

NEW ISSUE

Ratings: See "Ratings" herein

In the opinion of Partridge Snow & Hahn LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the \$5,000,000 General Obligation Bonds, 2025 Series A (the "Bonds") and \$100,000,000* General Obligation Bond Anticipation Notes, 2025 Series 1 (the "Notes") is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds and Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds and Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under existing law, interest on the Bonds and Notes is free from taxation by the State of Rhode Island (the "State") or any political subdivision or other instrumentality of the State, although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on the Bonds and Notes. See "TAX STATUS" and "APPENDIX B" herein.*

CITY OF CRANSTON, RHODE ISLAND

\$5,000,000*

GENERAL OBLIGATION BONDS, 2025 SERIES A

Dated: Date of Delivery

Due: As shown on the inside front cover

\$100,000,000*

GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2025 SERIES 1

Dated: Date of Delivery

Due: August 19, 2026

<u>Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>CUSIP No. †</u>
\$100,000,000*	%	%	

The Bonds are issuable only as fully registered Bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. So long as DTC, or its nominee Cede & Co., is the Bondholder, principal and semiannual interest payments will be made directly to such Bondholder. Principal of and interest on the Bonds will be payable to DTC by U.S. Bank Trust Company, National Association, as Paying Agent. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. (See "THE BONDS AND NOTES—Book-Entry Only System" herein.) **Interest on the Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months.**

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 of each year at the rates as shown in the maturity schedule on the inside front cover. Principal of the Bonds will be payable on August 15 as shown in the maturity schedule on the inside front cover.

The Notes are issuable only as fully registered Notes, and, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC. DTC will act as securities depository for the Bonds and Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the Noteowner, as nominee of DTC, references herein to the Noteowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. So long as DTC, or its nominee Cede & Co., is the Noteholder, such payments will be made directly to such Noteholder. Principal of and interest on the Notes will be payable to DTC by U.S. Bank Trust Company, National Association, as Paying Agent. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. (See "THE BONDS AND THE NOTES—Book-Entry Only System" herein.) **Interest on the Notes is computed on the basis of a 360-day year consisting of twelve 30-day months.**

The Bonds are subject to optional redemption prior to maturity as described herein. The Notes are not subject to redemption prior to maturity.

The Bonds and the Notes will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The Bonds are being offered for sale at 11:00 A.M. and the Notes at 11:30 A.M. on August 6, 2025. Reference is made to the official Notice of Sale for conditions of such sale. The Bonds and the Notes are offered for delivery when, as, and if issued, subject to the final approving opinion of Partridge Snow & Hahn LLP, Bond Counsel, of Providence, Rhode Island, and to certain other conditions referred to herein. Certain legal matters in connection with the Bonds and the Notes will be passed upon by Partridge Snow & Hahn LLP, Providence, Rhode Island, Disclosure Counsel to the City. PFM Financial Advisors LLC will be serving as Municipal Advisor for the City on this transaction. It is expected that the Bonds and the Notes in definitive form will be available for delivery to DTC in New York, New York, on or about August 20, 2025.

Official Statement Dated August 1, 2025

†See inside front cover.

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction. A definitive Official Statement with respect to these securities will be made available concurrently with their sale.

\$5,000,000* General Obligation Bonds, 2025 Series A

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS

<u>Maturity</u> <u>August 15</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>No.†</u>	<u>Maturity</u> <u>August 15</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP</u> <u>No.†</u>
2026	\$ 35,000				2036	\$250,000			
2027	160,000				2037	265,000			
2028	170,000				2038	280,000			
2029	180,000				2039	295,000			
2030	185,000				2040	305,000			
2031	195,000				2041	325,000			
2032	205,000				2042	340,000			
2033	215,000				2043	355,000			
2034	230,000				2044	375,000			
2035	240,000				2045	395,000			

*Preliminary, subject to change.

†CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © 2025 CUSIP Global Services. All rights reserved. The CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds and the Notes. Neither the Underwriters nor the City is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Bonds and the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and the Notes.

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This Official Statement is made available to prospective purchasers of the Bonds and the Notes for review prior to purchase and is in a form deemed final by the City as of its date (except for permitted omissions) for purposes of paragraph (b)(1) of Securities and Exchange Commission Rule 15c-2-12, as amended (the “Rule”), but is subject to revision, amendment, and completion (as so revised, amended or completed such document will be referred to as the “Final Official Statement”).

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds and the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents described herein do not purport to be complete and reference is made to said laws and documents for full and complete statements of their provisions.

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than information and representations contained herein, in connection with the offering of the Bonds and the Notes, and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds and the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth herein has been furnished by the City and other sources which the City believes to be reliable, but is not guaranteed as to accuracy or completeness. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

Upon issuance, the Bonds and the Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. The Bonds and the Notes will not be listed on any stock or other securities exchange. Any registration or qualification of the Bonds and the Notes in accordance with applicable provisions of securities laws of the states in which the Bonds and the Notes may be registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy of the Official Statement or, except for the City, approved the Bonds and the Notes for sale. Any representation to the contrary may be a criminal offense.

The information relating to The Depository Trust Company (“DTC”) and the book-entry only system contained in this Official Statement have been furnished by DTC (see “THE BONDS AND THE NOTES - Book-Entry Only System” herein). No representation is made by the City as to the adequacy or accuracy of such information. The City has not made any independent investigation of DTC or the book-entry only system.

PFM Financial Advisors LLC (the “Municipal Advisor”) to the City has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The cover page hereof, this page and the appendices attached hereto are part of this Official Statement.

OFFICIAL STATEMENT
of the
CITY OF CRANSTON, RHODE ISLAND
Relating to its

\$5,000,000*
GENERAL OBLIGATION BONDS, 2025 SERIES A
and
\$100,000,000*
GENERAL OBLIGATION BOND ANTICIPATION NOTES, 2025 SERIES 1

This Official Statement provides certain information concerning the City of Cranston, Rhode Island (the "City") in connection with the issuance by the City of its \$5,000,000* General Obligation Bonds, 2025 Series A (the "Bonds") \$100,000,000* General Obligation Bond Anticipation Notes, 2025 Series 1 (the "Notes").

THE BONDS AND THE NOTES

Description of the Bonds and the Notes

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable on August 15, 2026 and semiannually thereafter on February 15 and August 15 of each year at the rates as shown in the maturity schedule on the inside front cover. Principal of the Bonds will be payable on August 15 as shown in the maturity schedule on the inside front cover.

The Bonds are issuable only as fully registered Bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "THE BONDS AND THE NOTES Book-Entry Only System" below.

Principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Corporate Trust Department, Boston, Massachusetts as Paying Agent or a successor thereof to DTC. So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. **Interest on the Bonds is computed on the basis of a 30-day month and a 360-day year.**

For every transfer and exchange of the Bonds, whether in certificated form or otherwise, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Adequate indemnification may be required to replace any lost, stolen or destroyed Bonds, whether in certificated form or otherwise.

The Notes are issuable only as fully registered Notes and, when issued, will be registered in the name of Cede & Co., as Noteholder and nominee for DTC. Principal of and interest on the Notes will be paid at maturity by U.S. Bank Trust Company, National Association, Corporate Trust Department, Boston, Massachusetts as Paying Agent to DTC. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denomination of \$1,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the Noteholder, as nominee of DTC, references herein to the Noteholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Notes. **Interest on the Notes is computed on the basis of a 30-day month and a 360-day year.** See "THE BONDS AND THE NOTES - Book-Entry Only System" below.

**Preliminary, subject to change.*

Authorization and Purpose of the Bonds and the Notes

Bonds in the amount of \$5,000,000* will refund at maturity presently outstanding bond anticipation notes dated August 21, 2024 and due August 20, 2025 authorized pursuant to the authorizations and for the purposes displayed below.

<u>Chapter</u>	<u>Year</u>	<u>Description</u>	<u>Amount</u>
Local Acts 71/86	2020	Roads, Sidewalks, and Drainage	\$ 1,022,560
RIGL 45-12-2 Ord #22-17	2022	Roads, Sidewalks, and Drainage	4,000,000
			<u>\$ 5,022,560</u>

Notes in the amount of \$80,920,275* (\$69,977,440 of which will refund at maturity presently outstanding bond anticipation notes dated August 21, 2024 and due August 20, 2025) are authorized pursuant to Local Acts 57 and 90 of 2020 and a vote of the electorate on November 3, 2020, and a resolution passed by the City Council on March 22, 2021 for the purpose of financing the construction, renovation, improvement, alteration, repair, landscaping, furnishing and equipping of schools and school facilities throughout the City and to pay costs of issuance.

Notes in the amount of \$19,079,725* are authorized pursuant to Local Acts 10 and 11 of 2024 and a vote of the electorate on June 4, 2024, and a resolution passed by the City Council on June 24, 2024 for the purpose of financing the purchase and/or acquisition of land and buildings, construction, renovation, improvement, alteration, repair, landscaping, furnishing and/or equipping of schools and school facilities throughout the City and to pay costs of issuance.

Record Date

The Record Date for the payment of interest on the Bonds is the fifteenth day preceding the interest payment date or, if such a day is not a business day of the Paying Agent, the next preceding day which is a regular business day of the Paying Agent.

The Record Date for the payment of interest on the Notes is the fifteenth day preceding the maturity date or, if such a day is not a business day of the Paying Agent, the next preceding day which is a regular business day of the Paying Agent.

Book-Entry-Only System

This section describes how ownership of the Bonds and the Notes is to be transferred and how the principal of, premium, if any, and interest on the Bonds and the Notes are to be paid to and credited by The Depository Trust Company ("DTC") while the Bonds and the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds and the Notes, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds and the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC, New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered Bonds and Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond and Note certificate will be issued for each maturity of the Bonds and the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

*Preliminary, subject to change.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds and Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond and the Note documents. For example, Beneficial Owners of Bonds and Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds and the Notes within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable date in accordance with their

respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City nor the Municipal Advisor take any responsibility for the accuracy thereof.

Redemption Prior to Maturity

Optional Redemption

The Bonds maturing on or after August 15, 2036 shall be subject to optional redemption prior to their stated dates of maturity, at the option of the City, on or after August 15, 2035, as a whole or in part at any time (by lot by DTC), in any order of maturity designated by the City, at 100% of the aggregate principal amount of the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

Notice of any redemption of the Bonds, specifying the numbers and other designations of the Bonds to be redeemed, shall be given not more than 60 days nor less than 30 days prior to the date set for redemption by mailing a copy of such notice to DTC or its nominees.

The City, so long as a book-entry system is used for determining beneficial ownership of the Bonds, shall send any notice of redemption to DTC, or its nominee, as registered owner of the Bonds. Transfer of such notice to the DTC Participants is the responsibility of DTC. Transfer of such notice to Beneficial Owners by DTC Participants is the responsibility of the DTC Participants and other nominees of Beneficial Owners of the Bonds. Any failure of DTC to mail such notice to any DTC Participant, or any failure by any DTC Participant to notify any Beneficial Owner, will not affect the validity of the redemption of the Bonds. The City can make no assurances that DTC, the DTC Participants or other nominees of the Beneficial Owners of the Bonds will distribute such redemption notices to the Beneficial Owners of the Bonds, or that they will do so on a timely basis, or that DTC will act as described in this Official Statement.

The Notes are not subject to redemption prior to their stated date of maturity.

Security for Bonds and the Notes

The Bonds and the Notes will be general obligations of the City, for the payment of which the full faith and credit, *ad valorem* taxes and general fund revenues of the City are pledged. The Rhode Island General Laws provide that the City shall annually appropriate a sum sufficient to pay the principal and interest coming due within the year on all of its general obligation bonds and notes to the extent that monies therefor are not otherwise provided, and that if such sum is not appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such amount, all taxable property in the City is subject to *ad valorem* taxation without limitation as to rate or amount.

Claims for Payment Due

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any city, for any matter, to present a demand for such claim to the city council and if satisfaction of such claim is not made within 40 days, to commence an action against the city treasurer for recovery of the claim. If judgment is obtained for such debt due and if the treasurer of the city does not have sufficient monies to pay the judgment, Rhode Island General Laws Section 45-15-6 authorizes the city treasurer to apply to any justice of the peace in the city for an order requiring the city to hold a special

meeting of the city council “for the speedy ordering and making a tax” to be collected for such purpose. If the city council shall fail to assess voluntarily a tax sufficient to satisfy judgment on a city debt, the Superior Court of the State is authorized to order the assessors of the city “to assess upon the ratable property, and the collector to collect, a tax sufficient for the payment of the judgment, with all incidental costs and charges, and the expense of assessing and collecting the tax,” pursuant to Rhode Island General Laws Section 45-15-7.

The enforceability of rights or remedies with respect to the Bonds and the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Statutory Lien

In July 2011, the Rhode Island General Assembly (the “General Assembly”) enacted amendments to Section 45-12-1 of the Rhode Island General Laws (the “July Amendments”) to provide for a statutory lien on *ad valorem* taxes and general fund revenues for the benefit of general obligation debt of cities and towns and for giving priority to general obligation debt in a bankruptcy. The validity and priority of the lien granted by Section 45-12-1 have not been adjudicated in any proceeding brought under Chapter 9 of the United States Bankruptcy Code. The July 2011 Amendments provide, in part, that the faith and credit, *ad valorem* taxes and general fund revenues of each city and town are pledged for the payment of principal of, and premium and interest on all general obligation bonds and notes of the city or town, whether or not the pledge is stated in the bonds and notes or in the proceedings authorizing their issue and the pledge constitutes a first lien on such *ad valorem* taxes and general fund revenues.

In addition, annual appropriations for payment of financing leases and obligations securing bonds, notes or certificates (“other financing obligations”), have a first lien on *ad valorem* taxes and general fund revenues commencing on the date of each annual appropriation. Amounts appropriated or added to the tax levy to pay principal of, and premium and interest on general obligation bonds or notes and payments of other financing obligations are applied to the payment of such obligations. Any municipal employee or official who intentionally violates such provisions of Section 45-12-1 is personally liable to the city or town for any amounts not expended in accordance with such appropriations. The State Superior Court has jurisdiction to adjudicate claims brought by any city or town and to order such relief as the Court may find appropriate to prevent further violations under such provisions of Section 45-12-1. Any municipal employee or official who violates such provisions of Section 45-12-1 is subject to removal.

Section 45-12-1 further provides in part, that: notwithstanding any provision of any other law, including the Uniform Commercial Code, Title 6A of the Rhode Island General Laws: (1) the pledge of *ad valorem* taxes and general fund revenues to the payment of the principal of, and premium and interest on general obligation bonds and notes and payment of other financing obligations is valid and binding, and deemed continuously perfected from the time the bonds or notes or other financing obligations are issued; (2) no filing need be made under the Uniform Commercial Code or otherwise to perfect the first lien on *ad valorem taxes* and general fund revenues; (3) the pledge of *ad valorem taxes* or general fund revenues is subject to the lien of the pledge without delivery or segregation, and the first lien on *ad valorem taxes* and general fund revenues is valid and binding against all parties having claims of contract or tort or otherwise against the city or town, whether or not the parties have notice thereof; and (4) the pledge shall be a statutory lien effective by operation of law and shall apply to all general obligation bonds and notes and other financing obligations of cities, towns and districts and shall not require a security agreement to be effective.

The July 2011 Amendments provide that *ad valorem* taxes and general fund revenues may be applied as required by the pledge without further appropriation except for financing obligations which are subject to annual appropriation.

State Aid Intercept

Rhode Island General Laws Section 45-12-32 creates a mechanism to enhance the creditworthiness of cities and towns in financial stress by providing for a state aid intercept mechanism to pay general obligation bonds and notes. Under the statute, the finance director is required to notify the mayor and the city council if it appears to the finance director that the city is likely to be unable to pay in whole or in part the principal or interest, or both, on any of its bonds, notes or certificates of indebtedness when due. If the mayor or city council, whether or not so notified, finds upon investigation that the payment cannot or is not likely to be made when due, he, she, or they are required to certify the inability or likely inability to the State Director of Revenue (the “Director”). Upon receipt of the certificate, the Director shall immediately investigate the circumstances and, if the Director finds that the city is, or in the Director’s opinion will be, unable to make the payment when due, the Director shall forthwith certify the inability, the amount of the due or overdue payment and the name of the paying

agent for the bonds, notes or certificates of indebtedness to the General Treasurer of the State. The City has never made such a certification.

Notwithstanding any provision of general or special law or any rules or regulations with respect to the timing of payment of state aid payments, not later than three days after receipt of the certification from the Director or one business day prior to the date on which the principal or interest, or both, becomes due, whichever is later, the General Treasurer of the State is required to pay to the paying agent the amount of the due or overdue payment certified to him/her to the extent of the sums otherwise then payable and the sums estimated to become payable during the remainder of the fiscal year, from the State treasury to the city or town. The amounts so paid to the paying agent are held in trust and exempt from being levied upon, taken, sequestered or applied for any purpose other than paying principal or interest, or both, on bonds, notes or certificates of indebtedness of the city or town.

