Collection	181,424	-
Interest & Penalty	793,702	-
PILOT & Tax Treaty (excluded from levy) Collection	224,244	-
Other Local Property Taxes	-	-
Licenses and Permits	7,146,253	-
Fines and Forfeitures	479,978	-
Investment Income	252,790	-
Departmental	3,327,663	-
Rescue Run Revenue	3,380,999	-
Police & Fire Detail	2,007,424	-
Other Local Non-Property Tax Revenues	1,306,310	-
Tuition	-	1,735,121
Impact Aid	-	-
Medicaid	-	2,509,595
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	5,879,223
CDBG	405,443	-
COPS Grants	-	-
SAFER Grants	1,147,298	-
Other Federal Aid Funds	-	7,962,708
COVID - ESSER	-	5,485,843
COVID - CRF	-	101,594
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	293,840
COVID - ARPA	7,871,661	-
MV Excise Tax Reimbursement	2,391,309	-
State PILOT Program	4,778,876	-
Distressed Community Relief Fund	2,685,555	-
Library Resource Aid	664,578	-
Library Construction Aid	-	-
Public Service Corporation Tax	1,006,575	-
Meals & Beverage Tax / Hotel Tax	2,153,454	-
LEA Aid	-	68,799,617
Group Home	-	-
Housing Aid Capital Projects	-	1,167,595
Housing Aid Bonded Debt	2,388,242	-
State Food Service Revenue	-	17,676
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	952,748
Motor Vehicle Phase Out	11,129,912	-
Other Revenue	178,910	1,911,127
Local Appropriation for Education	-	97,511,879
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 242,053,847	\$ 194,328,566
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 1,737,905	\$ 1,495,302	\$ 1,584,580	\$ 339,542	\$ 1,124,848	\$ 2,179,453	\$ 4,651,822	\$ 1,461,037	\$ 11,249,518
Compensation - Group B	-	-	-	-	-	-	-	-	1,281,971
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	18,314	34,671	4,362	2,690	17,489	23,607	152,072	163,281	1,202,639
Overtime - Group B	-	-	-	-	-	-	-	-	137,050
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	1,940,906
Active Medical Insurance - Group A	251,916	279,680	327,803	58,396	237,611	362,901	954,224	315,292	2,759,469
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	302,565
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	13,259	14,720	17,253	3,073	12,506	19,100	50,222	16,594	139,740
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	15,924
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	135,258	117,675	120,786	26,295	85,339	161,165	384,335	122,575	380,455
Life Insurance	4,002	3,663	3,931	684	2,892	3,138	14,598	3,867	38,592
State Defined Contribution- Group A	13,921	11,700	9,622	3,163	7,054	11,901	44,477	13,958	490,744
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	15,601
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	26,775	330,141	12,014	11,655	7,015	10,069	220,050	61,222	3,036,419
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	9,147,438
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	153,129	105,298	86,599	28,467	63,483	200,617	400,293	125,619	1,857,314
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	123,691
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	88,261	72,588	23,861	53,212	-	335,529	105,295	130,913
Purchased Services	808,709	47,466	60,569	100,138	83,971	-	423,659	115,925	526,970
Materials/Supplies	20,460	92,775	621,152	32,222	2,896	53,184	403,908	150,424	309,939
Software Licenses	-	-	-	248,900	-	-	-	-	-
Capital Outlays	-	-	-	109,609	26,040	37,766	-	-	408,000
Insurance	1,200,000	-	-	-	-	-	-	-	-
Maintenance	-	-	5,730	342,172	-	144,693	4,690	-	421,269
Vehicle Operations	-	-	52,686	-	9,378	2,000	746,710	64,308	286,114
Utilities	-	-	3,597	158,473	-	110,000	523,973	144,252	58,219
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,082,186	-	-
Revaluation	-	140,000	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	884,155	-	-
Trash Removal & Recycling	-	-	-	-	-	-	4,690,365	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	24,394	-	-	-	-	-	-	-	-
Other Operation Expenditures	2,385,920	155,558	61,862	1,598	184,648	530,561	137,946	107,303	1,608,573
Tippling Fees	-	-	-	-	-	-	1,355,882	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,793,961	\$ 2,916,908	\$ 3,045,134	\$ 1,490,941	\$ 1,918,380	\$ 3,850,155	\$ 17,461,098	\$ 2,970,953	\$ 37,870,031

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 14,398,980	\$ -	\$ 151,888	\$ -	\$ -	\$ -	\$ 40,374,873	\$ 86,016,049
Compensation - Group B	855,793	-	-	-	-	-	2,137,764	9,153,242
Compensation - Group C	-	-	-	-	-	-	-	17,063,881
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	6,323,044	-	2,939	-	-	-	7,945,108	-
Overtime - Group B	375,805	-	-	-	-	-	512,856	-
Overtime - Group C	-	-	-	-	-	-	-	569,844
Police & Fire Detail	43,911	-	-	-	-	-	1,984,817	-
Active Medical Insurance - Group A	4,411,156	-	21,839	-	-	-	9,980,288	12,869,178
Active Medical Insurance- Group B	230,393	-	-	-	-	-	532,958	5,389,695
Active Medical Insurance- Group C	-	-	-	-	-	-	-	153,470
Active Dental Insurance- Group A	204,023	-	1,549	-	-	-	491,640	688,758
Active Dental Insurance- Group B	12,126	-	-	-	-	-	28,050	61,824
Active Dental Insurance- Group C	-	-	-	-	-	-	-	262,543
Payroll Taxes	420,817	-	12,465	-	-	-	1,967,165	2,754,530
Life Insurance	44,030	-	529	-	-	-	119,925	97,811
State Defined Contribution- Group A	664,921	-	905	-	-	-	1,272,366	2,009,428
State Defined Contribution - Group B	10,812	-	-	-	-	-	26,412	181,687
State Defined Contribution - Group C	-	-	-	-	-	-	-	122,014
Other Benefits- Group A	4,273,198	-	-	-	-	-	7,988,558	625,989
Other Benefits- Group B	-	-	-	-	-	-	-	60,856
Other Benefits- Group C	-	-	-	-	-	-	-	92,226
Local Defined Benefit Pension- Group A	12,385,035	-	-	-	-	-	21,532,473	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	50,633
State Defined Benefit Pension- Group A	1,282,767	-	8,549	-	-	-	4,311,735	12,394,269
State Defined Benefit Pension - Group B	89,176	-	6,830	-	-	-	219,698	1,261,428
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,269,458
Other Defined Benefit / Contribution	-	-	-	-	-	-	809,659	-
Purchased Services	919,956	-	-	-	-	-	3,087,363	21,830,110
Materials/Supplies	314,565	-	34,291	-	-	-	2,035,817	4,419,710
Software Licenses	-	-	-	-	-	-	248,900	663,759
Capital Outlays	330,798	-	-	-	-	-	912,213	3,250,657
Insurance	-	-	-	-	-	-	1,200,000	1,132,400
Maintenance	247,925	-	243,203	-	-	-	1,409,681	1,558,614
Vehicle Operations	267,830	-	-	-	-	-	1,429,026	1,423,972
Utilities	1,210,022	-	-	-	-	-	2,208,537	2,420,447
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,082,186	-
Revaluation	-	-	-	-	-	-	140,000	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	884,155	-
Trash Removal & Recycling	-	-	-	-	-	-	4,690,365	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	24,394	-
Other Operation Expenditures	611,828	-	3,071	-	-	-	5,788,888	1,182,690
Tipping Fees	-	-	-	-	-	-	1,855,882	-
Local Appropriation for Education	-	-	-	97,511,879	-	-	97,511,879	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	6,540,300	-	6,540,300	-
Municipal Debt- Interest	-	-	-	-	2,943,095	-	2,943,095	-
School Debt- Principal	-	-	-	-	726,700	-	726,700	-
School Debt- Interest	-	-	-	-	735,774	-	735,774	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	479,330
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	25,902
OPEB Contribution- Total	-	-	-	-	-	4,512,526	4,512,526	1,362,305
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 49,928,913	\$ -	\$ 487,259	\$ 97,511,879	\$ 10,945,869	\$ 4,512,526	\$ 241,704,007	\$ 192,898,710
Financing Uses: Transfer to Capital Funds	-	-	-	-	-	-	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-	-	-	-	-	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-
Financing Uses: Other	-	-	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	\$ -	\$ -
Net Change in Fund Balance¹	-	-	-	-	-	-	349,840	1,429,856
Fund Balance¹- beginning of year	-	-	-	-	-	-	\$15,613,267	\$9,252,016
Funds removed from Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Funds added to Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-
Misc. Adjustment	-	-	-	-	-	-	-	-
Fund Balance¹ - beginning of year adjusted	-	-	-	-	-	-	15,613,267	9,252,016
Rounding	-	-	-	-	-	-	-	-
Fund Balance² - end of year	-	-	-	-	-	-	\$ 15,963,107	\$ 10,681,872