For purposes of the statute, the sums otherwise payable from the State treasury to a city or town shall be the funds made available to cities or towns: (i) as state aid pursuant to Chapter 45-13 of the Rhode Island General Laws, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to Section 45-13-9 of the Rhode Island General Laws; (ii) as school housing aid pursuant to Sections 16-7-35 through 16-7-47 of the Rhode Island General Laws, but subject to any pledge to bonds issued to finance school projects by the Rhode Island Health and Educational Building Corporation ("RIHEBC"), and specifically excluding school operations aid provided for in Sections 16-7-15 through 16-7-34.3 of the Rhode Island General Laws; (iii) in replacement of motor vehicle and trailer excise taxes pursuant to Chapter 44-34.1 of the Rhode Island General Laws; (iv) from the public service corporation tax pursuant to Chapter 44-13 of the Rhode Island General Laws; (v) from the local meal and beverage tax pursuant to Section 44-18-18.1 and the hotel tax pursuant to Section 44-18-36.1 of the Rhode Island General Laws; and (vi) pursuant to all acts supplementing such chapters.

Enforceability of City Obligations

Enforcement of a claim for payment of principal of or interest on a bond or note issued by the City is subject to the applicable provisions of the federal bankruptcy laws and of statutes, if any, hereafter enacted by the federal government or the State extending the time for payment of such obligations or imposing other constitutionally valid constraints upon such enforcement.

Judicial enforcement of statutes such as Rhode Island General Laws Sections 45-15-5 through 45-15-7 described above under the heading "*Claims for Payments Due*", the statutory lien provided for in Section 45-12-1 and state aid intercepts such as that provided for in Section 45-12-32 are within the discretion of a court. The status of these rights and remedies of owners of bonds and notes in a proceeding to restructure city or town debt under Chapter 9 of the United States Bankruptcy Code, or pursuant to other subsequently enacted laws relating to creditors' rights, has not been adjudicated.

THE CITY OF CRANSTON

General

The City was established as a city in 1754 and incorporated as a city in 1910. The City covers an approximate 28.7 square mile area immediately south of the City of Providence, Rhode Island. With a population of 82,936 as determined by the 2020 U.S. Census, the City is the second most populous municipality in the State. For the fiscal year ending June 30, 2025, the net assessed value of real and tangible personal property in the City is approximately \$12.5 billion. The City's fiscal year 2026 adopted operating budget is approximately \$338 million. Primarily a residential community, the City contains many residential developments including Dean Estates, Glenwoods, Woodridge, Garden Hills, Garden City, Comstock Gardens, and Ridgewood.

Government

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.

Members of the City Council are elected for a term of two years. Term limits of five consecutive two-year terms for City Council members became effective with the November 2002 election. The Charter grants the City Council all powers to enact, amend or repeal ordinances relating to the City's property, affairs and government. The City Council also has the power to authorize the issuance of bonds or notes.

The Mayor is the chief executive and administrative officer of the City and effective, with the November 2012 election, is elected for a term of four years. Term limits of two consecutive four-year terms for the office of Mayor also became effective with the November 2012 election. Mayor Kenneth Hopkins was elected to his first term in November 2020 and took office in January 2021. Mayor Hopkins was re-elected to a second term in November 2024. Prior to becoming Mayor, Mr. Hopkins served within the Cranston Public School Department as a teacher, coach and athletic director. Mr. Hopkins later served on the Cranston City Council from 2017 to 2021. Mayor Hopkins is a graduate of Rhode Island College and University of New England.

Pursuant to the Charter, it is the duty of the Mayor to provide to the City Council, at least once a year, a statement of the financial and general condition of the affairs of the City. The Mayor must also submit annually a proposed operating budget, a recommended capital program and a recommended capital budget. The Mayor appoints, with the advice and consent of the City Council, the Fire Chief, Police Chief and Director of Finance as well as other department heads and members of certain City boards and commissions.

Under the City Charter, the City has a Finance Department, headed by the Director of Finance appointed by the Mayor with the approval of the City Council. Reporting directly to the Mayor, the Director of Finance is in charge of the administration of the financial affairs of the City, with specific responsibility for assessing, collecting and authorizing the disbursement of all City money, for preparing and administering the annual City Budget, and for accounting of all financial transactions. Within the Finance Department are assessment, collections, information technology, purchasing, treasury, and accounting divisions. Thomas Zidelis was appointed Director of Finance in October 2022. Mr. Zidelis previously served as Chief Financial Officer for the City of Worcester, Massachusetts. During his tenure with the City of Worcester, Mr. Zidelis also held the position of City Treasurer and Collector of Taxes.

Public Education

A seven-member School Committee elected for a term of two years directs the general administration of the City’s school system. The School Committee determines and controls all policies affecting the administration, maintenance and operations of the public schools in the City. The School Committee appoints a Superintendent of Schools who, as its chief administrative agent, heads the School Department and appoints and removes all School Department employees, except as may be provided otherwise by the laws of the State.

The City has 15 elementary schools, four middle schools, two high schools, one career and technical school and one charter secondary school with a total enrollment, as of October 2024, of 10,200 students. The School Department has 997 professional staff members.

Enrollment in the City’s public schools for the past ten school years is displayed below:

<u>School Year</u>	<u>Enrollment</u>
2024-2025	10,200
2023-2024	10,796
2022-2023	10,387
2021-2022	10,492
2020-2021	10,321
2019-2020	10,395
2018-2019	10,397
2017-2018	10,310
2016-2017	10,417
2015-2016	10,438
2014-2015	10,540

Source: City School Department records

Bond referendums in the amount of \$147 million and \$40 million were approved by the voters on November 3, 2020 and June 4, 2024. The bonds will finance renovation and modernization projects at public school buildings throughout the City. These improvements will address districtwide health and safety issues and create modern learning environments in City schools. The City anticipates that it will be eligible to receive debt service reimbursements from the State of at least 53.8% of total project costs. See CITY FINANCES – State Aid – *State School Construction Aid*.

Government Services

Public Safety. The City's Police Department currently has 137 authorized positions and the City's Fire Department has 185 authorized positions. The City has entered into a long-term lease of a police station facility, which opened in June 2007.

Sewer System. Construction of the City's sewer system began as a Works Progress Administration project in 1939 and is continually being upgraded to meet the City's needs. The system consists entirely of sanitary sewers. Storm water is carried in a separate drainage system. The sewer system includes an estimated 235 miles of sewer mains, eight miles of force main, and many miles of lateral sewers.

There are 22 pumping stations in the sewer system. The eastern half of the City is entirely connected to the sewer system, and the north-western part of Cranston is partially connected with sewers built after 1972.

Wastewater Treatment Facility. The Cranston Wastewater Treatment Plant (the "Plant") is located in eastern Cranston on the Pawtuxet River. In 2014, the average daily flow to the Plant was approximately 13.2 million gallons per day ("mgd"). The Plant has a capacity of treating up to 23 mgd, which is projected to serve the City's needs for the foreseeable future. The current facility, which went online in 1983, replaced an older facility originally built in 1942. The Plant includes preliminary treatment facilities (two grit removal tanks and two induced air, grease flotation tanks), primary settling facilities (three center feed circular clarifiers), and a disinfection facility (one chlorine contact tank). As described below, the Plant was upgraded to provide tertiary treatment in 2001. Sludge collected from the clarifiers is dewatered by three presses and incinerated in two multiple hearth incinerators. The Plant accepts municipal sludge from other communities and residential sewage from private haulers for a fee. The City borrowed \$18 million in fiscal year 2014 from the Rhode Island Infrastructure Bank ("RIIB"), then known as Rhode Island Clean Water Finance Agency, at subsidized rates to finance mandated treatment facility upgrades and improvements at the Plant. The total cost of the upgrade project was \$22 million. The upgrade project was completed in April of 2018.

In September 1997, the City commenced leasing its wastewater treatment system, including the Plant, to Triton Ocean State LLC ("Triton") for a base term of 25 years pursuant to a Lease and Service Agreement (the "LSA"). On December 31, 2001 Triton delegated its rights and obligations under the LSA to U.S. Filter Operating Services, Inc., which later became Veolia Water (the "Company"), and at that time the LSA was amended and extended for an additional five years until 2027. The City remains the owner of the Plant. Under the LSA, the City is obligated to finance and make regulatory capital improvements to the wastewater treatment system and the Company is obligated to operate, maintain and repair the system. The City is required to pay the Company monthly fees for performance of the Company's obligations under the LSA. The source of the monthly fees paid to the Company by the City has been and is expected to continue to be sewer user fees assessed upon users of the system by the City. The City continues to be responsible for assessing and collecting such sewer user fees. Sewer user fees are set by City ordinance.

The LSA required the Company to implement a tertiary treatment program at the Plant, which was completed in 2001 at an estimated cost to the Company of \$14 million. During 2005 and 2006, the City financed two additional major capital improvements at the Plant, including a \$5.9 million biological nitrogen removal ("BNR") system upgrade, which allowed the City to meet the new Rhode Island Department of Environmental Management permit limits imposed on the Plant, and a \$2.5 million flue gas recirculation ("FGR") improvement to the Plant's incinerators, to allow the Plant's incinerator stacks to stay within permit limits while allowing the Plant to treat additional volume. Funding for the BNR project and other projects was obtained by the City through a \$3.4 million loan from RIIB in December 2004 and a \$2.5 million grant from the Pawtuxet River Authority in fiscal year 2006. Funding for the FGR project was obtained by the City from a \$2.0 million loan from RIIB in November 2003. The Company reimburses the City for a portion of the City's costs incurred in connection with the FGR improvements.

Triton made an up-front contract payment to the City of \$48,000,000 at the time the LSA was executed in 1997. The payment represented a prepayment of the lease payments due to the City from the Company over the 25-year lease term. The lease payments are "earned" by the City over the life of the lease. Accordingly, deferred revenue has been recorded in the City's Sewer Enterprise Fund, which is realized on a straight-line basis over the term of the lease. As of June 30, 2026, the balance of unearned revenue related to this payment was \$1,698,854, which is deemed short-term.

In January 2017, RIIB on behalf of the City, issued \$27,705,000 Rhode Island Infrastructure Bank, City of Cranston/Triton Ocean State LLC Project Wastewater Revenue Refunding Bonds Series 2017 (FEDERALLY TAXABLE) to refund, on a current basis, all of its outstanding Wastewater Treatment System Revenue Bonds (City of Cranston/Triton Ocean

State LLC Project) Series 1997 (the “Series 1997 Bonds”). RIIB issued the Series 1997 Bonds and used the proceeds thereof to fund an Agency Loan to the City for the purpose of financing the acquisition, construction and installation of capital improvements to the City’s wastewater treatment plant and sewerage system, including an advanced waste treatment system and finance a portion of an initial upfront contract payment to be made by the Company to the City. The Series 2017 bonds matured on September 1, 2022.

In August 1999, the City entered into an agreement with Florida Power & Light (“FP&L”), pursuant to which FP&L agreed to purchase up to five million gallons of the Plant’s effluent annually. In fiscal year 2024, the City collected \$1,216,310 and has budgeted \$1,100,000 in fiscal years 2025 and 2026 from the sale of effluent to FP&L.

Water Supply System. The City’s water supply needs in the eastern portion of Cranston are served by the Providence Water Supply Board, which services the majority of the City’s residences and businesses. The Kent County Water Authority services a small number of residences in the southwest portion of the City. The western portion of Cranston was formerly serviced by the Cranston Water Supply System, but this service was transferred to the Providence Water Supply Board in 1997. As part of that transfer, the Providence Water Supply Board agreed to make payments to the City equal to the City’s debt service on its outstanding water bonds. The Providence Water Supply Board system derives its supply from the Scituate Reservoir and five tributary reservoirs located in the Town of Scituate. The entire watershed for these reservoirs covers 93 square miles with the reservoirs themselves comprising 24 square miles and estimated to store over 41 billion gallons of water. The water supply and the distribution systems within Cranston will service the water supply needs of the City for the foreseeable future. Plans are being developed by the Providence Water Supply Board for the expansion of existing storage tanks and increasing pumping capacity to provide adequate supply for future growth of the western portion of the City.

Planning and Development

The City has had a Planning Commission since 1934. The City Planning Commission consists of the City’s Finance Director, the City’s Public Works Director, and seven members appointed from the general public. The City’s Planning Department has a planning staff of five full-time employees and an office of Economic Development, consisting of two full-time employees.

The City originally adopted a Comprehensive Plan in 1961. Revisions to the plan were made in 1992 and December 2012. The purpose of the Comprehensive Plan is to lend direction to the development of the City in areas of commercial and industrial development, traffic circulation, residential growth, schools, recreation and municipal services. The City Planning Commission has also adopted a five-year Capital Improvement Program. See “Capital Improvement Program” below. The City has amended its zoning, subdivision and land use controls to protect environmental resources and to encourage economic development.

Capital Improvement Program

Under the Charter, the City must adopt a capital budget each fiscal year and a Capital Improvement Program for the next four fiscal years. The chart below shows the amounts included in the adopted capital budget for fiscal years 2024, 2025 and 2026.

<u>Department</u>	<u>Authorized Fiscal Year Ending June 30, 2024</u>	<u>Authorized Fiscal Year Ending June 30, 2025</u>	<u>Authorized Fiscal Year Ending June 30, 2026</u>
Schools	\$47,324,827	\$74,737,250	\$10,000,000
Public Works	14,565,000	15,905,000	19,240,000
Safety Services	-0-	-0-	3,100,000
Recreation	-0-	160,000	465,000
Other	<u>-0-</u>	<u>-0-</u>	<u>40,000</u>
Totals	\$61,889,827	\$90,802,250	\$32,845,000

Source: Adopted June 30, 2024, 2025 and 2026 Capital Budgets

Debt service on school construction borrowings is subject to annual appropriation by the General Assembly. See “State Aid” herein. The chart below shows actual amounts spent under the City’s capital improvement program for fiscal year 2024.

<u>Department</u>	<u>Fiscal Year Ending June 30, 2024^{(1) (2)}</u>
Schools	\$19,329,372
Public Works	3,099,256
Safety Services	147,539
Recreation	482,450
Other	<u>-0-</u>
Totals	\$23,058,617

(1) All projects in this capital budget either have been or will be authorized by voter referendum except as funded by impact fees.

(2) Estimated; includes carry-over from prior years.

Source: City Finance Department

Retirement Programs

As more particularly described below, the City provides pension benefits to substantially all municipal employees under three separate plans: (1) a closed City-administered plan for certain police and fire department employees; (2) a plan for the City’s public school teachers through the State’s Employees’ Retirement System of Rhode Island (“ERSRI”); and (3) a plan for the City’s general municipal employees and the balance of its police and fire department employees through the State’s Municipal Employees Retirement System (“MERS”).

The City also contributes to two additional pension plans: (i) a plan for the City’s public works employees and all school department bus drivers through the National (Industrial) Pension Fund, a cost-sharing multiple employer defined benefit plan (the “National (Industrial) Pension Plan”), and (ii) a plan for most of the employees within City Hall and other clerical staff throughout the City through the New England Teamsters and Trucking Industry Pension Plan, a cost sharing multiple-employer plan (the “Teamsters and Trucking Pension Plan”).

Closed City Police and Fire Pension Plan

As described above, the City administers a separate pension plan (the “Closed City Plan”) for police and fire department employees hired before July 1, 1990, and police and fire department employees hired between July 1, 1990 and June 30, 1995 who chose to participate in the Closed City Plan (as opposed to the State-administered MERS plan). The Closed City Plan is a single-employer defined benefit pension plan that was established by the City in accordance with the Charter and State statutes. The Closed City Plan is a component unit (reporting as Pension Trust Funds) of the City’s financial reporting entity.

Fire department employees contribute 10.5 percent of their base salary and police department employees contribute 10 percent of their base salary to the Closed City Plan. Employees’ rights vest after 10 years. Employees are eligible for a full pension after 20 years of service.

Covered payroll refers to all compensation paid by the City to active police and fire department employees participating in the Closed City Plan on which contributions to the Closed City Plan are based.

Contributions from the City and employees to the Closed City Plan are recognized as revenue in the period in which employees provide service to the City. Investment income is recognized as earned by the Closed City Plan. Investments in securities are reported at fair market value. There are no investments in, loans to, or leases with parties related to the Closed City Plan.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligations and these assumptions are summarized below:

The present value of future pension payments was computed by using a discount rate of 7.9%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the Closed City Plan.

As indicated in the following tables, the Closed City Plan is severely underfunded. In December 2013, the City entered into a class action settlement agreement approved by the Rhode Island Superior Court (the “Court Approved Settlement”) with the Police and Fire Union, as well as retirees, to address the underfunding. Under the Court Approved

Settlement, all of the plan participants, except widows, agreed to freeze their compounded cost of living adjustment (“COLA”) to 3% every other year for a 10-year period. In years eleven and twelve, they agreed to a 1.5% compounded COLA. Thereafter, the COLA is capped at 3% compounded and can never escalate beyond this amount regardless of the increases received by active police and fire department employees. Seventy-two retirees opted out of the Court Approved Settlement and proceeded to pursue their case in the Rhode Island Superior Court challenging the validity of the originally enacted ordinance that imposed a 10-year COLA freeze. After a full bench trial, Superior Court Justice Taft-Carter found in favor of the City and determined that the enacted reforms to the pension system were reasonable and necessary. The retirees appealed that decision to the Rhode Island Supreme Court. After full briefing and arguments, the Supreme Court issued a ruling on June 3, 2019 that upheld Judge Taft-Carter’s findings and decision. The opinion written by Chief Judge Suttell noted that the “narrowly tailored” pension reform actions served a “significant and legitimate public purpose” to address the City’s dire fiscal emergency. The Court specifically found that the City was “motivated by a critical need to improve the health of the City’s pension system.” The decision preserved the \$7 million annual savings that Cranston had realized in its annual required contribution as well as the approximately \$60 million reduction of its total unfunded liability.

The standardized measure of the City’s unfunded pension benefit obligation for the Closed City Plan, based on an actuarial valuation performed by Sherman Actuarial Services as of July 1, 2024 (the “Closed City Plan Actuarial Study”), is summarized below. The unfunded accrued liability as of July 1, 2024 was \$213,985,866 and the funded ratio was 24.7%.

	<u>Fire</u>	<u>Police</u>	<u>Total</u>
1. Actuarial Liabilities			
(a) PVFB Actives	\$6,501,145	\$3,481,075	\$9,982,220
(b) PVFB Retirees	168,692,064	113,646,196	282,338,260
(c) Total	\$175,193,209	\$117,127,271	\$292,320,480
2. Market Value of Assets*	48,595,731	29,233,236	77,828,967
3. Total Future Contributions	126,597,478	87,894,035	214,491,513
4. Unfunded Accrued Liability	126,273,801	87,712,065	213,985,866
5. Present Value of Future Normal Contributions	323,677	181,970	505,647
6. Present Value of Future Salary	1,615,648	989,144	2,604,792
7. Normal Contribution Rate	20.03%	18.40%	19.41%
8. Valuation Payroll	485,204	340,479	825,683
9. Normal Cost with Interest			
(a) Employees	62,877	42,021	104,898
(b) City	38,095	23,043	61,138
(c) Total (7. x 8.). plus interest	100,972	65,064	166,036
10. Assets Receivable	13,128,647	9,336,839	22,465,486
11. Adjusted UAL for FYE26	127,329,339	88,227,045	215,586,383
12. City Contribution to Amortize			
(a) Court Approved FYE 2042	12,247,667	5,726,256	17,973,923
(b) Opt Outs FYE 2037	669,278	3,508,780	4,178,058
(c) Total	12,916,945	9,235,035	22,151,980
13. Total Contribution	13,017,917	9,300,099	22,318,016
14. City Contribution for FYE26	\$12,955,040	\$9,258,078	\$22,213,119

*Due to different amortization period for the retirees that opted out of the Court approved agreement, the Market Value of Assets were allocated in proportion to each group's accrued liability compared to the total accrued liability.

Source: The City of Cranston Fire and Police Department Pension Plans Actuarial Valuation Report as of July 1, 2024.

The required annual contribution was determined using the attained age normal actuarial cost method. The unfunded actuarial liability was amortized over a 28-year period. The contributions covering normal cost and payment to amortize the unfunded actuarial accrued liability are based on the level percentage of payroll method. According to the Closed City Plan Actuarial Study, the funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient

resources to pay employee pensions on a timely basis. Typically the report is completed and provided to the City about 6 months after the beginning of the fiscal year. Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

Trend Information — Historical trend information for the Closed City Plan is presented below. Over the past five years, the City has made the following contributions:

Closed Police and Fire Pension Plan of the City

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Net Pension Liability⁽¹⁾	Funded Ratio
2024	\$21,203,556	\$20,203,556	100%	\$213,985,866	26.7%
2023	20,737,078	20,737,078	100	221,211,683	24.7
2022	21,510,426	21,510,426	100	215,833,860	24.4
2021	21,457,078	21,457,078	100	236,015,905	23.0
2020	21,463,003	21,463,003	100	228,648,587	22.9

(1) Unfunded liability is calculated with an assumed rate of return of 7.90% for fiscal years 2020 - 2024.
Source: City Audited Financial Statements.

The City budgeted contributions in the amount of \$22,378,097 and \$22,213,118 for fiscal years 2025 and 2026, respectively, which represents 100% of the required contributions.

Municipal Employees' Retirement System (MERS)

The City provides retirement benefits for its police officers and firefighters who are not participants in the Closed City Plan described above and its general municipal employees other than school teachers through the City's participation in MERS. MERS is a statewide cost-sharing multiple-employer public employee retirement system. The MERS includes one plan for general municipal employees, one optional plan for police officers and one optional plan for firefighters. Like ERSRI, MERS is administered by the State's Retirement Board. The City pays the entire annual employer's cost of the MERS plan. The City's police officers and firefighters hired on or after July 1, 1995 are now included in MERS. Police officers and firefighters hired during the period from July 1, 1990 to June 30, 1995 had the option of joining MERS or staying in the Closed City Plan.

The funding policy for the MERS Plan is outlined in Rhode Island General Laws Sections 45-21-41, 45-21-42, and 45-21-52 (which can be amended by the Rhode Island General Assembly). The City is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The rate for fiscal year 2024 was 9.92% for City employees, 15.40% for police employees and 7.93% for fire employees.

The covered payroll for City employees participating in MERS for the fiscal year ended June 30, 2024 was \$42,043,520.

General Employee unit under MERS

Retirement eligibility and plan benefits — Service credits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act of 2011 ("RIRSA"). Beginning July 1, 2012, members receive a benefit accrual of 1.0% per year. Effective July 1, 2012 the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Benefits are based on the five-year average compensation multiplied by an accumulated service credit percentage. Joint and survivor retirement benefit options are available.

General municipal employees are required by Rhode Island General Law Section 45-21-41 to contribute 1% of their compensation to the plan and also contribute an additional 1% for a cost-of-living provision. Effective July 1, 2015, each employee with 20 or more years of total service as of June 30, 2012 is required to contribute an amount equal to 8.25% of his or her compensation. Annual required contributions are actuarially determined for each separate employer and are assessed to each as a percentage of their participating employees' payroll. The annual required contribution covers normal cost and, where applicable, a payment to amortize the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a closed period of 30 years measured from June 30, 1999.

Over the past five years, the City has made the following contributions:

Municipal Employees' Retirement System (General Employees)					
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Net Pension Liability⁽¹⁾	Funded Ratio⁽¹⁾
2024	\$2,553,836	\$2,553,836	100%	\$7,118,275	95.9%
2023	2,458,873	2,458,873	100	8,290,538	95.1
2022	2,516,380	2,516,380	100	7,598,776	95.4
2021	2,565,916	2,565,916	100	19,419,343	87.9
2020	2,367,241	2,367,241	100	17,400,972	89.1

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.25% to 7.25% annually for fiscal years 2020 – 2024.
Source: City Audited Financial Statements

The City budgeted a contribution to the MERS plan for general employees in the amount of \$2,176,483 and \$1,797,188 for fiscal years 2025 and 2026, respectively. The decline in recent required contributions is due to a change in benefits to new employees. The contributions represent 100% of the annual required pension costs.

Police and Fire units under MERS

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 50 years old with 25 years of total service or any age for members with 27 years of service. 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 by RIRSA. Joint and survivor retirement benefit options are available.

Police officers and firefighters were previously required by Rhode Island General Laws Section 45-21.2-14 to contribute 7% of their compensation to the plan, but effective July 1, 2015, such contribution was increased to 9% of their compensation. Over the past five years, the City has made the following contributions:

Municipal Employees' Retirement System (Police)					
Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Unfunded Liability⁽¹⁾	Funded Ratio⁽¹⁾
2024	\$1,895,887	\$1,895,887	100%	\$17,396,558	82.3%
2023	2,584,733	2,584,733	100	17,949,023	80.4
2022	1,982,333	1,982,333	100	10,341,716	86.5
2021	1,842,074	1,842,074	100	11,462,169	81.6
2020	1,439,364	1,439,364	100	10,611,755	81.7

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.25% to 7.25% annually for fiscal years 2020 - 2024.

The City budgeted contributions to the MERS plan for police employees in the amount of \$2,660,037 and \$3,428,902 for fiscal years 2025 and 2026, respectively. The contributions represent 100% of the annual required pension costs.

Over the past five years, the City has made the following contributions:

Municipal Employees' Retirement System (Fire)

Fiscal Year	Actuarially Determined Contribution	Actual Contribution	Percent Contributed	Unfunded Liability⁽¹⁾	Funded Ratio⁽¹⁾
2024	\$1,232,081	\$1,232,081	100%	\$5,543,845	95.6%
2023	2,126,922	2,126,922	100	6,307,401	94.6
2022	1,244,667	1,244,667	100	(2,755,241)	102.8
2021	1,197,397	1,197,397	100	1,157,149	98.6
2020	819,835	819,835	100	(1,976,420)	102.6

(1) Assumes asset appreciation of 7.00% and payroll growth of 3.25% annually for fiscal years 2020 - 2024.

Source: City Audited Financial Statements

The City budgeted contribution to the MERS plans for fire employees in the amount of \$2,067,451 and \$2,963,872 for fiscal years 2025 and 2026, respectively. The contributions represents 100% of the annual required pension costs.

School Teacher's Retirement Plan

The City provides retirement benefits to its public-school teachers through its participation in ERSRI. ERSRI is a statutory, mandatory, statewide, cost-sharing multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. ERSRI is administered as a unified statewide system by the State Retirement Board, the composition of which is set forth in the pertinent State statute. The assets are held in the custody of the State Treasurer as an undivided single fund. The City pays 50 percent of the annual employer's cost of the Teachers Plan.

Rhode Island General Laws Section 16-16-22 currently sets the defined benefit contribution rates of participating employees at 3.75% of salary. Annual required contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 1999 over 30 years; provided, however, that in conjunction with the implementation of RIRSA, the amortization period was reset to 25 years as of June 30, 2010; and (c) interest on the unfunded frozen actuarial liability. The City participates in the optional Teachers Survivor Benefits Fund, whereby the employer and the employee each contribute 1% of the first \$11,500 of each participating employee's salary for survival benefits.

As prescribed by State law, the State pays the entire portion of the defined benefit annual required contribution attributable to the costs of contributions deferred by the State in prior years, plus 40% of contributions assessed to employers on payroll not reimbursable through federal programs.

Effective with the June 30, 2011 actuarial valuation, the funding method was changed to the Individual Entry Age Cost Method in order to be consistent with State Law and GASB statement No. 27 standards. The ERSRI does not maintain separate data for each of its participants. The ERSRI's website contains additional information (www.ersri.org).

The actuarial valuation prepared by Gabriel, Roeder, Smith & Company uses the Entry Age Normal (EAN) actuarial cost method. Valuations under this method assume a valuation date of June 30th of each plan year. This is the date as of which both the actuarial present value of future benefits and the actuarial value of assets are determined. The valuation assumes an annual salary increase on a scale of age/service. In addition, other actuarial assumptions are made for post-retirement increases and other contingencies as set forth in the published annual reports of the State Retirement Board.

The actuarial costs of the retirement benefits are partially funded by employee contributions of 3.75% of the actuarial costs of the retirement benefits effective July 1, 2012. The actuary determines the net employer actuarial costs annually and as provided by the State Retirement Board to the Department of Administration. Contributions are reported as a percent of payroll, payable in part by the State and in part by the City. The split between the State and the City is specified by State statute. For fiscal year 2024, the State paid 40% and the City paid 60%.

The following are comparative highlights for 2020 through 2024 for the Teachers' Plan as a whole:

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Active Participants	13,497	13,554	13,537	13,372	13,474
Pensioners & Beneficiaries	11,737	11,595	11,521	11,398	11,274
Inactive Participants	5,418	5,000	4,539	4,227	4,001
Market Value of Assets	\$ 4,995,983,427	\$ 4,664,344,475	\$ 4,418,568,124	\$ 4,671,641,312	\$ 3,798,755,901
Employer Contributions	\$ 314,001,015	\$ 305,022,002	\$ 322,772,188	\$ 275,778,411	\$ 266,034,899
Member & Other Misc. Contributions	51,146,180	50,949,871	50,159,049	50,174,050	50,781,701
Total Contributions	\$ 365,147,195	\$ 355,971,873	\$ 372,931,237	\$ 325,952,461	\$ 316,816,600
Investment income	\$ 465,614,805	\$ 384,803,808	\$ (131,387,447)	\$ 1,034,477,257	\$ 139,896,962
Total Income Available for Benefit Payments	\$ 830,762,000	\$ 740,775,681	\$ 241,543,790	\$ 1,360,429,718	\$ 456,713,562
Benefit Payment	\$ (406,987,236)	\$ (495,099,506)	\$ (494,461,453)	\$ (487,793,158)	\$ (487,783,008)
Transfer and Other Adjustments	\$ (768,666)	\$ 100,176	\$ (155,525)	\$ 248,851	\$ (69,787)
Excess of Income Over Expenses	\$ 423,006,098	\$ 245,776,351	\$ (253,073,188)	\$ 872,885,411	\$ (31,139,233)
Funded Ratio	60.7%	64.5%	61.5%	58.7%	56.2%

Compiled from Employees' Retirement System of Rhode Island - Actuarial Valuation Reports as of June 30, 2020 - 2024.

Actuarial costs and liabilities, as shown in the summary presentation, are determined in the aggregate for the ERSRI. Accordingly, employer contributions are first determined in the aggregate for all participating employers in this multi-employer system and are then expressed as a percentage of the aggregate participating payroll. For fiscal year 2024, the City applied 60 percent of this percentage to its participating payroll (the remaining 40 percent of the employer cost is contributed by the State as well as the full cost of deferred contributions by the State).

According to the statutory funding schedule, the combined contributions required each year by the City and the State will remain relatively level as a percent of payroll as ERSRI moves toward funding the full actuarial liability. Ultimately, however, because the actuarial funding results in the accumulation of reserves that are invested, the required appropriation will be significantly less than would be required if the Teacher's Retirement System was on a pay-as-you-go basis.

Over the past five years, the City has made the following required contributions:

Employees' Retirement System of Rhode Island (Teachers)			
Fiscal Year	Annual Required Pension Cost	Actual Contribution	Percent Contributed
2024	\$14,129,557	\$14,129,557	100%
2023	13,056,720	13,056,720	100
2022	12,577,126	12,577,126	100
2021	12,037,655	12,037,655	100
2020	11,267,789	11,267,789	100

Source: City Audited Financial Statements

The City budgeted contributions to the plan in the amount of \$13,311,278 and \$13,970,515 for fiscal years 2025 and 2026, respectively. The contributions represent 100% of the annual required pension costs.

At June 30, 2024, the City reported a liability of \$112,085,312 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State.

Hybrid Plan for ERSRI and MERS Participants

In November 2011, the State enacted the RIRSA, which made broad changes to the Teachers' Plan and the MERS plan effective July 1, 2012. The most significant changes include: (i) changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan; (ii) changing the automatic COLA from a CPI-related formula to a formula contingent on the actual investment performance over time; (iii) suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels; and (iv) the re-amortization of the Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19-year schedule as of June 30, 2010. Currently, all employees in ERSRI and MERS may choose to participate in the hybrid plan. For the Teachers' Plan, teachers not covered by Social Security will participate in additional defined contribution allocations equal to 2% member plus 2% employer. Included within these significant changes are certain rules for transitioning from the defined benefit structure to the smaller defined benefit plan going forward. The changes in the defined benefit plan instituted by RIRSA have been fully reflected in the actuarial valuation beginning with June 30, 2012. These changes resulting from RIRSA are the subject of ongoing litigation which has been preliminarily settled by most parties.

RIRSA changed the ERSRI and MERS defined benefit plans to hybrid plans which include a defined contribution plan. The State selected TIAA-CREF to administer the plan. ERSRI and MERS employees contribute 5% of their annual salary into the defined contribution plan, with an additional 2% contribution for those employees that do not participate in Social Security, and the City must contribute 1% of salary. Participants have a selection of investments options chosen by the State and provided by TIAA-CREF.

Other Post-Employment Benefits

The City maintains and administers a single-employer OPEB benefit plan that covers all public safety and School Department employees. The City does not provide OPEB benefits to municipal employees.

Public Safety Employees

The City has obtained an actuarial study of the unfunded liability relating to retiree medical benefits for public safety employees. The City established an Irrevocable Trust Agreement (OPEB Trust) effective July 1, 2007 and has started to pre-fund OPEB liabilities. The unfunded liability was calculated to be \$45,660,532 as of July 1, 2024 for current and retired City police officers and fire fighters. The City has included funding of the annual actuarial contribution in the amount of \$5,491,321 for fiscal year ending June 30, 2025, which represents 100% of the required contribution.

Over the past five years, the City has made the following contributions:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>	<u>Unfunded Liability⁽¹⁾</u>	<u>Funded Ratio</u>
2024	\$4,832,559	\$4,832,559	100.0%	\$45,660,532	14.39%
2023	4,832,559	4,832,559	100.0	46,772,729	14.20
2022	4,512,526	4,512,526	100.0	39,684,003	15.85
2021	4,040,216	2,040,266	50.5	39,150,639	17.64
2020	4,488,978	4,488,978	100.0	37,833,932	19.40

(1) Assumes discount rate of 7.90% for fiscal years 2019-2023; 7.50% for fiscal year 2024.
Source: July 1, 2024 Postretirement Benefits Analysis of the City of Cranston Fire and Police

School Department Employees

The plan for School Department employees provides health benefits and dental insurance benefits to eligible retired employees and their beneficiaries. The plan's 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. The amounts due for these benefits are funded on a pay-as-you-go basis. The City has included funding of the annual actuarial contribution in the amount of \$1,205,114 and \$1,308,849 for fiscal years ending June 30, 2025 and 2026, respectively.

Over the past five years, the City has made the following contributions:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>
2024	\$1,386,794	\$798,657	58.0%	\$14,331,272	6.0%
2023	1,559,569	764,265	49.0	15,463,819	5.0
2022	1,819,895	938,189	71.0	13,585,575	7.0
2021	1,194,999	945,945	79.0	16,513,081	5.0
2020	1,302,280	750,281	58.0	14,774,660	5.0

Source: July 1, 2021 Postretirement Benefits Analysis of the City of Cranston Public Schools
2024 Not available at this time.