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

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 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 ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2021						\$ 15,613,267	-	\$ 15,613,267	
No funds removed from RGS for fiscal 2021						-	-	-	
No funds added to RGS for Fiscal 2021						-	-	-	
No misc. adjustments made for fiscal 2021						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 15,613,267</u>	-	<u>\$ 15,613,267</u>	
General Fund	\$ 240,124,181	\$ -	\$ 142,169,400	\$ 97,511,879	\$ 442,902	\$ 14,478,645	\$ -	\$ 14,478,645	\$ 14,921,547
Fire Detail	29,748	-	43,911	-	(14,163)	14,724	-	14,724	561
Police Detail	1,494,475	-	1,573,374	-	(78,899)	1,119,898	-	1,119,898	1,040,999
CDBG Community Development	2,904,066	-	1,886,617	-	1,017,449	(70,236)	-	(70,236)	947,213
Totals per audited financial statements	<u>\$ 244,552,470</u>	<u>\$ -</u>	<u>\$ 145,673,302</u>	<u>\$ 97,511,879</u>	<u>\$ 1,367,289</u>	<u>\$ 15,543,081</u>	<u>\$ -</u>	<u>\$ 15,543,081</u>	<u>\$ 16,910,320</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 97,511,879.00	\$ (97,511,879.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development Block Grant-To remove loan activity	(2,498,623)	-	(1,481,174)	-	(1,017,449)	70,236	-	70,236	(947,213)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 242,053,847</u>	<u>\$ -</u>	<u>\$ 241,704,007</u>	<u>\$ -</u>	<u>\$ 349,840</u>	<u>\$ 15,613,267</u>	<u>\$ -</u>	<u>\$ 15,613,267</u>	<u>\$ 15,963,107</u>

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 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 ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2021 <i>No misc. adjustments made for fiscal 2021</i>						\$ 9,252,016	-	\$ 9,252,016	
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 9,252,016</u>	-	<u>\$ 9,252,016</u>	
School Unrestricted Fund	\$ 83,756,134	\$ 97,854,675	\$ 181,410,362	\$ -	\$ 200,447	\$ 7,759,835	\$ -	\$ 7,759,835	\$ 7,960,282
Enterprise Fund1	6,050,741	-	4,667,471	-	1,383,270	1,258,549	-	1,258,549	2,641,819
School Special Revenue Funds	19,178,890	-	18,950,330	284,940	(56,580)	1,039,614	911,644	1,951,258	1,894,678
Totals per audited financial statements	<u>\$ 108,985,765</u>	<u>\$ 97,854,675</u>	<u>\$ 205,028,363</u>	<u>\$ 284,940</u>	<u>\$ 1,327,137</u>	<u>\$ 10,057,998</u>	<u>\$ 911,644</u>	<u>\$ 10,969,642</u>	<u>\$ 12,496,779</u>

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 97,511,879	\$ (97,511,879)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(9,425,543)	-	(9,425,543)	-	-	-	-	-	-
For financial statements, charter school activity (revenues & expenditures) shown as a Special Revenue Fund. This activity is not part of the MPT Report as it is reflected in a stand alone UCOA file submission.	(2,743,535)	-	(2,716,196)	-	(27,339)	-	(911,644)	(911,644)	(938,983)
GASB 87 lease activity reflected as both revenue and expenditures for financial statement purposes only.	-	(57,856)	(57,856)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund. Capital purchases in School Lunch Fund reported as an expense on the MPT-2 but recorded as an asset on the June 30, 2022 financial statements.	-	(284,940)	-	(284,940)	-	-	-	-	-
Capital assets net of accumulated depreciation at June 30, 2021	-	-	256,871	-	(256,871)	-	-	-	(256,871)
Depreciation expense not recorded in UCOA	-	-	(186,929)	-	186,929	-	-	(805,982)	(805,982)
Rounding	-	-	-	-	-	-	-	-	186,929
Totals Per MTP2	<u>\$ 194,328,566</u>	<u>\$ -</u>	<u>\$ 192,898,710</u>	<u>\$ -</u>	<u>\$ 1,429,856</u>	<u>\$ 9,252,016</u>	<u>\$ -</u>	<u>\$ 9,252,016</u>	<u>\$ 10,681,872</u>

Reconciliation from MTP2 to UCOA

Miscellaneous variance between MTP2 & UCOA	<u>\$ (5)</u>	<u>\$ (155)</u>
Totals per UCOA Validated Totals Report - Dated 12/30/2022	<u>\$ 194,328,561</u>	<u>\$ 192,898,555</u>

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

CITY OF CRANSTON, RHODE ISLAND

NOTES TO ANNUAL SUPPLEMENTARY TRANSPARENCY REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Notes to Supplementary Information – *Annual Supplemental Transparency Report (MTP2)*

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

CITY OF CRANSTON, RHODE ISLAND

NOTES TO ANNUAL SUPPLEMENTARY TRANSPARENCY REPORT
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 4. Employee Groups - Compensation and Benefit Costs (Continued)