Risk Management

Climate Change

Changing climate patterns globally and in Rhode Island will worsen the effects of natural hazards and affect future planning and mitigation efforts. Changes are already being observed and documented. Long-term climate change is likely to cause the following impacts on the City:

- Heavier, more frequent precipitation events, which may cause more riverine flooding and flash flooding events.
- Longer periods of drought which may affect water availability and increase the threat for wildfires.
- Increasing air and water temperatures.
- More frequent high heat days and heat waves.

How rapidly these changes will be felt is uncertain. The City aims to become more adaptable and resilient to these changing conditions. Through the exercise of updating its Hazard Mitigation Plan (“HMP”) in 2014, the City is exploring ways to reduce its long- and short-term risks to a variety of hazards. Storms on the eastern seaboard will likely impact the City. As climate conditions intensify, the Hazard Mitigation Committee will be prepared to update the HMP accordingly.

The City is also exploring ways to reduce risks at its wastewater treatment facility and remote pump stations. In December 2020, a WPCP Resiliency Plan was completed which identified projects to improve the resiliency of these assets. The City is in the process of identifying funds to implement infrastructure improvements.

Cyber Security

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As recipient and provider of personal, private or sensitive information, the City may be subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems.

Entities or individuals may attempt to gain unauthorized access to the City’s digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The City has implemented policies and procedures to protect against malicious activity targeting critical technology infrastructure, including the use of firewalls, anti-virus and anti-spam software, and devising a multi-tiered back-up strategy for critical systems and data to mitigate the risk of data loss in a cyber attack. The City intends to complete a cyber security audit during the current fiscal year. No assurances can be given that the City’s efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

Employee Relations

The City currently has 2,163 full-time employees including municipal, school, police, and fire department employees.

The City's uniformed police employees are members of the International Brotherhood of Police Officers, Local 301. The City's firefighters are members of the International Association of Firefighters, AFL-CIO, Local 1363. The Laborers' International Union of North America (LIUNA), represents the Public Works and Recreation Department employees. All other municipal employees, including a small number of division heads, are represented by the Teamsters Local 251.

The status of agreements with municipal employees is as follows:

International Brotherhood of Police Officers Local 301 ("Local 301") – expires on June 30, 2026.

International Association of Firefighters, AFL-CIO Local 1363 – expires on June 30, 2028.

Teamsters Local 251 – expires on June 30, 2027.

LIUNA Local 1322 – Highway, Maintenance and Recreation employees — expires on June 30, 2027.

NAGE – Library employees – expired on June 30, 2025*.

* In negotiation.

The current status of agreements for school employees is as follows:

Cranston Teachers' Alliance – expires August 31, 2025*.

Cranston School Dept. Employees Local RI-153 – expires on June 30, 2027.

Cranston Association of Para-Professionals – expires on August 31, 2025**.

Cranston School Bus Drivers Local 8 – expired on June 30, 2024**.

Cranston Public School Secretarial Employees Council 94 AFSCME Local – expires on June 30, 2027.

Cranston Teacher Alliance – Technical Assistants – expires on August 31, 2025*.

*Awaiting City Council Approval.

**In negotiation.

PROPERTY TAXES

Under State law, valuations of real and personal property are assessed as of December 31, and the levy thereon may be paid in full or in equal quarterly installments without penalty, at the taxpayer's option. The City's fiscal year begins July 1, with taxes based on the prior December 31 assessment payable in full before July 15 or quarterly in July, October, January and April. No discount is allowed by the City for advance payment of taxes.

The City has yearly tax sales for prior and current year delinquent real property taxes. Delinquent personal property taxes are collected through an outside collection attorney. The City assesses an interest charge of 12.00% per annum on delinquent accounts.

Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy unless it qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. For fiscal year 2013 and thereafter, the tax levy cap is 4.00% in excess of the prior year levy.

The amount levied by a city or town may exceed the tax levy cap described above if the city or town qualifies under one or more of the following provisions: (1) the city or town forecasts or experiences a loss in total non-property tax revenues and the loss is certified by the State Department of Revenue; (2) the city or town experiences or anticipates an emergency situation, which causes or will cause the levy to exceed the tax levy cap described above; (3) a city or town forecasts or experiences debt services expenditures which exceed the prior year's debt service expenditures by an amount greater than the percentage increase as specified above and which are the result of bonded debt issued in a manner consistent with State general law or a special act; or (4) the city or town experiences substantial growth in its tax base as the result of major new construction which necessitates either significant infrastructure or school housing expenditures by the city or town or a significant increase in the need for essential municipal services.

Any levy in excess of the tax levy cap described above must be approved by the affirmative vote of at least four-fifths (4/5) of the full membership of the governing body of the city or town and, in the case of a town with a financial town meeting,

the majority of electors present and voting at the financial town meeting must approve the excess in addition to the town council.

Section 44-5-2 provides that nothing contained therein constrains the payment of obligations as described by Section 45-12-1 of the Rhode Island General Laws, which provides that the outstanding notes, bonds and contracts of cities and towns shall be paid and be fulfilled and that the power and obligation of each city and town to pay its general obligation bonds and notes shall be unlimited and each city and town shall levy *ad valorem* taxes upon all taxable property within the city or town for the payment of such bonds and notes and interest thereon, without limitation as to rate or amount, except as otherwise provided by or pursuant to law.

Motor Vehicle Tax Exemption

Prior to fiscal year 2018, State legislation required cities and towns to exempt a minimum of \$500 on all motor vehicles subject to taxation. With adoption of the fiscal year 2018 State Budget the State directed implementation of a five-year phase-out of municipal authority to tax motor vehicles. The State will reimburse cities and towns for all lost revenue resulting from the close out of this municipal tax program. The City's approved budgets for fiscal year 2021 and 2022 included exemptions of \$4,000 and \$5,000, respectively. The motor vehicle tax was eliminated in fiscal year 2023.

Assessed Valuations

Under State law, State municipalities are restricted from levying general taxes, except *ad valorem* taxes upon real and tangible personal property.

The following table sets forth the assessed valuation of real and personal property in the City as of December 31, for the calendar years indicated.

	<u>2020⁽²⁾</u>	<u>2021</u>	<u>2022</u>	<u>2023⁽³⁾</u>	<u>2024</u>
ASSESSED VALUATIONS:					
Real Property	\$8,703,131,853	\$8,805,941,325	\$8,839,689,535	\$12,357,953,224	\$12,406,428,182
Tangible Personal Property ⁽¹⁾	<u>839,763,235</u>	<u>371,924,904</u>	<u>394,313,560</u>	<u>418,457,687</u>	<u>436,969,667</u>
Total Assessed Valuation	\$9,542,895,088	\$9,177,866,229	\$9,234,003,095	\$12,776,410,911	\$12,843,397,849
Less Exemptions	<u>492,957,689</u>	<u>267,689,632</u>	<u>256,280,218</u>	<u>415,376,324</u>	<u>371,059,125</u>
Net Real and Tangible Property	\$9,049,937,399	\$8,910,176,597	\$8,977,722,877	\$12,361,034,587	\$12,472,338,724

(1) Includes motor vehicles and trailers which was eliminated in 2021.

(2) Statistical revaluation.

(3) Full revaluation.

Source: City Assessor

Tax Rates

A statistical revaluation was completed for December 31, 2020 and was used in the preparation of the tax bills for fiscal years 2022, 2023 and 2024. A City-wide revaluation of real estate was completed for December 31, 2023 and will be used in the preparation of tax bills for fiscal years 2025, 2026 and 2027. Since fiscal year 2007, the City has used multi-tiered tax rates. Rates are per \$1,000 of Assessed Valuation:

Fiscal Year	Residential	Commercial	Tangible
2026	\$13.88	\$20.82	\$28.35
2025	13.61	20.42	28.35
2024	18.90	28.35	28.35
2023	18.51	27.77	27.77
2022	18.00	27.00	27.00
2021	20.77	31.16	31.16
2020	20.77	31.16	31.16
2019	20.29	30.44	30.44
2018	22.94	34.41	34.41
2017	22.45	33.68	33.68

Source: City Tax Collector

Taxable Property

The following table sets forth an analysis of taxable real and personal property in the City by class as compared to the State for fiscal year 2025.

Class	Percent of Total Assessed Valuation	
	City	State
Residential	80.47 %	82.18 %
Commercial/Industrial	16.64	14.65
Tangible	2.89	3.17
Total	100.00 %	100.00 %

Source: State of Rhode Island Department of Revenue; Annual State Report on Local Government Finances

Principal Taxpayers

The following table sets forth the top 10 principal taxpayers in the City, and the assessed valuation and tax assessment of the property owned by such taxpayers as of December 31, 2023 (which were used in calculating fiscal year 2025 tax bills). The taxes levied on the top 10 taxpayers comprise approximately \$16.3 million or 8.62% of the total certified net levy of approximately \$189 million for fiscal year 2025.

<u>Taxpayers</u>	<u>Tax Classification</u>	<u>Business Type</u>	<u>Assessed Valuation</u>	<u>Tax Fiscal Year 2025</u>
National Grid	Real Estate and Tangible	Utility	\$159,157,868	\$4,287,582
Carpianto Properties	Real Estate and Tangible	Real Estate Developer	159,556,803	3,231,905
Garden City Owner LLC	Real Estate	Retail Real Estate	143,062,800	2,921,342
WFD Associates	Real Estate	Apartments	86,380,800	1,691,502
VA7 Terraces	Real Estate	Apartments	44,280,491	908,058
Tasca Automotive Group	Real Estate, Tangible & Inventory	Auto Dealership	27,264,067	759,381
Paolino Properties	Real Estate and Tangible	Real Estate Developer	35,146,900	724,175
Calvi Realty Co. Inc.	Real Estate	Retail Real Estate	25,888,239	592,823
Independence Way LLC	Real Estate	Apartments	28,709,475	587,649
Swarovski NA LTD	Real Estate and Tangible	Commercial Real Estate	24,141,378	579,610

Source: City Tax Assessor

Levy and Collection Record

The City has annual tax sales of real property on which there are delinquent prior-year and delinquent current-year, real property taxes owed. Generally, quarterly installments of real property taxes are due July 15, October 15, January 15, and April 15. If by February no installments or only the July 15 installment of taxes has been paid, the property is placed on the tax sale list. The tax sale generally occurs in June. The following is a schedule of levy and collected taxes for the fiscal years indicated.

<u>Fiscal Year</u>	<u>Gross Levy</u>	<u>Net Adjustments</u>	<u>Net Levy</u>	<u>End of Year Collections</u>	<u>Net Levy Collections %</u>
2025 ⁽¹⁾⁽²⁾	\$194,177,260	\$6,862,104	\$187,315,155	\$186,048,308	99.32%
2024	194,165,464	5,263,637	188,901,827	187,803,333	99.50
2023	188,749,744	5,173,052	183,576,692	182,959,354	99.70
2022 ⁽³⁾	192,044,523	5,177,511	186,867,012	185,943,900	99.50
2021	199,209,441	11,418,314	187,791,127	186,329,938	99.20
2020	198,898,465	10,048,334	188,850,130	187,650,679	99.36
2019 ⁽³⁾	197,882,222	9,383,183	188,499,042	186,620,937	99.00
2018	199,598,034	6,552,311	193,045,723	191,290,552	99.00
2017	194,710,982	6,639,919	188,071,063	185,964,064	98.90
2016 ⁽²⁾	192,846,564	6,848,246	185,998,316	183,674,083	98.80

(1) Unaudited

(2) Full Valuation.

(3) Statistical revaluation.

Source: City Tax Collector

ECONOMIC CHARACTERISTICS

According to the U.S. Census Bureau the City's population was 82,934 as of 2020. The City ranked second in population among the 39 cities and towns in the State in 2020. The City experienced a 3.2% increase in population from 2010 to 2020. Set forth below is a table of the number of inhabitants in the City for various years from 1920 to 2020.

<u>Year</u>	<u>Population</u>
2020.....	82,934
2010.....	80,387
2000.....	79,269
1990.....	76,060
1980.....	71,992
1970.....	74,287
1960.....	66,766
1950.....	55,060
1940.....	47,085
1930.....	42,911
1920.....	29,407

Source: U.S. Bureau of the Census

Unemployment

The most recent labor market information summary indicates that annualized unemployment for the calendar years and months indicated was as shown in the tables below:

	Annualized									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cranston	6.6%	5.2%	4.2%	4.0%	3.5%	9.7%	5.7%	3.2%	2.9%	4.3%
Rhode Island	6.0	5.2	4.4	4.0	3.6	9.4	5.5	3.2	3.0	4.3
United States	5.3	4.9	4.4	1.9	3.7	8.1	5.3	3.6	3.6	4.0

	2025 Monthly				
	January	February	March	April	May
Cranston	5.3%	6.3%	5.2%	4.5%	4.4%
Rhode Island	5.4	6.2	5.2	4.4	4.5
United States	4.4	4.5	4.2	3.9	4.0

Source: RI Department of Labor & Training

Not seasonally adjusted

Employment

In 2024 the City had 3,257 private business and industrial firms with yearly payrolls that totaled approximately \$1.608 billion. The average annual number of persons employed was 29,252. The following is a listing of the various types of industry in the City covered by the Department of Labor and Training.

<u>Sector</u>	<u>Number of Units</u>	<u>Average Employment</u>	<u>Total Wages</u>	<u>% of Covered Employment</u>
Agriculture, Forestry, Fishing & Hunting	15	120	\$ 4,104,324	0.4 %
Mining	1	*	*	*
Utilities	2	*	*	*
Construction	285	1,747	146,475,317	6.0
Manufacturing	131	3,194	219,523,829	10.9
Wholesale Trade	182	1,341	98,421,721	4.6
Retail Trade	318	4,940	193,422,500	16.9
Transportation & Warehousing	94	711	40,181,825	2.4
Information	73	214	21,561,432	0.7
Finance & Insurance	173	792	74,056,521	2.7
Real Estate & Rental & Leasing	109	400	30,290,817	1.4
Professional & Technical Services	546	2,629	226,212,629	9.0
Management of Companies & Enterprises	14	174	20,596,610	0.6
Administrative Support & Waste Mngmnt.	256	2,397	117,636,458	8.2
Educational Services	56	314	11,444,665	1.1
Health Care & Social Assistance	446	4,757	219,029,595	16.3
Arts, Entertainment, & Recreation	43	740	21,527,869	2.5
Accommodation & Food Services	220	3,283	87,117,327	11.2
Other services, (except Public Administration)	293	1,499	76,017,071	5.1
	3,257	29,252	\$ 1,607,620,510	100.00 %

* Some data are not shown due to the possibility of identifying data of a specific employer.

Source: Rhode Island Department of Labor and Training.

Data compiled May 2025, subject to revision.

Largest Employers

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Thielsch Engineering	Engineering Consultant	436
Taco Manufacturing	Heating Components	421
Topgolf	Leisure and Entertainment	400
Stop & Shop	Retail – Grocery Store	352
Tasca Motor Group	Auto Dealership	330
Access Point RI	Human Services	300
Walmart	Retail Store	298
Swarovski Consumer Goods	Retail – Jewelry Manufacturing	254
The Cedars	Nursing Home	250
Cadence	Supplier Advanced Products and Technologies	176

Source: Rhode Island Department of Labor (as of June 30, 2024)

Income Levels

According to the U.S. Census Bureau 2019-2023 American Community Survey (the “Survey”), median household income for the City was \$87,716, compared to the State average of \$86,372, and the national average of \$78,538. The City exhibited a slightly lower per capita income than the State, with values of \$44,045 and \$45,919, respectively, according to the Survey. The City was slightly higher than the national average of \$43,289.

Housing and Building Permits

The U.S. Census Survey reported for the City a total of 33,117 housing units in 2010, and 34,182 housing units in 2020; this represents an increase of 1,065 new units, or a 3.22% increase, from 2010 to 2020.

Building permits issued by the City’s Building Inspector for the fiscal years indicated and the declared values of residential and commercial construction set forth below.

	Residential	Commercial	Total
FY 25			
Building	\$ 36,935,201	\$ 69,053,408 ⁽¹⁾	\$ 105,988,609
Plumbing	2,725,926	1,463,577	4,189,503
Electrical	4,075,332	12,511,745 ⁽¹⁾	16,587,077
Mechanical	7,932,616	6,239,564	14,172,180
FY25 Total	\$ 51,669,075	\$ 89,268,294	\$ 140,937,369

(1) Building and Electrical permit declared values includes Gladston Elementary School permits in the amount of \$33,000,000 and \$4,270,000, respectively.

FY 24			
Building	\$ 34,581,037	\$ 36,632,013	\$ 71,213,050
Plumbing	2,403,459	2,582,086	4,985,545
Electrical	3,953,889	5,923,688	9,877,577
Mechanical	6,952,590	9,433,228	16,385,818
FY24 Total	\$ 47,890,975	\$ 54,571,015	\$ 102,461,990

FY 23			
Building	\$ 34,874,276	\$ 39,917,853	\$ 74,792,129
Plumbing	1,830,117	1,450,904	3,281,021
Electrical	1,865,840	3,747,735	5,613,574
Mechanical	7,783,540	4,803,127	12,586,667
FY23 Total	\$ 46,353,772	\$ 49,919,619	\$ 96,273,391

FY 22			
Building	\$ 36,200,706	\$ 43,909,395	\$ 80,110,101
Plumbing	1,939,736	2,169,401	4,109,137
Electrical	467,013	3,425,893	3,892,906
Mechanical	6,865,656	8,076,133	14,941,789
FY22 Total	\$ 45,473,111	\$ 57,580,822	\$ 103,053,932

Source: City Office of Building Inspection records

Economic Development

The City places high priority on economic development initiatives in order to solicit and secure new business, to support to the improvement of the City's business community, to improve the City's tax base and provide employment opportunities for its residents. The City has successfully implemented aggressive business recruitment and expansion programs and has reinvested in its urban business corridors. Through a variety of forward-thinking legislative initiatives, the City offers investment incentives to increase the financial viability of the City's new and existing development areas. The City offers tax phase-in incentives for businesses investing significantly in industrial and non-retail commercial properties.