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF CRANSTON, RHODE ISLAND

TABLE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2022	2021 (As Restated)	2020 (As Restated)	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013
Governmental Activities										
Net investment in capital assets	\$ 60,373,561	\$ 54,778,268	\$ 41,939,046	\$ 40,421,468	\$ 39,345,605	\$ 39,483,273	\$ 32,242,050	\$ 28,003,223	\$ 19,411,174	\$ 49,660,029
Restricted	--	--	--	--	--	--	--	--	--	--
Unrestricted	<u>(353,774,220)</u>	<u>(400,519,079)</u>	<u>(379,560,003)</u>	<u>(374,211,125)</u>	<u>(347,727,799)</u>	<u>(358,214,329)</u>	<u>(319,188,692)</u>	<u>(315,174,995)</u>	<u>(320,500,997)</u>	<u>(86,076,389)</u>
Total Governmental Activities	<u>(293,400,659)</u>	<u>(345,740,811)</u>	<u>(337,620,957)</u>	<u>(333,789,657)</u>	<u>(308,382,194)</u>	<u>(318,731,056)</u>	<u>(286,946,642)</u>	<u>(287,171,772)</u>	<u>(301,089,823)</u>	<u>(36,416,360)</u>
Business-Type Activities										
Net investment in capital assets	51,212,580	52,685,639	52,631,482	52,969,695	71,468,481	70,956,771	69,185,030	66,195,785	37,961,522	55,410,689
Restricted	354,100	1,634,294	397,433	418,467	439,167	459,633	2,129,729	8,598,629	--	--
Unrestricted	<u>22,611,587</u>	<u>18,080,172</u>	<u>15,755,644</u>	<u>12,627,850</u>	<u>(8,644,499)</u>	<u>(11,507,291)</u>	<u>(16,171,019)</u>	<u>(22,951,735)</u>	<u>11,138,372</u>	<u>(7,230,976)</u>
Total Business-Type Activities	<u>74,178,267</u>	<u>72,400,105</u>	<u>68,784,559</u>	<u>66,016,012</u>	<u>63,263,149</u>	<u>59,909,113</u>	<u>55,143,740</u>	<u>51,842,679</u>	<u>49,099,894</u>	<u>48,179,713</u>
Total City										
Net investment in capital assets	111,586,141	107,463,907	94,570,528	93,391,163	110,814,086	110,440,044	101,427,080	94,199,008	57,372,696	105,070,718
Restricted	354,100	1,634,294	397,433	418,467	439,167	459,633	2,129,729	8,598,629	--	--
Unrestricted	<u>(331,162,633)</u>	<u>(382,438,907)</u>	<u>(363,804,359)</u>	<u>(361,583,275)</u>	<u>(356,372,298)</u>	<u>(369,721,620)</u>	<u>(335,359,711)</u>	<u>(338,126,730)</u>	<u>(309,362,625)</u>	<u>(93,307,365)</u>
Total City	<u>\$ (219,222,392)</u>	<u>\$ (273,340,706)</u>	<u>\$ (268,836,398)</u>	<u>\$ (267,773,645)</u>	<u>\$ (245,119,045)</u>	<u>\$ (258,821,943)</u>	<u>\$ (231,802,902)</u>	<u>\$ (235,329,093)</u>	<u>\$ (251,989,929)</u>	<u>\$ 11,763,353</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (1 OF 3)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2022	2021 (As Restated)	2020 (As Restated)	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013
Expenses										
Governmental activities:										
General government	\$ 13,639,378	\$ 28,073,994	\$ 20,138,028	\$ 17,435,819	\$ 15,971,432	\$ 16,186,223	\$ 13,529,838	\$ 15,760,616	\$ 13,331,926	\$ 13,332,988
Public safety	74,887,153	101,206,573	82,320,732	108,645,221	75,827,868	123,175,761	77,077,346	76,316,860	76,071,254	80,850,179
Public works	18,859,206	19,225,195	16,823,150	16,677,301	16,701,972	14,976,564	15,878,037	15,539,611	15,709,766	15,002,479
Education	217,789,862	227,557,724	189,258,089	180,006,491	177,339,237	190,115,630	200,479,946	175,923,426	148,510,719	143,177,724
Parks and recreation	3,286,376	3,091,523	3,666,440	3,716,927	3,504,777	3,450,619	3,595,810	3,100,766	2,502,784	2,187,997
Public libraries	4,056,278	3,906,943	3,843,871	3,740,372	3,561,920	3,836,411	3,295,271	3,302,163	3,130,504	3,111,686
Senior services	3,188,806	2,960,359	3,061,547	3,202,095	3,040,817	3,077,015	2,904,766	3,172,283	3,091,950	2,902,182
Community development	1,416,617	843,303	1,040,171	1,425,753	1,340,187	1,042,849	1,724,439	1,430,568	716,188	1,240,559
Interest expense	3,582,444	793,777	3,147,113	3,417,594	2,052,994	2,609,611	2,778,437	3,245,053	3,659,457	2,887,674
Other	--	--	--	--	--	--	--	--	284,552,076	--
Total Governmental Activities	<u>340,706,120</u>	<u>387,659,391</u>	<u>323,299,141</u>	<u>338,267,573</u>	<u>299,341,204</u>	<u>358,470,683</u>	<u>321,263,890</u>	<u>297,791,346</u>	<u>551,276,624</u>	<u>264,693,468</u>
Business-type activities:										
Sewer	22,340,727	21,605,441	20,649,172	20,543,184	20,196,899	19,111,340	19,788,661	19,809,246	18,636,282	18,184,729
Public Facilities Management Foundation	--	--	--	--	--	--	--	--	92,137	77,010
Charter School Fund	--	--	--	--	--	--	--	--	--	2,648,536
School lunch	--	--	--	--	--	--	--	--	5,581,170	2,867,369
Other	6,340,572	5,477,800	6,012,354	6,672,150	6,119,203	6,129,756	5,835,392	5,698,896	1,526,883	--
Total Business-Type Activities	<u>28,681,299</u>	<u>27,083,241</u>	<u>26,661,526</u>	<u>27,215,334</u>	<u>26,316,102</u>	<u>25,241,096</u>	<u>25,624,053</u>	<u>25,508,142</u>	<u>25,836,472</u>	<u>23,777,644</u>
Total City Expenses	<u>369,387,419</u>	<u>414,742,632</u>	<u>349,960,667</u>	<u>365,482,907</u>	<u>325,657,306</u>	<u>383,711,779</u>	<u>346,887,943</u>	<u>323,299,488</u>	<u>577,113,096</u>	<u>288,471,112</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (3 OF 3)