The City is committed to the economic development 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 decades. Particularly, the City is experiencing a robust post-Covid economic rebound. 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.

The Western Cranston Industrial Area – Currently, this is Cranston's and one 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 Rhode Island 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, Clark's Shoes, Sephora, Ulta Beauty, Old Navy, White House/Black Market, Anthony's Coal Fired Pizza and Z-Gallerie. The Center also has regional and local retailers and restaurants such as Providence Diamond Company, Edible Arrangements, Ethan Allan Design Center, Bistro 22, Starbucks, B. Goode, Pinkberry, Ben & Jerry's, 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, consisting of 37,000 square feet of total space.

Chapel View Shopping Center

Located directly across from Garden City, Chapel View Shopping Center is an upscale mixed use shopping group, coupled with the many high-quality stores of its next-door neighbor. Located on the former site of the State's Youth Training and Reform School, the developers have used a number of former historic structures to develop a European Village atmosphere that encompasses upscale condominiums, office space and retail components. Current tenants include Circe Prime, 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. Maxx, Koch Eye Associates, Omaha Steaks and Uptown Burger. Topgolf opened its only location in the State of Rhode Island 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, HDTVs and musical entertainment.

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 people who are strolling and 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 area, rich in tradition, currently enjoy its recently constructed open-air park that include features such as a grand fountain, pergola, bocce court, and centerpiece gazebo. Phase two of construction will see vibrant streetscape including new sidewalks, trees, lamp post lighting and repaved roadways.

Topgolf: An international golf, sports and entertainment facility opened in the fall of 2023. This is the first Topgolf venue in New England and serves 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 129 upscale apartments in the historic mill property along, with some additional self-storage.

Knights Crossing: Located across the road from the Cranston Print Works development, this private developer has received approval to construct a 156 unit upscale apartment complex that will include fifteen percent of affordable units.

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 facility 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. has received approval to repurpose its bowling alley and retail space into a mixed- use development primarily with 80 residential apartment units and limited retail space.

Garden City Center: This commercial shopping plaza 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.

Meridian Point: The Carpiionato Group is planning to construct a 142-unit high-end apartment complex in the suburban area of western Cranston. This facility plans to provide for fifteen percent of affordable housing units.

Training School Property: The Carpiionato 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.

CITY INDEBTEDNESS

There are three statutory mechanisms for municipalities in Rhode Island to obtain legal authority to issue general obligation debt: (1) Section 45-12-2 of the General Laws (the “3% Debt Limit Statute”), (2) special acts of the General Assembly, and (3) ministerial approval by the State’s Auditor General. Bonds issued pursuant to the 3% Debt Limit Statute or by ministerial approval or special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City.

The 3% Debt Limit Statute was enacted in 1896 as a limitation on the amount of debt municipalities could incur. The 3% Debt Limit Statute provides that except as explained below, a municipality may not, without special statutory authorization, or ministerial approval by the Auditor General of the State (described below), incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within the municipality. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any fund held on account to pay such indebtedness maintained by the municipality. In computing the value of taxable property, motor vehicles and trailers are valued at full value without regard to assessed value reductions provided for in other sections of the general laws.

The current 3% debt limit of the City is \$374,170,161 based on net assessed valuations of taxable property as of December 31, 2024 of \$12,472,338,724. As of July 29, 2025, the City had approximately \$6.9 million bonds outstanding subject to the 3% Debt Limit Statute.

In July 2007, the Rhode Island State Legislature enacted legislation effective January 1, 2008 allowing for ministerial approval by the State’s Auditor General of debt outside of the 3% debt limit for communities with an “A” rating or better, if the municipality also satisfies certain requirements. The City has no debt outstanding under the ministerial approval process.

Over time, special acts have displaced the 3% Debt Limit Statute as the primary method for municipalities in the State to obtain authority to issue general obligation debt. On July 29, 2025, the City had approximately \$116.748 million of debt outstanding that is outside the 3% debt limit.

In addition to debt authorized pursuant to the 3% Debt Limit Statute, ministerial approved debt and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the State Director of Revenue, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the State Director of Revenue 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 Revenue to authorize indebtedness of the City under Section 45-12-11.

Under Rhode Island General Laws Section 45-12-4.4 a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to pay the uninsured portion of any court judgment or settlement, except any court judgment or settlement arising out of any pension obligation of a municipality; provided however, that the outstanding principal amount, in the aggregate, shall not exceed five percent (5%) of the total amount of the city or town’s most recently adopted municipal budget. As of July 29, 2025, the City had approximately \$860,000 bonds outstanding issued pursuant to Rhode Island General Laws Section 45-12-4.4.

Comparative Statement of Outstanding Long-Term Debt

Set forth below is a table of outstanding general obligation, revenue and lease appropriation debt of the City for the fiscal years ended June 30, 2020 to 2024:

	FY2020	FY2021	FY2022	FY2023	FY2024 ⁽¹⁾
GENERAL OBLIGATION BONDED DEBT:	\$ 96,218,000	\$ 90,075,000	\$ 90,725,000	\$ 82,851,000	\$ 80,483,000
	96,218,000	90,075,000	90,725,000	82,851,000	80,483,000
SELF-SUPPORTING SEWER DEBT:					
RIIB General Obligation Sewer Enterprise Bonds	\$ 2,834,000	\$ 2,477,000	\$ 2,118,000	\$ 1,757,000	\$ 1,395,000
RIIB Wastewater Revenue Bonds	14,306,000	13,534,000	12,746,000	11,606,333	11,109,000
Total Self-Supporting Sewer Debt	17,140,000	16,011,000	14,864,000	13,363,333	12,504,000
Total Outstanding Long-Term Debt	113,358,000	106,086,000	105,589,000	96,214,333	92,987,000
Bond Anticipation Notes	\$ -	\$ -	\$ 51,750,000	\$ 57,030,000	\$ 85,000,000

(1) Excludes \$50.065 Million Bonds issued August 21, 2024.

Debt Ratios and Debt Per Capita

The following table displays certain general obligation debt statistics for the past ten fiscal years:

Fiscal Year		Net		Estimated	Gross Bonded		Ratio of
Ended June 30	Population⁽¹⁾	Assessed	Rate of	Full	Debt	Gross Debt	Gross Debt to
		Valuation⁽²⁾	Assessment⁽³⁾	Valuation	and Bond	Per Capita⁽⁴⁾	Estimated
					Anticipation		Full Value⁽⁴⁾
					Notes⁽⁵⁾		
2024	82,934	\$8,977,722,877	100%	\$8,977,722,877	\$165,483,000	\$1,995	1.84%
2023	82,934	8,910,176,597	100	8,910,176,597	139,881,000	1,687	1.57
2022 ⁽⁶⁾	82,934	9,049,937,399	100	9,049,937,399	142,475,000	1,718	1.57
2021	82,934	7,933,882,412	100	7,933,882,412	90,075,000	1,086	1.13
2020	80,837	7,960,878,894	100	7,960,878,894	96,218,000	1,190	1.20
2019 ⁽⁶⁾	80,837	7,972,509,618	100	7,972,509,618	89,943,000	1,112	1.13
2018	80,837	7,092,748,076	100	7,092,748,076	70,486,000	872	0.99
2017	80,387	7,112,627,508	100	7,112,627,508	72,830,000	906	1.02
2016 ⁽⁷⁾	80,387	7,051,934,839	100	7,051,934,839	78,270,000	973	1.10
2015	80,387	6,789,734,897	100	6,789,734,897	71,060,000	884	1.04

(1) U.S. Census.

(2) As of December 31 of the prior year; net of personal exemptions and exempt property but not homestead exemptions.

(3) Rate of assessment as determined by the State of Rhode Island Budget Office.

(4) The debt ratios and debt per capita do not reflect state aid for school construction received. The ratios do not reflect sewer assessments received for payment of sewer debt service and water charges.

(5) Excludes self-supporting debt.

(6) Statistical Revaluation.

(7) Full Revaluation.

Compiled by City Finance Department

Outstanding Bond Authorizations

The following table sets forth information relating to the City's outstanding bond authorizations.

<u>Chapter</u>	<u>Year</u>	<u>Description</u>	<u>Original Authorization</u>	<u>Prior Bonds Issued</u>	<u>This Issue of Notes⁽¹⁾</u>	<u>This Issue of Bonds⁽¹⁾</u>	<u>Remaining Authorization</u>
95/163	1998	Police Department Equipment & Facilities	\$ 900,000	\$ 833,728	\$ -	\$ -	\$ 66,272
80/294	2000	Open Space Acquisition	1,000,000	996,090	-	-	3,910
111/407	2000	Police Station Construction, Furnishing & Equipment	13,100,000	4,663,697	-	-	8,436,303
115/408	2000	Infrastructure, Highway and Traffic Control Improvements	4,000,000	3,701,223	-	-	298,777
419/518	2004	Building Repairs	1,400,000	1,334,661	-	-	65,339
395/523	2006	New Public Library Branch, Upgrades to Public Libraries	900,000	200,000	-	-	700,000
394/524	2006	Sewer System and Treatment Plant	8,500,000	4,000,000	-	-	4,500,000
427/529	2006	Hugh B. Bain, Parkview and Western Hills Middle Schools	9,585,000	9,000,682	-	-	584,318
336/397	2008	Fire Station Construction and Repairs	6,300,000	1,521,867	-	-	4,778,133
332/439	2008	Citywide Drainage Improvements	6,000,000	3,968,018	-	-	2,031,982
338/401	2008	Preservation of Open Space and Other Natural Resources	6,000,000	1,495,000	-	-	4,505,000
302/248	2014	Libraries	1,200,000	730,000	-	-	470,000
Local Acts							-
<u>Chapter</u>							-
70/89	2020	Playgrounds and Athletic Fields	2,000,000	1,544,304	-	-	455,696
57/90	2020	School and School Facilities ⁽²⁾	147,000,000	49,103,429	80,920,275	-	-
68/88	2020	Fire and Public Safety Equipment	2,000,000	265,750	-	-	1,734,250
69/87	2020	Public Buildings Improvements	1,000,000	668,228	-	-	331,772
71/86	2020	Roads, Sidewalks, and Drainage	10,000,000	8,977,440	-	1,022,560	1,022,560
72/91	2020	Renewable Energy and Energy Conservation	5,000,000	-	-	-	5,000,000
10/11	2024	School and School Facilities	40,000,000	-	19,079,725	-	20,920,275
RIGL 45-12-2							-
<u>Ord #</u>							-
22-14	2022	Public Buildings Improvements	3,000,000	-	-	-	3,000,000
22-15	2022	Fire Equipment	2,000,000	-	-	-	2,000,000
22-16	2022	Playgrounds and Athletic Fields	3,500,000	-	-	-	3,500,000
22-17	2022	Roads, Sidewalks, and Drainage	4,000,000	-	-	4,000,000	4,000,000
			\$ 278,385,000	\$ 93,004,117	\$ 100,000,000	\$ 5,022,560	\$ 68,404,587

(1) Preliminary, subject to change.

(2) Authorization reduced by the receipt of \$16,976,296 pay-go grants from the Rhode Island Department of Education.

Source: City Finance Department

Actual Bonded Debt Service Requirements

The following table sets forth actual bonded debt service requirements for fiscal years 2025 through 2049.

Fiscal Year	Existing Debt Service⁽¹⁾		Existing Sewer Bonds⁽²⁾		This Issue of Bonds		Total Debt Service
	Principal	Interest	Principal⁽³⁾	Interest	Principal	Interest	
2026	\$ 8,341,000	\$ 5,536,223	\$ 1,121,567	\$ 354,920			
2027	6,900,000	5,216,449	1,088,833	321,939			
2028	7,110,000	4,925,890	1,120,000	287,131			
2029	7,310,000	4,637,259	1,153,133	250,444			
2030	6,027,000	4,359,744	1,038,200	213,366			
2031	6,212,000	4,097,214	1,076,233	175,829			
2032	6,279,000	3,823,210	1,043,200	137,747			
2033	6,481,000	3,546,472	1,081,100	99,241			
2034	6,347,000	3,270,301	1,120,000	60,021			
2035	6,055,000	2,995,712	1,159,800	20,239			
2036	6,284,000	2,717,429	-	-			
2037	5,450,000	2,444,260	-	-			
2038	5,665,000	2,195,785	-	-			
2039	5,515,000	1,932,320	-	-			
2040	4,920,000	1,697,225	-	-			
2041	3,225,000	1,481,575	-	-			
2042	3,380,000	1,328,463	-	-			
2043	2,955,000	1,176,775	-	-			
2044	3,095,000	1,026,125	-	-			
2045	2,855,000	876,150	-	-			
2046	3,010,000	719,125	-	-			
2047	3,175,000	553,575	-	-			
2048	3,350,000	378,950	-	-			
2049	3,540,000	194,700	-	-			
	\$ 123,481,000	\$ 61,130,931	\$ 11,002,067	\$ 1,920,877			

(1) Includes \$50.065 Million RIHEBC School Bonds issued August 21, 2024.

(2) Self-supporting sewer debt.

(3) Excludes \$500,000 principal forgiveness on the City's \$18,000,000 Wastewater Revenue Bonds, 2014 Series A (Taxable)

Source: City Finance Department

Outstanding Notes

The City currently has outstanding \$75 million general obligation bond anticipation notes due August 20, 2025 which are being refunded by the Bonds and Notes. The City does not have any outstanding tax anticipation notes or revenue anticipation notes and there is no plan to issue such tax or revenue anticipation notes in the near future.

CITY FINANCES

Basis of Accounting

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick leave which are not accrued and (2) principal and interest payments on general obligation long-term debt which are recognized when due.

Property tax revenue due or past due at the balance sheet date and received within 60 days following year end is recognized as revenue because it is for the year just ended and is considered available to finance expenditures for that fiscal year.

All Proprietary, Non-expendable, and Pension Trust Funds are accounted for using the accrual basis of accounting. These revenues are recognized when they are earned and expenses when incurred.

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes. The sewer operation is administered through an Enterprise Fund.

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Comparative Statement of General Fund Balance Sheet

Set forth below is a General Fund Comparative Balance Sheet, which has been prepared from audited financial statements for the fiscal years ended June 30, 2020 through 2024.

ASSETS:	2020	2021	2022	2023	2024
Cash & Cash Equivalents	\$ 21,892,323	\$ 41,455,539	\$ 55,345,031	\$ 40,299,013	\$ 31,447,309
Receivables:					
Taxes, Net	6,108,715	4,117,548	3,610,694	2,983,274	2,958,783
Intergovernmental	6,755,394	1,744,370	1,500,225	1,095,441	1,170,024
Lease Receivable	-	-	-	-	588,076
Other	403,408	756,077	293,565	38,949	1,838,438
Prepays	-	-	-	-	-
Advance Deposits - Hospitalization	207,000	207,000	207,000	207,000	207,000
Due From Other Governments or Funds	3,813,773	5,847,912	7,475,077	6,923,920	7,364,630
Advances to School Department	-	-	-	4,245,445	-
TOTAL ASSETS	\$ 39,180,613	\$ 54,128,446	\$ 68,431,592	\$ 55,793,042	\$ 45,574,260
LIABILITIES & FUND EQUITY					
LIABILITIES:					
Accounts Payable	\$ 1,631,830	\$ 1,995,282	\$ 662,826	\$ 1,152,011	\$ 2,104,253
Accrued Payroll	1,362,997	1,588,728	1,793,705	2,967,837	3,440,400
Accrued Liabilities	50,000	450,000	464,039	209,266	76,011
Due to Other Funds	9,060,982	5,518,795	7,649,969	1,804,286	258,308
Unearned Revenue	8,547,082	13,574,828	26,903,324	15,231,673	5,764,531
TOTAL LIABILITIES	\$ 20,652,891	\$ 23,127,633	\$ 37,473,863	\$ 21,365,073	\$ 11,643,503
DEFERRED INFLOWS:					
Advanced Tax Collections	\$ -	\$ 12,922,177	\$ 12,781,920	\$ 12,198,332	\$ 9,696,262
Lease Receivable	-	-	-	-	556,522
Unavailable Revenue - Property Taxes	-	3,599,991	3,254,262	2,719,375	2,592,087
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ 16,522,168	\$ 16,036,182	\$ 14,917,707	\$ 12,844,871
Total Liabilities and Deferred Inflows	\$ 20,652,891	\$ 39,649,801	\$ 53,510,045	\$ 36,282,780	\$ 24,488,374
FUND BALANCES:					
Reserved for:					
Restricted	\$ 249,484	\$ 281,992	\$ 424,890	\$ -	\$ 300,654
Nonspendable	207,000	3,910,193	207,000	207,000	207,000
Other/Committed	4,797	5,992	53,073	695,711	1,505,854
Unreserved/Unassigned	18,066,441	10,280,468	14,236,584	18,607,491	19,072,378
Total Fund Balances	18,527,722	14,478,645	14,921,547	19,510,202	21,085,886
TOTAL LIABILITIES & FUND BALANCES	\$ 39,180,613	\$ 54,128,446	\$ 68,431,592	\$ 55,792,982	\$ 45,574,260

Prepared from audited financial statements.