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR									
	2022	2021	2020 (As Restated)	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 22,098,968	\$ 20,486,923	\$ 4,919,579	\$ 8,083,806	\$ 7,896,754	\$ 7,216,284	\$ 6,900,084	\$ 6,326,794	\$ 5,823,451	\$ 5,623,627
Public safety	5,223,357	6,026,518	6,043,895	6,561,184	6,121,655	6,116,849	6,432,342	6,257,323	5,597,507	5,256,803
Public works	1,455,438	1,391,560	1,263,226	1,321,215	1,296,471	1,056,208	941,631	1,026,133	747,410	925,173
Education	28,455,113	27,618,047	2,175,318	1,447,882	1,294,881	25,418,622	23,803,519	23,076,779	2,583,038	1,735,671
Parks and recreation	376,438	286,911	139,133	400,370	397,817	355,064	396,967	356,124	345,788	301,996
Public libraries	41,500	41,500	65,000	75,000	95,000	99,100	99,100	87,400	87,400	87,400
Senior services	1,229,636	1,266,746	1,448,175	1,727,304	1,654,979	1,646,558	1,612,507	1,729,051	1,668,453	1,723,744
Other activities	--	--	--	--	--	--	--	--	--	--
Operating grants and contributions	123,874,418	117,117,534	88,930,795	85,529,484	82,691,335	85,884,786	81,983,286	79,836,039	76,706,418	74,953,160
Capital grants and contributions	92,089	85,037	150,050	65,608	89,535	77,484	112,842	185,562	218,721	96,781
Total Governmental Activities Program Revenues	182,846,957	174,320,776	105,135,171	105,211,853	101,538,427	127,870,955	122,282,278	118,881,205	93,778,186	90,704,355
Business-type activities:										
Charges for services:										
Sewer	22,365,955	22,708,593	22,727,619	22,816,372	22,857,078	23,182,878	22,192,444	22,135,939	20,565,668	19,341,561
Public Facilities Management Foundation	--	--	--	--	--	--	--	--	26,775	35,300
Non-major funds	1,369,833	6,103,201	3,288,554	3,618,125	3,466,787	3,573,946	3,608,947	3,338,096	3,302,480	3,738,516
Operating grants and contributions	6,328,037	--	2,462,200	2,755,615	2,603,782	--	2,483,891	2,420,657	2,441,887	2,256,490
Capital grants and contributions	--	--	--	--	177,000	2,668,371	--	--	--	--
Total Business-Type Activities Program Revenues	30,063,825	28,811,794	28,478,373	29,190,112	29,104,647	29,425,195	28,285,282	27,894,692	26,336,810	25,371,867
Total City Revenues	212,910,782	203,132,570	133,613,544	134,401,965	130,643,074	157,296,150	150,567,560	146,775,897	120,114,996	116,076,222
Net (expenses) revenues:										
Governmental activities	(157,859,163)	(213,338,615)	(218,163,970)	(233,055,720)	(197,802,777)	(230,599,728)	(198,981,612)	(178,910,141)	(457,498,438)	(173,989,113)
Business-type activities	1,382,526	1,728,553	1,816,847	1,974,778	2,788,545	4,184,099	2,661,229	2,386,550	500,338	1,594,223
Total City Net Expense	(156,476,637)	(211,610,062)	(216,347,123)	(231,080,942)	(195,014,232)	(226,415,629)	(196,320,383)	(176,523,591)	(456,998,100)	(172,394,890)

CITY OF CRANSTON, RHODE ISLAND

TABLE 2 (3 OF 3)

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2022	2021	2020 (As Restated)	2019	2018	2017 (As Restated)	2016	2015 (As Restated)	2014 (As Restated)	2013
General Revenues and other Changes in Net Assets										
Governmental activities:										
General revenues:										
Property taxes and other	\$ 199,285,734	\$ 186,610,566	\$ 187,925,014	\$ 187,181,594	\$ 190,112,694	\$ 186,383,002	\$ 186,026,404	\$ 184,125,495	\$ 189,420,459	\$ 177,673,789
Grants and contributions not restricted to specific programs	--	--	--	--	--	--	--	--	--	--
Gain/(Loss) on sale of assets	--	--	--	--	--	--	--	--	--	1,000,000
State special funding for pension	4,460,307	10,855,740	11,791,818	10,381,405	10,838,378	7,816,659	10,167,762	5,169,920	--	--
Unrestricted investment earnings	426,420	572,720	1,424,974	1,198,487	824,602	772,132	491,493	552,058	252,218	626,522
Transfers	--	(1,330,892)	--	--	--	(18,900)	(17,889)	(25,662)	(1,737,409)	(20,826)
Miscellaneous	6,026,854	4,274,173	3,101,138	2,970,801	2,912,777	3,862,424	2,538,972	3,006,381	4,889,709	2,682,574
Motor vehicle phase-out taxes	--	4,204,052	10,089,725	5,915,970	3,463,187	--	--	--	--	--
Total Governmental Activities	<u>210,199,315</u>	<u>205,186,359</u>	<u>214,332,669</u>	<u>207,648,257</u>	<u>208,151,638</u>	<u>198,815,317</u>	<u>199,206,742</u>	<u>192,828,192</u>	<u>192,824,977</u>	<u>181,962,059</u>
Business-type activities:										
State special funding for pension	--	142,028	155,775	137,640	133,349	105,988	133,040	--	--	--
Unrestricted investment earnings	395,636	446,475	463,510	632,767	432,142	456,385	488,905	257,825	368,591	363,136
Transfers	--	1,330,892	--	--	--	18,900	17,889	25,662	25,218	20,826
Miscellaneous	--	--	332,415	--	--	--	--	72,748	26,035	--
Total Business-Type Activities	<u>395,636</u>	<u>1,919,395</u>	<u>951,700</u>	<u>770,407</u>	<u>565,491</u>	<u>581,273</u>	<u>639,834</u>	<u>356,235</u>	<u>419,844</u>	<u>383,962</u>
Total City	<u>210,594,951</u>	<u>207,105,754</u>	<u>215,284,369</u>	<u>208,418,664</u>	<u>208,717,129</u>	<u>199,396,590</u>	<u>199,846,576</u>	<u>193,184,427</u>	<u>193,244,821</u>	<u>182,346,021</u>
Change in Net Assets										
Governmental activities	52,340,152	(8,152,256)	(3,831,301)	(25,407,463)	10,348,861	(31,784,411)	225,130	13,918,051	(264,673,461)	7,972,946
Business-type activities	1,778,162	3,647,948	2,768,547	2,745,185	3,354,036	4,765,372	3,301,063	2,742,785	920,182	1,978,185
Total City Change in Net Position	<u>\$ 54,118,314</u>	<u>\$ (4,504,308)</u>	<u>\$ (1,062,754)</u>	<u>\$ (22,662,278)</u>	<u>\$ 13,702,897</u>	<u>\$ (27,019,039)</u>	<u>\$ 3,526,193</u>	<u>\$ 16,660,836</u>	<u>\$ (263,753,279)</u>	<u>\$ 9,951,131</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 3

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)**

	FISCAL YEAR									
	2022	2021	2020 (As Restated)	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	\$ 207,000	\$ 3,910,193	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 1,706,660	\$ 5,366,568
Restricted	424,890	281,992	249,484	353,193	482,879	468,363	275,374	279,040	256,362	420,657
Committed	53,073	5,992	4,797	44,030	44,030	44,025	42,892	2,115,631	1,884,028	1,653,133
Assigned	--	--	--	--	--	--	--	--	--	--
Unassigned	<u>14,236,584</u>	<u>10,280,468</u>	<u>13,343,808</u>	<u>18,335,668</u>	<u>20,225,654</u>	<u>20,149,590</u>	<u>20,220,712</u>	<u>20,452,035</u>	<u>20,934,388</u>	<u>16,714,677</u>
Total General Fund	<u>14,921,547</u>	<u>14,478,645</u>	<u>13,805,089</u>	<u>18,939,891</u>	<u>20,959,563</u>	<u>20,868,978</u>	<u>20,745,978</u>	<u>23,053,706</u>	<u>24,781,438</u>	<u>24,155,035</u>
All Other Governmental Funds										
Nonspendable	3,429,149	190,621	149,524	135,219	120,484	116,183	147,689	3,900,353	4,543,783	6,123,093
Restricted	18,904,412	14,979,685	17,165,999	16,519,432	11,677,153	11,222,461	16,219,384	9,344,674	12,885,640	8,908,234
Committed	62,516	416,611	769,991	835,894	819,031	1,291,734	1,900,091	634,041	320,650	97,321
Assigned	--	--	--	--	--	--	--	--	11,656	--
Unassigned	<u>(15,555,189)</u>	<u>(1,623,686)</u>	<u>(102,210)</u>	<u>(2,593,433)</u>	<u>1,333,558</u>	<u>(650,642)</u>	<u>(171,829)</u>	<u>(152,166)</u>	<u>(3,506,353)</u>	<u>(8,578,569)</u>
Total All Other Governmental Funds	<u>6,840,888</u>	<u>13,963,231</u>	<u>17,983,304</u>	<u>14,897,112</u>	<u>13,950,226</u>	<u>11,979,736</u>	<u>18,095,335</u>	<u>13,726,902</u>	<u>14,255,376</u>	<u>6,550,079</u>
Grand Total	<u>\$ 21,762,435</u>	<u>\$ 28,441,876</u>	<u>\$ 31,788,393</u>	<u>\$ 33,837,003</u>	<u>\$ 34,909,789</u>	<u>\$ 32,848,714</u>	<u>\$ 38,841,313</u>	<u>\$ 36,780,608</u>	<u>\$ 39,036,814</u>	<u>\$ 30,705,114</u>

The General Fund fund balance increased \$0.4 million or 3.1% for FY22. The increase was due primarily to revenues from real estate transactions due to historically low interest rates.

All Other Governmental Funds decreased \$6.2 million or 47.6% for FY22. This was due to primarily to the School Department's construction notes for a new elementary school.

CITY OF CRANSTON, RHODE ISLAND

TABLE 4

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)**

	FISCAL YEAR									
	2022	2021	2020 (As Restated)	2019	2018	2017	2016	2015	2014	2013
Revenues										
Property taxes	\$ 186,332,779	\$ 187,636,959	\$ 188,836,127	\$ 188,054,377	\$ 189,995,439	\$ 187,047,423	\$ 184,814,710	\$ 181,540,560	\$ 180,400,427	\$ 179,645,778
Intergovernmental revenue	125,342,237	112,354,325	94,399,690	91,511,062	86,244,057	79,375,874	76,241,305	74,551,512	71,702,358	70,263,785
Charges for services	22,024,060	18,507,840	20,036,546	19,616,761	18,757,557	17,364,637	16,496,783	16,074,252	15,692,399	15,014,414
Licenses and permits										
Fines and interest on late payments										
Interest on investments	426,008	572,306	1,423,923	1,197,216	824,527	772,089	491,455	550,694	250,841	624,555
Departmental										
State fiscal stabilization funds	--	--	--	--	--	--	--	--	--	--
State on-behalf pension contributions	9,425,543	9,052,298	8,671,562	8,057,883	7,725,441	7,639,642	6,859,907	6,746,731	6,125,457	5,670,313
Other revenues	5,591,756	4,274,173	3,789,091	2,970,801	2,912,778	3,787,970	2,448,080	2,922,776	4,798,810	2,629,867
Total Revenues	349,142,383	332,397,901	317,156,939	311,408,100	306,459,799	295,987,635	287,352,240	282,386,525	278,970,292	273,848,712
Expenditures										
Current:										
General government	12,888,268	13,396,042	11,813,733	11,461,754	11,401,804	10,728,233	9,932,588	9,670,263	10,227,750	9,497,003
Public safety	92,872,963	88,693,446	89,799,341	87,822,776	86,151,898	82,402,327	80,899,232	78,150,559	77,395,466	76,404,816
Public works	17,519,318	17,715,604	15,946,202	15,673,496	16,300,942	14,574,335	15,555,096	15,267,760	15,525,053	14,824,224
Education	200,360,892	187,221,859	180,001,109	176,154,252	170,688,047	168,040,851	160,498,034	155,280,225	148,879,136	145,577,247
Parks and recreation	2,970,953	2,740,825	3,598,463	3,759,835	3,510,882	3,318,164	3,486,804	3,034,746	2,363,957	2,236,847
Public libraries	3,973,829	3,843,924	3,751,174	3,824,435	3,527,320	3,864,354	3,273,998	3,270,495	3,439,402	3,074,267
Senior services	3,137,297	2,943,896	3,048,291	3,297,648	3,103,654	3,045,115	2,908,045	3,119,557	3,084,039	2,872,279
Community development	1,886,617	1,071,517	1,051,204	1,428,317	1,347,154	1,144,284	1,724,439	1,487,068	1,659,368	1,908,299
Other	194,337	216,216	204,464	220,217	157,174	179,589	184,049	178,112	128,974	115,972
Capital outlay	18,987,185	7,872,761	14,841,347	17,379,624	13,695,602	10,211,687	12,091,531	4,455,146	6,069,584	4,196,151
Debt service:										
Principal	7,267,000	6,891,000	6,805,500	7,694,000	7,344,000	7,035,000	7,020,000	7,355,000	6,815,000	5,530,000
Interest	3,905,540	4,175,940	4,263,444	4,075,898	3,100,352	2,857,393	3,445,373	3,348,140	3,635,359	3,319,837
Total Expenditures	365,964,199	336,783,030	335,124,272	332,792,252	320,328,829	307,401,332	301,019,189	284,617,071	279,223,088	269,556,942
Excess of Revenues Over Expenditures	(16,821,816)	(4,385,129)	(17,967,333)	(21,384,152)	(13,869,030)	(11,413,697)	(13,666,949)	(2,230,546)	(252,796)	4,291,770
Other Financing Sources (Uses)										
Issuance of debt	8,055,000	8,890,000	13,410,000	16,405,000	15,840,000	5,440,000	37,035,000	--	10,210,000	--
Bond premium	2,029,519	--	2,430,699	3,906,379	590,103	--	2,573,150	--	111,906	--
Other sources	57,856	--	78,010	--	--	--	--	--	--	--
Transfers in	97,796,819	96,011,879	95,726,739	94,084,926	93,369,185	93,155,894	91,682,652	93,693,519	92,055,646	91,574,333
Repayment of debt to escrow agent	--	(8,763,038)	--	--	--	--	(23,862,607)	--	--	--
Transfers out	(97,796,819)	(96,011,879)	(95,726,739)	(94,084,926)	(93,369,185)	(93,174,794)	(91,700,541)	(93,719,181)	(93,793,055)	(91,595,159)
Net Other Financing Sources (Uses)	10,142,375	126,962	15,918,709	20,311,379	16,430,103	5,421,100	15,727,654	(25,662)	8,584,497	(20,826)
Net Change in Fund Balances	\$ (6,679,441)	\$ (4,258,167)	\$ (2,048,624)	\$ (1,072,773)	\$ 2,561,073	\$ (5,992,597)	\$ 2,060,705	\$ (2,256,208)	\$ 8,331,701	\$ 4,270,944
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.3%	3.4%	3.4%	3.4%	3.3%	3.5%	3.8%	3.8%	3.4%

(1) This schedule includes expenditures of the General Fund, School Department, Special Revenue Funds and Capital Project Funds.