Comparative Statement of Revenue, Receipts and Expenditures and Fund Balance

Set forth below is a General Fund Comparative Statement of Revenue, Receipts and Expenditures, which has been prepared from audited financial statements for the fiscal years ended June 30, 2020 through 2024.

REVENUES:	2020	2021	2022	2023	2024
General Property Tax	\$ 188,836,127	\$ 187,636,959	\$ 186,332,779	\$ 183,736,149	\$ 188,234,513
Intergovernmental	24,637,543	30,715,739	28,879,554	35,951,054	44,516,232
American Rescue Plan Act	-	-	7,871,661	19,441,398	-
Charges for Service	15,506,472	13,985,363	15,736,245	14,557,454	14,533,706
Investment Income	659,617	168,133	252,401	2,536,711	3,493,976
Other	1,471,447	1,441,567	1,051,541	963,299	2,534,402
TOTAL REVENUE	\$ 231,111,206	\$ 233,947,761	\$ 240,124,181	\$ 257,186,065	\$ 253,312,829
EXPENDITURES:					
Current:					
General Government	\$ 11,120,259	\$ 12,430,452	\$ 12,524,325	\$ 15,453,858	\$ 12,494,582
Public Safety	87,506,831	86,728,633	91,119,311	98,204,127	94,567,158
Public Works	15,946,202	17,715,604	17,519,318	18,149,713	18,446,985
Parks and Recreation	3,598,463	2,740,825	2,970,953	3,261,808	3,099,116
Public Libraries	3,644,388	3,753,825	3,850,155	4,170,719	4,046,076
Senior Services	2,989,470	2,915,622	3,045,132	2,892,564	2,367,924
Other	420,833	216,216	194,337	197,582	155,840
Debt Service:					
Principal	6,805,500	6,891,000	7,267,000	7,694,000	9,234,970
Interest	4,027,113	3,997,111	3,678,869	4,061,100	3,757,052
Capital Outlay:					
Capital Expenditures	-	-	-	-	91,213
TOTAL EXPENDITURES	\$ 136,059,059	\$ 137,389,288	\$ 142,169,400	\$ 154,085,471	\$ 148,260,916
Excess of Revenues Before Other Financing Sources	\$ 95,052,147	\$ 96,558,473	\$ 97,954,781	\$ 103,100,594	\$ 105,051,913
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	78,010	-	-	-	-
Issuance of Debt	-	8,890,000	-	-	-
Repayment of Debt to Escrow Agent	-	(8,763,038)	-	-	-
Lease Insurance	-	-	-	-	91,213
Transfer to Other Funds	(95,542,340)	(96,011,879)	(97,511,879)	(98,511,879)	(103,567,499)
Transfers In	-	-	-	-	-
Net Other Financing Sources (Uses)	\$ (95,464,330)	\$ (95,884,917)	\$ (97,511,879)	\$ (98,511,879)	\$ (103,476,286)
Excess (deficiency) of Revenues & Other Financing Sources Over (under) Expenditures and Other Financing Uses	(412,183)	673,556	442,902	4,588,715	1,575,627
FUND BALANCE - BEGINNING OF YEAR	\$ 18,939,905	\$ 13,805,089 *	\$ 14,478,645	\$ 14,921,547	\$ 19,510,259 *
FUND BALANCE - END OF YEAR	\$ 18,527,722	\$ 14,478,645	\$ 14,921,547	\$ 19,510,262	\$ 21,085,886

Prepared from audited financial statements.

* Restated.

See the City's Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024 attached to the Official Statement as Appendix A – Management's Discussion and Analysis, for a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024.

Reporting Requirements of Municipalities and School Districts

Rhode Island General Laws Sections 45-12-22.1 et seq. (the “Financial Reporting Act”) establishes reporting requirements for municipalities in order to ensure that municipalities and school districts monitor their financial operations on an ongoing basis and to prevent potential budget deficits.

Reporting

- The chief financial officer of the municipality must submit monthly reports to the municipality’s chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget, including the school department budget or regional school budget.
- The chief financial officer of the municipality must also submit quarterly reports to the State Division Municipal Finance, the Commissioner of Education and the Auditor General certifying the status of the municipal budget. The chief financial officer of the school department or school district shall certify the status of the school district’s budget and shall assist in the preparation of these reports.
- If any of the quarterly reports project a year-end deficit, the chief financial officer of the municipality must submit a corrective action plan, providing for the avoidance of a year-end deficit, to the State Division of Municipal Finance, the Commissioner of Education and the State Auditor General on or before the last day of the month succeeding the close of the fiscal quarter.
- If, at the end of the fiscal year, the chief financial officer determines that it is likely that the city or town’s general fund or combined general fund and unrestricted school special revenue fund will incur a deficit, the municipality must notify the State Auditor General and the State Division of Municipal Finance and immediately develop a plan to eliminate the accumulated year-end deficit by annual appropriation over no more than five (5) years in equal or diminishing amounts. This plan must be submitted to the State Auditor General for approval.

Restrictions and Requirements

- Except as provided in Chapter 45-9 of the Rhode Island General Laws, no municipality can sell long-term bonds in order to fund a deficit without prior approval by the State Auditor General and the Director of the Rhode Island Department of Revenue.
- No municipality can incur expenditures nor obligate the municipality to expend unbudgeted amounts in excess of \$100,000 without first notifying the city or town council of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- No school committee or school department can incur accumulated unbudgeted expenditures in excess of \$100,000 without notifying the chief financial officer of the municipality of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer’s monthly report.
- School committees, boards or regional school districts that are independent government entities within a municipality must cooperate in providing to the chief financial officer all information needed to formulate his or her reports and the deficit elimination plan.

Remedies

- If a municipality does not comply with the requirements of the Financial Reporting Act, the State Auditor General or State Division of Municipal Finance, through the State Director of Revenue, may elect any or all of the following remedies:
 - Petition the Superior Court for mandatory injunctive relief seeking compliance with the provisions of the Financial Reporting Act;
 - In the event a municipality fails to provide a year-end deficit elimination plan, implement a budget review commission pursuant to Rhode Island General Laws Section 45-9-5; or

- Withhold State Aid.

- If a school committee or board fails to cooperate with the municipality or provide all information requested by the chief financial officer needed to formulate a plan:

-The State Auditor General or the State Director of Revenue may petition the Superior Court to order the school committee or board to cooperate; and

-The State Director of Revenue may also direct the Rhode Island Controller and General Treasurer to withhold state aid from a school committee until the school committee or board cooperates in the formulation of the plan.

The City has not been advised by the State Auditor General or the State Director of Revenue that it is not in compliance with the Financial Reporting Act.

State Oversight

On June 11, 2010, the Rhode Island General Assembly enacted “An Act Relating to Cities and Towns—Providing Financial Stability” (the “Financial Stability Act”) the purpose of which is to provide a predictable and stable mechanism for the State to work with cities and towns undergoing financial distress that threatens the fiscal well-being, public safety and welfare of such cities and towns, or welfare of other cities and towns or the State, in order to preserve the safety and welfare of citizens of the State and their property and the access of the State and its municipalities to the capital markets.

The Financial Stability Act prohibits municipalities from filing for judicial receivership and clarifies that the Superior Court has no jurisdiction to hear such matters.

The Financial Stability Act gives the State, acting primarily through the Department of Revenue, the power to exercise varying levels of support and control depending on the circumstances. It creates three levels of State oversight and control: Level I--Fiscal Overseer, Level II-- Budget Commission, and Level III -- Receiver. The State Director of Revenue, in consultation with the State Auditor General, may skip fiscal overseer and budget commission by appointing a receiver in a fiscal emergency.

Fiscal Overseer (Level I)

A fiscal overseer may be appointed by: (1) request of the municipality, which request is approved by the State’s Division of Municipal Finance and the Auditor General; (2) the State Director of Revenue, if: (i) the Director of Revenue, in consultation with the Auditor General, finds that any two or more of the following events have occurred; or (ii) the Director of Revenue finds, in his or her sole discretion, that any two of the following events have occurred which are of such a magnitude that they threaten the fiscal wellbeing of the city or town, or diminish the city’s or town’s ability to provide for the public safety or welfare of its citizens:

- The city or town projects a deficit in the municipal budget in the current fiscal year and again in the upcoming fiscal year
- The city or town has not filed its audits with the Auditor General by the deadlines required by law for two (2) successive fiscal years (not including extensions authorized by the Auditor General)
- The city or town has been downgraded by one of the nationally recognized statistical rating organizations
- The city or town is otherwise unable to obtain access to credit markets on reasonable terms
- The city or town does not promptly respond to requests made by the Director of Revenue, or the Auditor General, or the chairpersons of the house or senate finance committees for financial information and operating data necessary to assess the fiscal condition of the city or town

The Director of Revenue may also appoint a fiscal overseer for the city’s or town’s failure to comply with the financial reporting and action plan requirements relating to budget deficits. A fiscal overseer acts in an advisory capacity to municipal officials, approves budgets and reports to State officials regarding progress.

Budget Commission (Level II)

A budget commission may be established by request of a municipality or without such a request, if the fiscal overseer reports to the State Director of Revenue that the city or town is unable to present a balanced municipal budget, faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the city or town or their property, will not achieve fiscal stability without the assistance of a budget commission, or the tax levy of the fiscal year should not be approved, or otherwise determines that a budget commission should be established. A budget commission is composed of five members: three designees of the Director of Revenue, the elected chief executive officer of the city, and the president of the city or town council (or in cities or towns in which the elected chief executive officer is the president of the city or town council, then the appointed city or town manager).

A budget commission has more significant powers over financial matters, including but not limited to the power to:

- Amend, formulate and execute annual and supplemental municipal budgets and capital budgets;
- Reorganize, consolidate or abolish municipal departments, commissions, authorities, boards, offices or functions;
- Issue bonds, notes or certificates of indebtedness to fund a deficit of the city or town, to fund cash flow and to finance capital projects.

Receiver (Level III)

The State Director of Revenue may appoint a receiver if the budget commission recommends appointment of a receiver after concluding that its powers are insufficient to restore fiscal stability to the city or town. A receiver may exercise any function or power of any municipal officer, employee, board or commission and has the power to file on behalf of a city or town for bankruptcy in federal bankruptcy court.

The City is not currently and never has been subject to State oversight under the Financial Stability Act.

Budgetary and Audit Procedures

The City Charter provides that no later than March 1 all departments in the City must submit preliminary estimates of expenditures to the Director of Finance. The City Assessor must submit an estimate of the valuation of property subject to tax. The Mayor and Director of Finance, no later than April 1, must submit to the City Council an operating budget and features of the capital improvement program. The City Council acts on the budget not later than May 15. The City Council may increase, decrease or strike out items of the budget as submitted by the Mayor provided that the balanced relation between expenditures and receipts is preserved. Within 48 hours after the budget is returned to the Mayor, he may veto any changes to the budget made by the City Council. A two-thirds vote of the City Council may override the veto of the Mayor.

The City's budget for fiscal year ending June 30, 2026 was adopted on April 23, 2025 by a majority vote of the City Council.

City Budgets (Fiscal Years 2024-2026)

Set forth below is a summary of the City's budgets for fiscal years 2024 through 2026.

	Adopted Fiscal Year Ending June 30, 2024	Adopted Fiscal Year Ending June 30, 2025	Adopted Fiscal Year Ending June 30, 2026
Revenues			
Local Property Taxes	\$ 186,925,485	\$ 186,925,485	\$ 193,019,020
General State Revenue	30,025,056	30,503,964	31,623,381
State - School Construction	1,974,322	2,622,138	3,646,196
State - School Aid & Misc.	79,662,490	80,742,250	86,140,694
Local Non-Property	26,130,722	21,856,577	22,903,293
Other Revenues	1,000,000	1,000,000	1,000,000
Total Revenues	\$ 325,718,075	\$ 323,650,414	\$ 338,332,584
Expenditures			
Education	\$ 178,742,952	\$ 180,021,617	\$ 188,056,599
General	13,030,638	10,365,443	10,242,476
Public Works	18,472,773	17,898,777	18,626,487
Police Protection	29,384,642	29,624,523	32,109,240
Fire Protection	38,789,710	37,311,422	38,434,160
Parks & Recreation	3,081,064	3,086,354	3,165,736
Public Libraries	4,026,055	4,121,523	4,184,188
Other Departments	217,859	217,859	208,858
Senior Service	2,559,990	2,483,288	2,599,925
Debt Service	11,376,277	10,650,190	12,785,224
Long Term Obligations	26,036,115	27,869,418	27,919,691
Total Expenditures	\$ 325,718,075	\$ 323,650,414	\$ 338,332,584

The City's fiscal position is reported monthly by the Director of Finance to the Mayor and City Council. The report compares revenues received and expenditures paid or encumbered against budgeted revenues and expenditures. The City Charter additionally provides that a comprehensive annual report must be prepared and submitted to the Mayor and the City Council containing a statement of financial operations for the preceding year.

The City Charter provides that not later than three months before the expiration of each fiscal year, the Council shall engage and contract for the services of a certified public accountant or a firm of certified public accountants to make a financial audit of the City. Such audit shall commence at the close of each fiscal year.

State Aid

State School Basic Education Aid for Operations

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34 et seq., as amended, the State provides school operations assistance aid (also known as "Basic Education Aid") to each municipality and school district in the State, subject to annual appropriation by the General Assembly. The General Assembly substantially changed the funding formula for school operations beginning in fiscal year 2012. The statutes provide for reimbursement of school expenditures based on a formula which adjusts the reimbursement ratio based on the relative equalized valuation of property and median family income within the municipality relative to the State as a whole. There are no assurances, however, that the General Assembly will continue this program, the current funding formula, or appropriate sufficient funds for its implementation. Basic Education Aid is subject to pro-rata reduction in accordance with State law. Under this program the City's School Department received \$75,295,957 in fiscal year 2024. The City budgeted \$75,642,250 and \$80,735,694 of such receipts for fiscal years 2025 and 2026, respectively.

In 2012, the General Assembly amended the general laws to provide that Basic Education Aid may be intercepted to pay debt service on bonds issued by RIHEBC for the benefit of a municipality in the event the municipality fails to make timely payments of debt service on school construction bonds issued for the benefit of the municipality through RIHEBC.

In 2012, the General Assembly amended the general laws to provide that Basic Education Aid may be intercepted to pay debt service on bonds issued by RIHEBC for the benefit of a municipality in the event the municipality fails to make timely payments of debt service on school construction bonds issued for the benefit of the municipality through RIHEBC.

State School Construction Aid

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovating public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance with a minimum of 40% (for school housing projects completed after June 30, 2010 that received approval from the State Board of Education prior to June 30, 2012) or 35% (for school housing projects that received approval from the Board of Education after June 30, 2012) of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. State aid reimbursement for school construction projects is based on the share ratio established for that year by the State Department of Education. For fiscal year 2026 the City's share ratio is 53.8%. This ratio can vary from year to year.

As a condition of state aid reimbursement, the City must comply with the terms of the Memorandum of Understanding ("MOU") with the State Department of Education which among other things has approved certain Cranston school projects with dollar amounts for each project component, for a total of \$146,822,931 of approved school project costs, generally on a school-by-school basis. Given the recent increase in costs of construction, including in particular for materials, the City is aware that project costs must be monitored and potentially certain projects may need to be scaled back or the MOU amended to re-allocate the total approved project cost among the projects. An increase in the total MOU-approved amount from bond funds is unlikely.

For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through RIHEBC. School construction aid attributable to projects financed through RIHEBC bonds is paid by the State directly to RIHEBC or the bond trustee for such RIHEBC bonds and is not directly available to the City for other purposes. Furthermore, if the City defaults in making any payment due to the RIHEBC trustee in support of any RIHEBC bond, any State aid in respect of other school housing projects may be redirected by the State to the trustee for the RIHEBC bond. School housing costs subject to State aid reimbursement shall not include bond issuance costs incurred by the municipality, demolition costs for buildings, facilities, or sites deemed surplus by the school committee, or costs for furniture, fixtures and equipment except in the case of a project to construct a new school or school addition that is supported by a general obligation or lease revenue bond. The legislation authorizing State school construction aid is subject to future change and all State aid is subject to annual appropriation by the General Assembly. The City received \$2,239,135 in school construction aid for fiscal year 2024. The City expects to receive \$2,622,138 and \$3,646,196 in school construction aid for fiscal years 2025 and 2026, respectively.

Pursuant to Rhode Island General Laws Section 16-7-41(d), any net interest savings resulting from the issuance of refunding bonds issued by any local community in support of school housing projects for the community shall be allocated between the community and the State, by applying the applicable school housing aid ratio at the time of issuance of the refunding bonds, calculated pursuant to Section 16-7-39 of the Rhode Island General Laws, that would otherwise apply in connection with school housing projects of the community; provided however, that for any refundings that occur between July 1, 2013 and December 31, 2015, the community shall receive 80% of the total savings and the State shall receive 20% of the total savings. In connection with any refunding bond issue, school housing project costs shall include the cost of interest payments on such refunding bonds, if the cost of interest payments was included as a school housing cost for the bonds being refunded. In addition, school housing projects costs in connection with any such refunding bond issue shall include bond issuance costs incurred in connection with the issuance. The benefits of this law are available only if the net present value savings resulting from the refunding is at least 3% of the refunded bond issue.

Other State Aid

The City also receives aid from the State for Public Service Corporations Tax (Telephone Tax), reimbursement for motor vehicle tax, hotel, and meals tax from City hotels equal to 1% of gross receipts. Below is a summary of other state aid.

	Actual FY2023	Actual FY2024	Budget FY2025	Budget FY2026
Excise Tax Phase Out ⁽¹⁾	\$22,312,247	\$22,312,247	\$22,312,247	\$22,323,373
PILOT	5,004,163	4,029,627	4,037,181	3,388,088
Public Service Corporation Tax	1,095,441	1,170,024	1,095,441	1,119,085
State Housing Aid	2,248,540	2,239,935	2,622,138	3,646,196
State Restaurant Tax	2,638,405	2,691,369	3,008,284	3,005,055
Total	\$33,298,796	\$32,443,202	\$33,075,291	\$33,481,797

(1) Excise tax fully phased out in FY2023.

Also, pursuant to Rhode Island General Laws Section 45-13-12, the State makes assistance payments from its Distressed Communities Relief Fund to cities and towns with the highest property tax burdens relative to the wealth of taxpayers, based on the following four criteria: (i) percent of tax levy to full value of property; (ii) per capita income; (iii) percent of personal income to full value of property; and (iv) per capital full value of property. The City qualified to receive funds from the Distressed Communities Relief Fund under the State's fiscal year 2017 budget. Since the City was newly qualifying for the program in fiscal year 2017, the City was paid 50% of the current law requirements for fiscal year 2017, with the remaining 50% being distributed to the other distressed communities proportionately. When any community falls out of the program, it receives a one-time payment of 50% of the prior year requirement exclusive of any reduction for first year qualification. Commencing with the FY2023 budget, the City does not qualify for aid from the Distressed Communities Relief Fund.

LITIGATION

No litigation is pending concerning the validity of the Bonds or the Notes, and the City's certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds and the Notes. The City is not aware of any litigation pending or threatened contesting the City's ability to receive ad valorem taxes or to collect other revenues or contesting the City's ability to cause the Bonds or the Notes to be executed and delivered.

The City, its officers and employees are defendants in several lawsuits. The City Solicitor is of the opinion that none of such other litigation is likely to result either individually or in the aggregate in final judgments against the City which would materially affect its ability to meet its debt service obligations.

TAX STATUS

In the opinion of Partridge Snow & Hahn LLP, Bond Counsel to the City ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Bonds and the Notes will not be included in computing the alternative minimum taxable income of Bondholders and Noteholders who are individuals. However, interest on the Bonds and Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds and the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and the Notes. Failure to comply with these requirements may result in interest on the Bonds and the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds and the Notes. The City has covenanted to comply with such requirements to ensure that interest on the Bonds and the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, the Bonds and the Notes and the interest thereon is free from taxation by the State or any political subdivision or other instrumentality of the State, although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel

expresses no opinion as to the taxability of the Bonds or the Notes or the income therefrom or any other tax consequences arising with respect to the Bonds or the Notes under the laws of any state other than Rhode Island. Complete copies of the proposed forms of opinions of Bond Counsel are set forth in APPENDIX B-1 and APPENDIX B-2 hereto.

To the extent the issue price of any maturity of the Bonds and the Notes is less than the amount to be paid at maturity of such Bonds and Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and the Notes which is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds and the Notes is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds and the Notes is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds and the Notes accrues daily over the term to maturity of such Bonds and Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds and Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and Notes. Bondholders and Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and Notes with original issue discount, including the treatment of purchasers who do not purchase such Bonds and Notes in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Bonds and Notes is sold to the public.

Bonds and Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds and Notes, or, in some cases, at the earlier redemption date of such Bonds and Notes (“Premium Bonds” or “Premium Notes”), will be treated as having amortizable bond or note premium for federal income tax purposes and Rhode Island personal income tax purposes. No deduction is allowable for the amortizable bond or note premium in the case of obligations, such as the Premium Bonds or Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder’s or Noteholder’s basis in a Premium Bond or Premium Note, as applicable, will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder or Noteholder. Holders of Premium Bonds or Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond or note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and the Notes may adversely affect the value of, or the tax status of interest on, the Bonds and the Notes.

Although Bond Counsel is of the opinion that interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is exempt from Rhode Island personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes may otherwise affect the federal or state tax liability of a Bondholder or Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds and the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Noteholder or the Bondholder’s or Noteholder’s other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders and Noteholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Rhode Island legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds and the Notes will not have an adverse effect on the tax status of interest on the Bonds and the Notes or the market value or marketability of the Bonds and the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and the Notes from gross income for federal or state income tax purposes for all or certain taxpayers. Additionally, Bondholders and Noteholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds and the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and the Notes may be affected and the ability of Bondholders and Noteholders to sell their Bonds and Notes in the secondary market may be reduced. The Bonds and the Notes

are not subject to special mandatory redemption, and the interest rates on the Bonds and the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and the Notes.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12(b)(5), as amended, promulgated by the Securities and Exchange Commission (the “Rule”), the City will covenant for the benefit of owners of the Bonds and the Notes to provide certain financial information and operating data relating to the City by not later than nine months after the end of each fiscal year commencing with the fiscal year ending June 30, 2025 (the “Annual Report”), to provide notices of the occurrence of certain enumerated events, and to provide notice of failure to provide the Annual Report. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in APPENDIX C.

In the past five years, except as noted below, the City believes that it has complied in all material respects with its previous undertakings to provide financial and operating information of the City and notices of certain enumerated events in accordance with the Rule.

Due to personnel changes, the City’s FY2022 and FY2023 financial information and operating data were not filed in a timely manner. The information has since been filed along with notices of late filing.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds and the Notes to the original purchasers thereof.

No Litigation Certificate

Upon delivery of the Bonds and the Notes, the City shall deliver or cause to be delivered a certificate of the Mayor, the Director of Finance, and the Solicitor, dated the date of delivery, to the effect that except as disclosed in the Official Statement there is no litigation pending or, to the knowledge of such officers, threatened affecting the validity of the Bonds and the Notes or the power of the City to levy and collect taxes to pay them, and that neither the corporate existence nor the boundaries of the City, nor the title of any said officers to their respective offices, is being contested.

Approval of Legality

The legality of the Bonds and the Notes will be approved by Partridge Snow & Hahn LLP, Bond Counsel. The approving opinions of such counsel with respect to the Bonds and the Notes will be delivered at the time of delivery of the Bonds and the Notes. The opinions will be substantially in the forms attached hereto as APPENDIX B-1 and APPENDIX B-2. The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and they make no representations that they have independently verified the same.

Certificate With Respect to Official Statement

At the time of the original delivery of and payment for the Bonds and the Notes, the City will deliver a certificate of the Director of Finance that, to the best of his knowledge and belief, both as of its date and as of the date of delivery of the Bonds and the Notes, the Official Statement (excluding therefrom the initial public offering prices (or yields) on the Bonds and the Notes on the cover and in the information under the heading “THE BONDS AND THE NOTES– Book Entry Only System” does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC (“PFM”) has served as municipal advisor to the City for the issuance of the Bonds and the Notes. PFM is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in the Official Statement. PFM is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distributing public securities.

RATINGS

The Bonds have been assigned ratings of “A+” and “AA+” by S&P Global Ratings (“S&P”) and Fitch Ratings (“Fitch”), respectively. The Notes have been assigned a rating of “SP-1+” by S&P. The ratings reflect only the views of S&P and Fitch, and an explanation of the significance of such rating may be obtained from the respective rating agency.

The ratings are not recommendations to buy, sell or hold the Bonds and the Notes, and such ratings may be subject to revision or withdrawal at any time by the respective rating agency. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds and the Notes.

MISCELLANEOUS

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the sale of the Bonds and the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

CITY OF CRANSTON, RHODE ISLAND

By: _____
Thomas Zidelis
Director of Finance

Dated: August __, 2025

APPENDIX A

Comprehensive Annual Financial Report
for the
Fiscal Year ended June 30, 2024

CITY OF CRANSTON, RHODE ISLAND

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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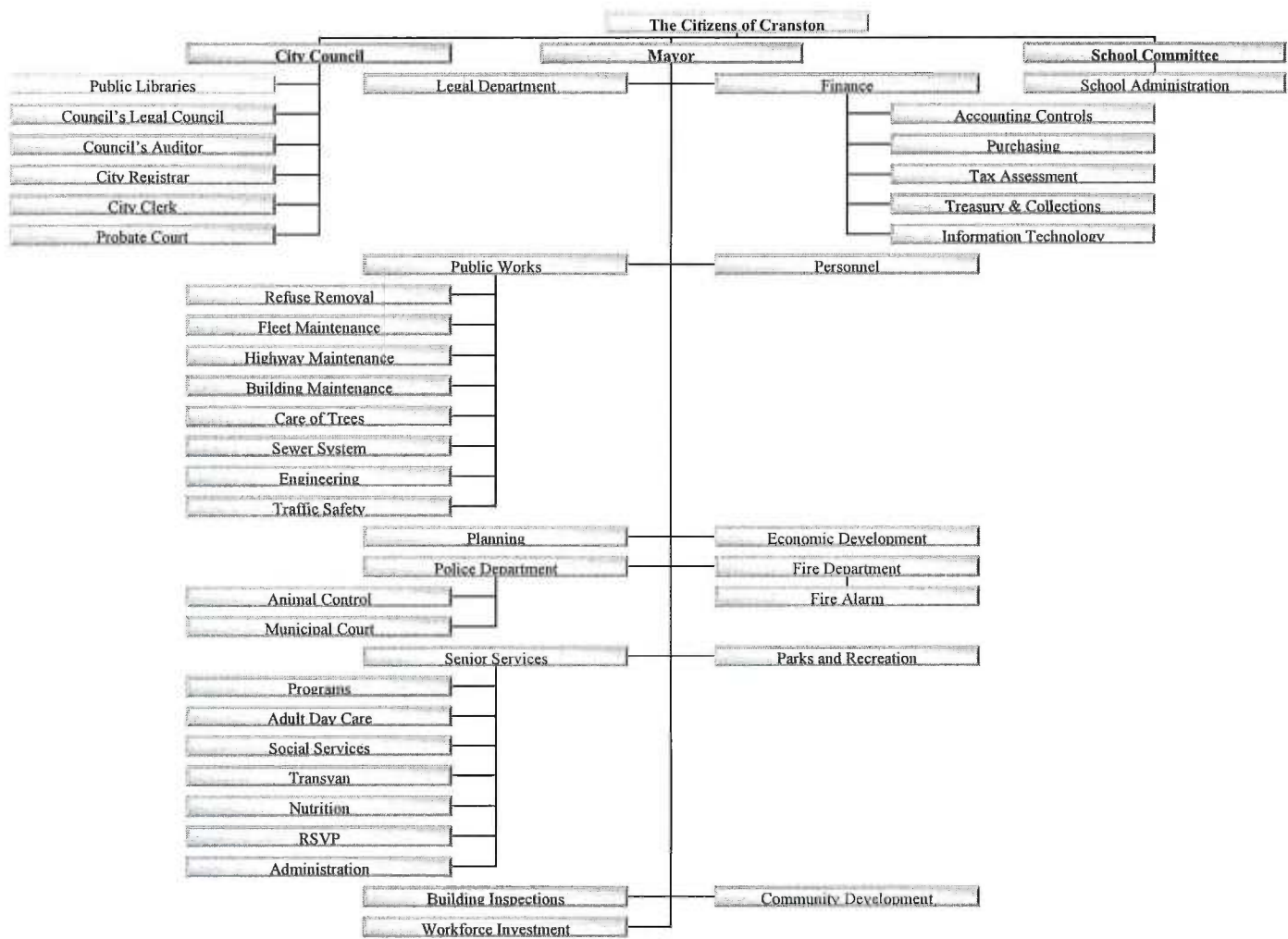
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INTRODUCTORY SECTION



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 3. Building Appeals Board
 4. Personnel Appeals Board
 5. Harbor Master
 6. Sealer of Weights/Measures
 7. Juvenile Hearing Board
 8. Library Board
 9. Municipal Court Judge
 10. Probate Judge
 11. Audit Committee
 12. Harbor Management Plan Commission
 13. Architects and Engineers
 14. Industrial Performance

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

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

**CITY OF CRANSTON, RHODE ISLAND
PRINCIPAL OFFICIALS
JUNE 30, 2024**

MAYOR

Kenneth Hopkins

FINANCE DEPARTMENT

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

CITY COUNCIL

Jessica M. Marino, Council President
Lammis J. Vargas, Council Vice President
Robert Ferri
Nicole Renzulli
John P. Donegan
Aniece Germain
Richard Campopiano
Christopher Paplauskas

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor Kenneth 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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cranston, Rhode Island, as of and for the year ended June 30, 2024, 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 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, 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cranston, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 City of Cranston, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Cranston, Rhode Island's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and Other Postemployment Benefit schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cranston, Rhode Island's basic financial statements. The supplemental combining and individual fund financial statements and schedules and Annual Supplemental Transparency Report 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 GAAS. In our opinion, the supplemental combining and individual fund financial statements and schedules and Annual Supplemental Transparency Report 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 and statistical section 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the City of Cranston, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Cranston, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cranston, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2024

Kenneth J. Hopkins
MAYOR



Thomas 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, 2024***

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, 2024.

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, 2024, by \$161.7 million (*net position*).
- The net position of the City increased by \$26.0 million (or 13.9%). The governmental net position increased by \$17.9 million (or 6.7%) and the business-type net position increased by \$8.1 million (or 10.2%).
- The governmental activities revenue decreased \$66.7 million (or 15.3%) and the net results from activities decreased from the prior year by \$8.5 million. In 2024, the results of activities produced an increase in net position of \$17.9 million and in 2023 the results of activities produced an increase in net position of \$26.4 million.
- The business-type activities revenue increased from \$28.1 million at June 30, 2023, by \$1.7 million (or 6.0%) to \$29.8 million at June 30, 2024. The net results from activities increased \$3.0 million to \$8.1 million for 2024 from \$5.1 million for 2023.
- The General Fund (the primary operating fund) reflected on a current financial resource basis reports an increase in fund balance of \$1.6 million (or 8.2%), compared to a \$4.6 million (or 30.9%) increase in the prior year.
- The City's total debt decreased by \$30.8 million. The decrease was due primarily to the retirements of \$6.6 million of governmental and \$1.2 million of business type notes and related liabilities offset by the issuance of \$5.6 million of general obligation bonds. Additionally, the lease liability of the City was reduced by \$0.9 million, \$0.3 million decrease of subscription based technology liabilities with a decrease of \$22.7 million in net pension liability, and a decrease of \$2.4 million in net OPEB liability.

Overview of the Basic Financial Statements

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

Government-wide Financial Statements

Reporting the City as a Whole

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

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

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

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

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

The government-wide financial statements can be found on Exhibits I and II 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, 2024

The City and School Department maintains 43 and 149 individual governmental funds, respectively. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for both the General Fund and the School Department. For reporting purposes, the amount presented as the General Fund is comprised of the general fund and eight other funds. Similarly for reporting purposes, the amount presented as the School Department is comprised of the school department's general fund and one other fund. Both the General Fund and School Department are considered to be major funds. Data from the City's and School Department's other governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of the other 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. It also adopts an annual budget for two special revenue funds, Community Development Block Grant (CDBG) and Workforce Investment Act (WIA). 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. Because this fund predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility fund, which is considered to be major funds 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 V, VI, and VII 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 VIII, and IX 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 page 38 of this report.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets:						
Current and other assets	\$ 127.9	\$ 124.7	\$ 40.4	\$ 32.1	\$ 168.3	\$ 156.8
Capital assets	<u>242.0</u>	<u>222.3</u>	<u>63.9</u>	<u>64.9</u>	<u>305.9</u>	<u>287.2</u>
Total Assets	<u>369.9</u>	<u>347.0</u>	<u>104.3</u>	<u>97.0</u>	<u>474.2</u>	<u>444.0</u>
Deferred Outflow of Resources...	<u>45.0</u>	<u>110.7</u>	<u>-</u>	<u>-</u>	<u>45.0</u>	<u>110.7</u>
Total Assets & Deferred Outflows of Resources	<u>414.9</u>	<u>457.7</u>	<u>104.3</u>	<u>97.0</u>	<u>519.0</u>	<u>554.7</u>
Liabilities:						
Long-term liabilities outstanding	494.2	521.8	11.3	12.5	505.5	534.3
Other liabilities	<u>126.8</u>	<u>106.0</u>	<u>3.9</u>	<u>3.6</u>	<u>130.7</u>	<u>109.6</u>
Total Liabilities	<u>621.0</u>	<u>627.8</u>	<u>15.2</u>	<u>16.1</u>	<u>636.2</u>	<u>643.9</u>
Deferred Inflows of Resources...	<u>43.0</u>	<u>96.9</u>	<u>1.7</u>	<u>1.6</u>	<u>44.7</u>	<u>98.5</u>
Total Liabilities & Deferred Inflows of Resources	<u>664.0</u>	<u>724.7</u>	<u>16.9</u>	<u>17.7</u>	<u>680.9</u>	<u>742.4</u>
Net Position:						
Net investment in capital assets.	68.5	64.7	51.4	51.2	119.9	115.9
Restricted	52.8	36.8	1.7	1.6	54.5	38.4
Unrestricted	<u>(370.4)</u>	<u>(368.5)</u>	<u>34.3</u>	<u>26.5</u>	<u>(336.1)</u>	<u>(342.0)</u>
Total Net Position	<u>\$ (249.1)</u>	<u>\$ (267.0)</u>	<u>\$ 87.4</u>	<u>\$ 79.3</u>	<u>\$ (161.7)</u>	<u>\$ (187.7)</u>

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, 2024, exceed assets by \$161.7 million and were comprised of \$(249.1) million from governmental activities and \$87.4 million from business-type activities. For the fiscal year ending June 30, 2024, \$(336.1) million of the total \$(161.7) million in net position is unrestricted.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Summary of Net Position (Continued)

Net investment in capital assets is comprised of \$119.9 and \$115.9 million of the Total Net Position at June 30, 2024, and 2023, respectively. This category reflects the total net investment in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities. The second category of Net Position, restricted Net Position, represents Net Position that are subject to external restriction on how they may be used. Restricted Net Position totaled \$54.5 million as of June 30, 2024 as compared to \$38.4 million as of June 30, 2023.