CITY OF CRANSTON, RHODE ISLAND

TABLE 5

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (1)
(UNAUDITED)**

Year Ended June 30,	REAL PROPERTY					PERSONAL PROPERTY					TOTAL		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Direct Tax Rate	Commercial Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value (1)	Direct Tax Rate Tangible	Direct Tax Rate Motor Vehicle	Direct Tax Rate Inventory	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
2013	\$ 4,857,922,900	23	\$ 1,333,042,700	34	\$ 6,190,965,600	\$ 788,030,196	34	42	N/A	\$ 788,030,196	\$ 6,978,995,796	\$ 6,978,995,796	1.000
2014	\$ 4,868,431,400	23	\$ 1,329,501,500	34	\$ 6,197,932,900	\$ 786,121,128	34	42	N/A	\$ 786,121,128	\$ 6,984,054,028	\$ 6,984,054,028	1.000
2015	\$ 4,882,850,900	23	\$ 1,310,585,835	34	\$ 6,193,436,735	\$ 834,519,001	34	42	N/A	\$ 834,519,001	\$ 7,027,955,736	\$ 7,027,955,736	1.000
2016	\$ 5,127,157,200	22	\$ 1,331,450,700	34	\$ 6,458,607,900	\$ 844,756,803	34	42	N/A	\$ 844,756,803	\$ 7,303,364,703	\$ 7,303,364,703	1.000
2017	\$ 5,141,214,200	22	\$ 1,336,494,580	34	\$ 6,477,708,780	\$ 880,194,812	34	42	N/A	\$ 880,194,812	\$ 7,357,903,592	\$ 7,357,903,592	1.000
2018	\$ 5,159,551,900	23	\$ 1,361,761,380	34	\$ 6,521,313,280	\$ 838,596,912	34	42	N/A	\$ 838,596,912	\$ 7,359,910,192	\$ 7,359,910,192	1.000
2019	\$ 6,000,994,700	20	\$ 1,479,702,000	30	\$ 7,480,696,700	\$ 828,242,120	30	42	N/A	\$ 828,242,120	\$ 8,308,938,820	\$ 8,308,938,820	1.000
2020	\$ 6,025,309,325	21	\$ 1,480,702,223	31	\$ 7,506,011,548	\$ 826,032,776	31	35	N/A	\$ 826,032,776	\$ 8,332,044,324	\$ 8,332,044,324	1.000
2021	\$ 6,044,622,005	21	\$ 1,469,650,862	31	\$ 7,514,272,867	\$ 835,531,211	31	35	N/A	\$ 835,531,211	\$ 8,349,804,078	\$ 8,349,804,078	1.000
2022	\$ 7,112,068,380	18	\$ 1,671,418,610	27	\$ 8,783,486,990	\$ 874,082,711	27	30	N/A	\$ 874,082,711	\$ 9,657,569,701	\$ 9,657,569,701	1.000

(1) Gross amount is reflected without deduction for exemptions.

CITY OF CRANSTON, RHODE ISLAND

TABLE 6

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	Nature of Business	GRAND LIST YEAR					
		2022			2013		
		Assessed Value	Rank	Percentage Net Taxable Grand List (1)	Assessed Value	Rank	Percentage Net Taxable Grand List (2)
Carpionato Alfred	Real Estate Management	\$ 135,036,780	2	1.40%	\$ 108,433,769	1	1.55%
Garden City Owner LLC	Real Estate Management	124,799,400	3	1.29%	73,998,990	2	1.06%
WFD Associates LP	Real Estate Management	66,344,065	4	0.69%	57,885,861	4	0.83%
RI Energy (formerly National Grid)	Utility	144,255,905	1	1.49%	60,533,229	3	0.87%
Paolino Properties	Real Estate Management	30,424,466	5	0.32%	33,498,800	5	0.48%
SMC Terraces (formerlyCranston Addison)	Real Estate Management	24,029,380	8	0.25%			
Cox Communications Inc.	Cable Communications	19,820,036	10	0.21%	15,993,784	10	0.23%
Independence Way	Real Estate Management	21,444,763	9	0.22%	17,605,800	7	0.25%
Stop & Shop (Calvi Realty Co, Inc.)	Retail Grocery	25,363,380	7	0.26%	12,856,133		
Lowes	Retail Hardware	16,705,291		0.17%	17,397,766	9	0.25%
Tasca Auto Group	Car Dealership	27,264,067	6	0.28%			0.00%
BFMIT II Cranston LLC	Real Estate Management				17,524,800	8	0.25%
CRE IP LLC	Real Estate Management			0.00%	20,142,000	6	0.29%
TOTAL		<u>\$ 635,487,533</u>		<u>6.58%</u>	<u>\$ 435,870,932</u>		<u>6.06%</u>

Source: Town Assessor Department.

(1) Based on a net taxable Grand List of \$9,657,769,701

(2) Based on a net taxable Grand List of \$6,978,995,796

CITY OF CRANSTON, RHODE ISLAND

TABLE 7

**TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	Total Adjusted Tax Levy	Net Current Levy Tax Collections	Percentage of Current Taxes Collected	Net Delinquent Tax Collections Subsequent Years	Total Net Taxes Collected All Years	Percentage of Total Tax Collected to Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2013	\$ 181,367,888	\$ 178,631,631	98.5%	\$ 1,357,831	\$ 179,989,462	99.2%	--	0.0%
2014	\$ 181,591,061	\$ 179,327,785	98.8%	\$ 1,609,124	\$ 180,936,909	99.6%	685,068	0.4%
2015	\$ 182,559,745	\$ 180,321,237	98.8%	\$ 1,075,741	\$ 181,396,978	99.4%	674,118	0.4%
2016	\$ 185,998,132	\$ 183,674,083	98.8%	\$ 1,785,629	\$ 185,459,712	99.7%	561,597	0.3%
2017	\$ 188,071,063	\$ 185,964,064	98.9%	\$ 1,584,589	\$ 187,548,653	99.7%	543,421	0.3%
2018	\$ 190,460,481	\$ 188,585,112	99.0%	\$ 1,318,188	\$ 189,903,300	99.7%	520,036	0.3%
2019	\$ 188,499,042	\$ 186,620,937	99.0%	\$ 922,218	\$ 187,543,155	99.5%	477,045	0.3%
2020	\$ 188,850,131	\$ 187,650,679	99.4%	\$ 710,278	\$ 188,360,957	99.7%	419,440	0.2%
2021	\$ 187,791,127	\$ 186,943,125	99.5%	\$ 433,398	\$ 187,376,523	99.8%	334,039	0.2%
2022	\$ 186,867,012	\$ 185,943,900	99.5%	\$ --	\$ 185,943,900	99.5%	995,930	0.5%

Source: City's audit reports.

\$ 5,210,694

(1) This represents the City's mill rate per \$1,000 of taxable property.

CITY OF CRANSTON, RHODE ISLAND

TABLE 8

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	GOVERNMENTAL ACTIVITIES					BUSINESS-TYPE ACTIVITIES					TOTAL	
	General Obligation Bonds	Bond Premiums	Capital Leases	Certificates of Participation	Total	Bond Premiums	Certificates of Participation	RI Infrastructure Notes	Total	Total	Percentage of Personal Income	Debt Per Capita
2013	\$ 74,320,000	\$ 3,178,199	\$ --	\$ 1,065,000	\$ 78,563,199	\$ 7,466	\$ 1,065,000	\$ 5,952,516	\$ 7,024,982	\$ 85,588,181	N/A	1,061
2014	\$ 78,060,000	\$ 3,048,679	\$ --	\$ 720,000	\$ 81,828,679	\$ 3,733	\$ 720,000	\$ 23,387,188	\$ 24,110,921	\$ 105,939,600	N/A	1,313
2015	\$ 71,060,000	\$ 2,758,348	\$ --	\$ 365,000	\$ 74,183,348	\$ --	\$ 365,000	\$ 22,818,364	\$ 23,183,364	\$ 97,366,712	N/A	1,207
2016	\$ 78,270,000	\$ 3,451,770	\$ --	\$ --	\$ 81,721,770	\$ --	\$ --	\$ 21,525,000	\$ 21,525,000	\$ 103,246,770	N/A	1,275
2017	\$ 73,475,000	\$ 3,076,397	\$ 3,200,000	\$ --	\$ 79,751,397	\$ --	\$ --	\$ 20,463,267	\$ 20,463,267	\$ 100,214,664	N/A	1,237
2018	\$ 71,131,000	\$ 3,158,949	\$ 2,780,000	\$ --	\$ 77,069,949	\$ --	\$ --	\$ 19,353,000	\$ 19,353,000	\$ 96,422,949	N/A	1,190
2019	\$ 89,943,000	\$ 6,470,534	\$ 2,340,000	\$ --	\$ 98,753,534	\$ --	\$ --	\$ 18,253,000	\$ 18,253,000	\$ 117,006,534	N/A	1,440
2020	\$ 96,218,000	\$ 8,184,904	\$ 1,890,000	\$ --	\$ 106,292,904	\$ --	\$ --	\$ 17,140,000	\$ 17,140,000	\$ 123,432,904	N/A	1,519
2021	\$ 90,075,000	\$ 7,468,574	\$ 2,909,237	\$ --	\$ 100,452,811	\$ --	\$ --	\$ 16,011,000	\$ 16,011,000	\$ 116,463,811	N/A	1,430
2022	\$ 90,725,000	\$ 8,266,945	\$ 1,956,118	\$ --	\$ 100,948,063	\$ --	\$ --	\$ 16,011,000	\$ 16,011,000	\$ 116,959,063	N/A	1,417

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

TABLE 9

**RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	General Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt Per Capita
	General Obligation Bonds	Unamortized Bond Premium	Total		
2013	\$ 74,320,000	\$ 3,178,199	\$ 77,498,199	1.06%	960
2014	\$ 78,060,000	\$ 3,048,679	\$ 81,108,679	1.12%	1,005
2015	\$ 71,060,000	\$ 2,758,348	\$ 73,818,348	1.01%	912
2016	\$ 78,270,000	\$ 3,451,770	\$ 81,721,770	1.07%	1,009
2017	\$ 73,475,000	\$ 3,076,397	\$ 76,551,397	1.00%	945
2018	\$ 71,131,000	\$ 3,158,949	\$ 74,289,949	0.97%	915
2019	\$ 89,943,000	\$ 6,470,534	\$ 96,413,534	1.08%	1,186
2020	\$ 96,218,000	\$ 8,184,904	\$ 104,402,904	1.16%	1,285
2021	\$ 90,075,000	\$ 7,468,575	\$ 97,543,575	1.08%	1,198
2022	\$ 90,725,000	\$ 8,266,945	\$ 98,991,945	1.09%	1,199

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

TABLE 10

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2022
(UNAUDITED)**

Assessed value	\$	9,657,569,701
Less: exemptions		<u>(480,332,614)</u>
 Net Total Taxable Assessed Value		 <u><u>\$ 9,177,237,087</u></u>
 Debt limit - 3 percent of total assessed value	 \$	 275,317,113
Amount of debt applicable to debt limit:		
Total bonded debt		<u> --</u>
 Legal Debt Margin	 \$	 <u><u>275,317,113</u></u>

Note: The City has no debt issues outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

The State Legislature may by special act permit the City to incur indebtedness in excess of the three percent (3%) limit in accordance with Rhode Island General Law 45-12-11. The City of Cranston has never requested authorization under the Authority for the issuance of Indebtedness Excess - Rhode Island General Law 45-12-11.

CITY OF CRANSTON, RHODE ISLAND

TABLE 11

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,		Debt Limit		Net Debt Applicable to Limit		Legal Debt Margin
2013	\$	202,307,525	\$	--	\$	202,307,525
2014	\$	202,495,272	\$	--	\$	202,495,272
2015	\$	203,692,047	\$	--	\$	203,692,047
2016	\$	211,558,045	\$	--	\$	211,558,045
2017	\$	213,378,825	\$	--	\$	213,378,825
2018	\$	212,782,442	\$	--	\$	212,782,442
2019	\$	239,175,289	\$	--	\$	239,175,289
2020	\$	238,690,100	\$	--	\$	238,690,100
2021	\$	238,016,472	\$	--	\$	267,305,298
2022	\$	275,317,113	\$	--	\$	275,317,113

CITY OF CRANSTON, RHODE ISLAND

TABLE 12

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	(4) Population	(1) Median Income	(4) Per Capita Income	(1) Median Age	Education of Schooling Level in Years-Bachelors Degree	(2) School Enrollment	(3) Unemployment Percentage
2013	80,701	64,282	\$ 28,496	39	N/A	10,559	9.7%
2014	80,696	64,282	\$ 29,218	41	N/A	10,374	7.2%
2015	80,972	64,282	\$ 29,218	41	N/A	10,271	6.0%
2016	81,014	64,282	\$ 29,878	40	N/A	10,443	5.0%
2017	81,034	64,282	\$ 30,553	41	N/A	10,417	4.0%
2018	81,202	64,282	\$ 30,553	41	N/A	10,365	3.7%
2019	81,274	64,282	\$ 31,607	41	31.40%	10,324	3.2%
2020	81,456	66,283	\$ 32,634	40	31.40%	10,186	13.6%
2021	82,934	72,017	\$ 33,974	40	33.20%	10,439	7.1%
2022	82,566	74,425	\$ 35,714	40	33.90%	10,492	2.8%

(1) Figures obtained from Data USA

(2) Cranston School Department

(3) Rhode Island Department of Labor and Training (as of June 30th).

(4) US Census Bureau

CITY OF CRANSTON, RHODE ISLAND

TABLE 13

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (2)
State of Rhode Island	5,500	1	13.34%	5,500	1	14.34%
City of Cranston	2,109	2	5.11%	2,408	2	6.28%
Citizens Bank	36		0.09%	2,100	3	5.48%
Tasca Motor Group	330	6	0.80%	299	10	0.78%
Walmart	298	8	0.72%	315	9	0.82%
Taco, Inc.	421	4	1.02%	413	8	1.08%
Thielsch Engineering	436	3	1.06%	500	4	1.30%
Swarovski Consumer Goods Ltd.	254	9	0.62%			
The Stop & Shop Co., Inc.	352	5	0.85%	474	5	1.24%
Honeywell Safety Products	-			414	7	1.08%
Access Point RI	300	7	0.73%	470	6	1.23%
The Cedars	250	9	0.61%			
Cadence	176	10	0.43%			
Total	<u>10,462</u>		<u>25.38%</u>	<u>12,893</u>		<u>33.63%</u>
<p>SOURCE: State Department of Labor (1) Based on 6/30/22 total City employment of 41,243 (2) Based on 6/30/13 total City employment of 38,342</p>						
TOTAL CITY EMPLOYMENT		2022	<u>41,243</u>		2013	<u>38,342</u>

CITY OF CRANSTON, RHODE ISLAND

TABLE 14

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)**

Function/Program	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Mayor.....	7	6	6	6	6	6	6	6	6	5
Department of Personnel.....	2	2	2	2	2	0	0	0	1	0
City Clerk.....	6	6	6	6	6	6	6	6	6	6
Municipal Court.....	2	2	2	2	2	2	2	3	3	3
Board of Canvassers.....	4	3	3	3	3	3	3	3	3	3
City Planning.....	4	4	5	4	4	4	4	4	4	4
Economic Development.....	2	2	2	2	2	2	2	2	2	2
Finance.....	2	3	4	3	3	3	3	3	3	3
Division of Accounting & Control....	5	5	5	5	5	5	5	5	5	5
Division of Assessment.....	6	6	6	6	6	6	6	6	6	6
Division of Contracts & Purchasing ..	2	2	2	2	2	2	2	2	2	2
Information Technology.....	5	5	6	6	6	6	6	6	6	6
Division of Treasury & Collection	6	6	7	7	7	6	6	6	7	6
Police										
Officers.....	149	149	153	153	153	153	153	151	152	150
Civilians.....	27	26	26	27	27	27	26	26	26	25
Animal Control.....	4	4	4	4	4	4	4	4	4	4
Fire										
Chief.....	1	1	1	1	1	1	1	1	1	1
Uniformed.....	195	190	195	194	194	194	194	193	197	178
Civilians.....	15	15	15	15	15	15	15	15	16	16
Inspections.....	12	11	13	11	11	11	10	12	12	11
Public Works										
Administration.....	3	3	3	3	3	3	3	4	3	3
Engineering.....	3	4	4	4	4	4	4	4	4	4
Highway.....	39	39	41	40	40	39	39	38	39	39
Building.....	25	25	24	23	23	23	23	23	24	24
Fleet Management.....	10	10	10	10	10	10	10	10	10	10
Refuse Removal.....	1	1	1	1	1	1	1	1	0	0
Traffic Safety.....	1	1	1	1	1	1	1	0	1	1
Parks and Recreation.....	23	23	23	21	21	20	20	20	20	20
Public Libraries.....	31	31	32	32	32	32	32	32	32	31
Senior Services.....	25	25	25	25	25	24	24	24	22	23
Community Development.....	4	3	3	3	3	3	3	3	3	3
Other.....	7	4	7	9	9	9	9	8	8	8
Education.....	1,481	1,515	1,548	1,530	1,534	1,527	1,462	1,442	1,437	1,431
Total.....	2,109	2,132	2,185	2,161	2,165	2,152	2,085	2,063	2,065	2,033

SOURCE: City Budget

CITY OF CRANSTON, RHODE ISLAND

TABLE 11

**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)**

Function/Program	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Governmental Activities</u>										
Public Safety										
Fire:										
Total incidents.....	17,440	16,455	15,349	16,629	15,572	15,311	14,203	7,497	12,614	6,859
Rescue/medical calls.....	11,163	10,283	11,596	10,712	10,247	10,048	9,349	5,466	8,438	5,116
Rescue/non-medical calls.....	6,277	6,172	3,753	5,917	5,325	5,263	4,854	2,031	4,176	1,743
Fire hydrants.....	1,945	1,945	1,947	1,947	1,923	1,923	1,923	1,923	1,923	1,922
Police:										
Number of calls.....	70,314	73,923	33,676	91,258	83,970	81,239	78,896	65,422	66,243	67,937
Total 911 calls received.....	4,357	4,619	2,068	4,832	6,112	8,864	5,646	5,120	5,327	5,227
Formal investigations.....	9,827	9,951	10,263	22,949	22,128	23,312	20,039	17,075	16,097	15,150
City Clerk										
Number of documents recorded.....	18,690	20,889	16,632	13,690	15,226	15,267	15,036	14,513	15,036	16,381
Health and Welfare										
Number of food service facilities inspections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New homes built.....	49	58	40	40	33	49	64	20	41	37
Land Use										
Total subdivisions approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total commercial applications approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Permits	2,007	2,077	1,778	1,871	1,890	1,747	1,864	26	48	41
Public Works										
Highway department:										
Streets (miles):										
Paved City roads.....	318	318	318	318	318	318	318	318	318	318
Paved State roads.....	69	69	69	69	69	69	69	69	69	69
Private roads.....	6	6	6	6	6	6	6	6	6	6
Roads under construction (maintained by City).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sidewalks (miles).....	64	64	64	64	64	64	64	64	64	64
Education										
Enrollment:										
High School Grades 9-12.....	3,539	3,404	3,178	3,295	3,319	3,356	3,279	3,213	3,223	3,303
Middle School Grades 6-8.....	2,450	2,509	2,452	2,470	2,478	2,467	1,695	1,661	1,486	1,637
Elementary Schools Grades K-5.....	4,503	4,526	4,556	4,559	4,568	4,594	5,469	5,397	5,665	5,619
	10,492	10,439	10,186	10,324	10,365	10,417	10,443	10,271	10,374	10,559

Business-Type Activities

SOURCES: Various City Departments

(1) Information not available due to the construction and consolidation of schools and related grade levels.

N/A - Information not available

CITY OF CRANSTON, RHODE ISLAND

TABLE 16

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Parks and Recreation										
Acreage (includes all open space)										
Parks and Public Squares	11	11	11	11	11	11	11	11	11	11
Marinas	3	3	3	3	3	3	3	3	3	3
Playgrounds	36	36	36	35	35	36	36	35	35	35
Walking tracks	7	7	7	8	8	8	8	8	8	8
Basketball courts	22	22	22	21	21	21	21	21	21	21
Tennis courts	22	22	22	24	24	24	24	24	24	24
Baseball fields	23	23	23	28	28	28	28	27	27	27
Softball fields	14	14	14	12	12	11	11	11	11	11
Other fields	22	22	22	22	22	22	22	22	22	22
Ice Rink	1	2	2	2	2	2	2	2	2	2
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Stadium and Field House	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire Stations	6	6	6	6	6	6	6	6	6	6
Fire alarm boxes	10	10	37	37	47	47	120	149	149	149
Fire hydrants	1,945	1,945	1,947	1,947	1,923	1,923	1,923	1,923	1,923	1,922
Police department:										
Stations	4	4	4	4	4	3	3	3	3	4
Animal Control Building	1	1	1	1	1	1	1	1	1	1
Public Works										
Highway department:										
Streets (miles)	324	324	324	324	324	324	324	324	324	324
Sidewalks (miles)	64	64	64	64	64	64	64	64	64	64
Public Libraries										
Number of branches	6	6	6	6	6	6	6	6	6	6
Education										
Number of High Schools	2	2	2	2	2	2	2	2	2	2
Number of Middle Schools	4	4	4	4	4	4	3	3	3	3
Number of Elementary Schools	15	15	15	16	16	16	17	17	17	17
Number of Charter Schools	1	1	1	1	1	1	1	1	1	1
Number of Adult Education Buildings	1	1	1	1	1	1	1	1	1	1
Senior Services										
Senior Citizens Center	1	1	1	1	1	1	1	1	1	1
Community Development										
Number of loans issued	27	24	16	18	22	34	24	28	23	27
Business-Type Activities										
Sewer Fund										
Sewer mains (miles)	263	263	263	263	263	263	263	263	263	263
Treatment capacity (thousands of gallons)	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200	20,200
Sewerage Disposal Plant	1	1	1	1	1	1	1	1	1	1
Pumping Stations	22	22	22	22	22	22	22	22	22	22

SOURCES: Various City Departments

N/A - Information not available