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 \$127.9 million at June 30, 2024. This category consisted primarily of "Cash" of \$66.4 million as of June 30, 2024. 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 \$4.4 million, "Net pension asset" of \$38.9 million. "Receivables-Intergovernmental" was \$5.9 million, "Receivables-Loans" of \$2.1 million, "Internal Balances" of \$2.8 million, "Due from Fiduciary Fund" of \$1.7 million, "Advanced deposits-hospitalization" was \$0.9 million, "Lease Assets" of \$0.6 million, "Prepays" of \$0.3 million and net other receivables accounted for \$3.9 million.

"Deferred Outflow of Resources" was \$45.0 million at June 30, 2024, and was comprised of \$34.7 million related to pensions, \$10.3 million related to OPEB.

"Total liabilities" at June 30, 2024, were \$621.0 million. That included long-term liabilities outstanding of \$494.2 million, composed primarily of \$99.0 million in general obligation bonds and leases payable (used to fund various capital projects such as school construction and playground construction and improvements), \$336.5 million in outstanding pension obligations and \$58.7 million in OPEB obligations. Current liabilities total \$126.8 million at June 30, 2024, and were composed of \$12.2 million in accounts payable, \$10.6 of accrued liabilities, unearned revenue of \$8.0 million, \$86.0 million of Bond Anticipation Notes and Premiums, \$8.6 million in current portion of long-term debt and claims and judgements of \$1.4 million.

"Deferred Inflow of Resources" of \$42.9 million of which \$26.6 million related to the City's pension liabilities, \$6.0 million related to the OPEB liability, \$9.7 million related to advanced tax collections and \$0.6 million related to leases.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Total net position at June 30, 2024 was \$(249.1) million and was comprised of "Unrestricted" of \$(370.4), "Restricted" of \$52.8 million and "Net Investment in Capital Assets" of \$68.5 million.

Business-Type Activities - Condensed Summaries of Net Position

For business-type activities, such as the Sewer Enterprise Fund, "Current and Other Assets" of \$40.4 million consisted primarily of \$37.6 million in cash which was available to support the current operations of the Enterprise Funds, \$1.4 million of restricted cash, \$0.3 million of cash held in escrow, receivables of \$3.9 million, \$(2.8) million in internal balances.

Long-term liabilities of \$11.3 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 \$3.9 million consisted primarily of \$2.6 million of "Accounts payable", and \$1.2 million for the "Current portion of long-term bonds payable" and "Accrued interest payable" of \$0.1 million.

"Deferred Inflows of Resources" is comprised of \$1.7 million from the "Deferred sewer lease arrangement".

The total net position for the Business-type Activities as of June 30, 2024, was \$87.4 million. Net investment in capital assets was the major component of net position for business-type activities and amounted to \$51.4 million on June 30, 2024. As stated above, in the government-wide analysis of the Statement of Net Position \$1.7 million was restricted for debt service and \$34.3 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, 2024, and 2023.

Condensed Summary of Activities

Year Ended June 30 (In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
<i>Revenues:</i>						
Program revenues:						
Charges for services	\$ 21.4	\$ 69.8	\$ 24.9	\$ 24.0	\$ 46.3	\$ 93.8
Operating grants and contributions	126.0	134.1	3.1	3.1	129.1	137.2
Capital grants and contributions	0.5	0.1			0.5	0.1
General Revenues:						
Property taxes	188.0	205.3			188.0	205.3
Motor Vehicle phase-out tax	22.3	20.1			22.3	20.1
Investment income	4.1	2.7	1.8	1.0	5.9	3.7
Other	5.8	2.7			5.8	2.7
<i>Total revenues</i>	368.1	434.8	29.8	28.1	397.9	462.9

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Summary of Activities (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Program Expenses:						
General government	\$ 16.4	\$ 18.5			\$ 16.4	\$ 18.5
Public safety	98.1	108.5			98.1	108.5
Public works	19.5	20.1			19.5	20.1
Education.....	196.1	245.3	\$5.4	\$5.3	201.5	250.6
Parks and recreation	3.4	3.5			3.4	3.5
Libraries	4.2	4.4			4.2	4.4
Senior services.....	2.5	3.0			2.5	3.0
Community development	1.6	1.5			1.6	1.5
Sewer.....			16.3	17.7	16.3	17.7
Interest and other costs	8.4	3.6			8.4	3.6
Total expenses.....	350.2	408.4	21.7	23.0	371.9	431.4
Change in net position.....	17.9	26.4	8.1	5.1	26.0	31.5
Net Position – July 1	(267.0)	(293.4)	79.3	74.2	(187.7)	(219.2)
Net Position – June 30	\$(249.1)	\$ (267.0)	\$ 87.4	\$ 79.3	\$ (161.7)	\$ (187.7)

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, 2024, and 2023 were \$220.2 million and \$230.8 million, respectively. Included in these totals were \$188.0 and \$205.3 million in property taxes for the years ended June 30, 2024, and 2023, respectively.

"Program expenses" are presented in the Condensed Statement of Activities by function and total \$350.2 and \$408.4 million including interest on long-term debt for the fiscal years June 30, 2024, and June 30, 2023, respectively.

"Changes in net position" decreased \$8.5 million to \$17.9 million for the year ended June 30, 2024, from \$26.4 million as of June 30, 2023. The change resulted primarily from a decrease in education expense as COVID-19 pandemic funding has been eliminated.

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 2024 and 2023 the City generated \$29.8 and \$28.1 million in total revenues. The majority of revenues for this fund consist of charges for services of which amounted to \$24.9 and \$24.0 in fiscal years 2024 and 2023 respectively, of the total revenues.

The total amount of expenses for business-type activities were \$21.7 and \$23.0 million for the fiscal years ended June 30, 2024, and 2023, respectively.

The "Change in Net Position" increased \$3.0 million to \$8.1 million for the fiscal year ended June 30, 2024, as compared to \$5.1 million for the fiscal year ended June 30, 2023. This activity increased the "Business-Type Net Position" for the fiscal year ended June 30, 2024, to \$87.4 million as compared to \$79.3 million for the fiscal year ended June 30, 2023. The change resulted primarily from a decrease in lease payments related to the extinguishment of debt related to the operation of the sewer facility.

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 three major funds of the governmental funds.

Combined fund balances for all the major governmental funds were \$(48.7) million. Fund balance was comprised of \$0.4 million "Non-spendable" fund balances, \$5.5 million "Restricted" fund balances and \$1.6 million "Committed" fund balances and \$(56.2) 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 \$71.0 million include primarily \$45.1 million in "Cash", \$3.0 million in "Taxes Receivable", \$1.2 million in "Intergovernmental Receivables", "Other Receivables" of \$5.2 million, "Prepaid" of \$0.3 million, "Advance deposits-hospitalization" of \$0.2 million, "Due from Other Funds" of \$16.0 million.

"Total liabilities and deferred inflows" of \$119.7 million consisted of \$7.1 million of "Accounts Payable", \$3.7 million in "Due to Other Funds", \$85.9 million of "Bond Anticipation Notes", \$5.7 million in "Unearned Revenue", \$3.4 million of Accrued Payroll, \$9.7 million of "Advanced Tax Collections", "Unavailable Revenue" of \$2.6 million and other liabilities and \$1.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

Condensed Balance Sheet
As of June 30
(In Millions)

	General Fund		School Unrestricted			School Bond Fund			Total Major Funds	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
<i>Assets:</i>										
Current and other	<u>\$45.5</u>	<u>\$55.8</u>	<u>\$11.9</u>	<u>\$13.9</u>		<u>\$13.6</u>	<u>\$10.2</u>		<u>\$71.0</u>	<u>\$79.9</u>
<i>Total Assets</i>	<u>45.5</u>	<u>55.8</u>	<u>11.9</u>	<u>13.9</u>		<u>13.6</u>	<u>10.2</u>		<u>71.0</u>	<u>79.9</u>
<i>Liabilities:</i>										
Other liabilities	<u>11.6</u>	<u>21.4</u>	<u>6.4</u>	<u>6.6</u>		<u>88.9</u>	<u>66.2</u>		<u>106.9</u>	<u>94.2</u>
<i>Total Liabilities</i>	<u>11.6</u>	<u>21.4</u>	<u>6.4</u>	<u>6.6</u>		<u>88.9</u>	<u>66.2</u>		<u>106.9</u>	<u>94.2</u>
<i>Deferred Inflows:</i>										
Deferred inflows	<u>12.8</u>	<u>14.9</u>							<u>12.8</u>	<u>14.9</u>
<i>Total Deferred Inflows</i>	<u>12.8</u>	<u>14.9</u>							<u>12.8</u>	<u>14.9</u>
<i>Total Liabilities and Deferred Inflows</i>	<u>24.4</u>	<u>36.3</u>	<u>6.4</u>	<u>6.6</u>		<u>88.9</u>	<u>66.2</u>		<u>119.7</u>	<u>109.1</u>
<i>Fund Balance:</i>										
Non-spendable	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>4.2</u>		<u>-</u>	<u>-</u>		<u>0.4</u>	<u>4.4</u>
Restricted	<u>0.3</u>	<u>-</u>	<u>5.2</u>	<u>3.1</u>		<u>-</u>	<u>-</u>		<u>5.5</u>	<u>3.1</u>
Committed	<u>1.5</u>	<u>0.7</u>	<u>0.1</u>	<u>-</u>		<u>-</u>	<u>-</u>		<u>1.6</u>	<u>0.7</u>
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>		<u>-</u>	<u>-</u>
Unassigned	<u>19.1</u>	<u>18.6</u>	<u>-</u>	<u>-</u>		<u>(75.3)</u>	<u>(56.0)</u>		<u>(56.2)</u>	<u>(37.4)</u>
<i>Total Fund Balance</i>	<u>\$21.1</u>	<u>\$19.5</u>	<u>\$5.5</u>	<u>\$7.3</u>		<u>\$(75.3)</u>	<u>\$(56.0)</u>		<u>\$(48.7)</u>	<u>\$(29.2)</u>

General Fund - Condensed Balance Sheet

The General Fund's total assets of \$45.5 million consists primarily of \$31.4 million in "Cash" \$2.9 million of "Taxes Receivable" \$1.2 million of "Intergovernmental Receivables", Other Receivables of \$2.4 million, "Due from Other Funds" of \$7.4 million, and "Advanced Deposits-hospitalization" of \$0.2 million.

Total liabilities and deferred inflows for the General Fund were \$24.4 million. This included \$5.7 million of "Unearned Revenue", "Accounts Payable" of \$2.1 million, \$9.7 million represented "Advanced Collections", \$0.2 million of amounts "Due to Other Funds", \$2.6 million of "Unavailable Revenue" and \$4.1 million of accrued liabilities.

As of June 30, 2024, the City's fund balance was \$21.1 million of which \$0.2 million was "Non-spendable", \$0.3 million was "Restricted", \$1.5 million "Committed" and \$19.1 million was "Unassigned". This represents a total increase for 2024 of \$1.6 million from \$19.5 million for June 30, 2023. The \$1.6 million increase relates primarily to increased revenues in investment income from ARPA proceeds.

School Unrestricted - Condensed Balance Sheet

The School Department's total assets were \$11.9 million. The majority of that consisted primarily of amounts "Due from Other Funds" of \$8.4 million, "Prepaid" of \$0.2 million and "Other Receivables" assets of \$3.3 million. Liabilities for the School Department totaled \$6.4 million. This total consisted of \$3.0 million of "Accounts Payable". "Due to the City General Fund" of \$3.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

For the fiscal year ending June 30, 2024, the School Department had a fund balance of \$5.5 million. This was comprised of \$0.2 million "Non-spendable", \$5.2 million "Restricted" fund balance and "Committed" of \$0.1 million. This represents a total decrease of \$1.8 million from \$7.3 million as of June 30, 2023. The \$1.8 million decrease relates primarily to capital expenditures acquired by the school department.

School Bond Fund - Condensed Balance Sheet

The School bond fund total assets were \$13.6 million that consisted of "Cash".

Liabilities for the School bond fund totaled \$88.9 million. This included \$2.1 million of "Accounts Payable", \$1.0 million of "Retainage" and \$85.9 million of "Bond Anticipation Notes and Premium Payable".

For the fiscal year ending June 30, 2024, the School bond fund had a fund balance of \$(75.3) million which was all "Unassigned". This represents an additional decrease of \$19.3 million from \$(56.0) million as of June 30, 2023. The \$19.3 million decrease relates to current construction costs for various renovation and repair projects of school facilities.

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, 2024 and 2023. 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 IV - 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, 2024, and 2023, the City collected \$188.2, and \$183.7 million of property taxes, respectively. Total revenues for all major governmental funds for the years ended June 30, 2024, and 2023 were \$343.0 and \$343.1 million, respectively. For the major governmental funds, the total expenditures for the years ending June 30, 2024, and 2023, were \$359.0, and \$380.3 million, respectively. For the year ended June 30, 2024, General Fund revenues exceeded expenditures by \$105.0 million before other financing sources (uses) as compared to \$103.1 million for the period ending June 30, 2023.

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	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:								
General Revenues:								
Property Taxes	\$188.2	\$183.7					\$188.2	\$183.7
American rescue plan act	-	19.4					-	19.4
Intergovernmental	44.5	36.0	\$ 73.1	\$ 74.0			117.6	110.0
Charges for services	14.5	14.6	2.5	1.8			17.0	16.4
Investment income	3.5	2.5	-	-			3.5	2.5
State on behalf pension	-	-	11.2	10.0			11.2	10.0
Other	<u>2.6</u>	<u>1.0</u>	<u>2.9</u>	<u>0.1</u>	<u>0.0</u>	<u>0.0</u>	<u>5.5</u>	<u>1.1</u>
Total Revenues	253.3	257.2	89.7	85.9	0.0	0.0	343.0	343.1
Expenditures:								
Current:								
General Government	12.5	15.4					12.5	15.4
Public Safety	94.6	98.2					94.6	98.2
Public Works	18.4	18.1					18.4	18.1
Education			188.5	185.7			188.5	185.7
Parks and Recreation	3.1	3.3					3.1	3.3
Public Libraries	4.0	4.2					4.0	4.2
Senior Services	2.4	2.9					2.4	2.9
Other	0.2	0.2					0.2	0.2
Debt Service:								
Principal	9.2	7.7	1.0				10.2	7.7
Interest and other costs	3.8	4.1	0.1				3.9	4.1
Capital expenditures	<u>0.1</u>	<u>0</u>	<u>1.8</u>	<u>0</u>	<u>19.3</u>	<u>40.5</u>	<u>21.2</u>	<u>40.5</u>
Total Expenditures	148.3	154.1	191.4	185.7	19.3	40.5	359.0	380.3
Excess (deficiency) of revenue over expenditures	<u>105.0</u>	<u>103.1</u>	<u>(101.7)</u>	<u>(99.8)</u>	<u>(19.3)</u>	<u>(40.5)</u>	<u>(16.0)</u>	<u>(37.2)</u>
Other Financing Sources (Uses):								
Transfers in	0.1	-	99.9	99.1			100.0	99.1
Transfers out	<u>(103.5)</u>	<u>(98.5)</u>	<u>0</u>	<u>0</u>			<u>(103.5)</u>	<u>(98.5)</u>
Net Other Financing Sources (Uses)	(103.4)	(98.5)	99.9	99.1			(3.5)	0.6
Net change in fund balance	1.6	4.6	(1.8)	(0.7)	(19.3)	(40.5)	(19.5)	(36.6)
Fund Balance July 1	19.5	14.9	7.3	8.0	(56.0)	(15.5)	(29.2)	7.4
Fund Balance June 30	<u>21.1</u>	<u>19.5</u>	<u>5.5</u>	<u>7.3</u>	<u>(75.3)</u>	<u>(56.0)</u>	<u>(48.7)</u>	<u>(29.2)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

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

The City's General Fund had revenues of \$253.3 million for the fiscal year ended June 30, 2024. This was comprised of \$188.2 million in "General Property Taxes", \$44.5 million of "Intergovernmental" revenues, \$14.5 million in "Charges for Services", \$.5 million in "Investment Income", and \$2.6 million in "Other" revenue.

Expenditures for the General Fund for fiscal year ended June 30, 2024, were \$148.3 million. These expenditures consisted of \$12.5 million in "General Government" expenditures, \$94.6 million of "Public Safety" expenditures, \$18.4 million of "Public Works" expenditures, \$3.1 million of "Parks and Recreation" expenditures, \$4.0 million of "Public Libraries" expenditures, \$2.4 million of "Senior Services" expenditures, \$0.2 million of "Other" expenditures, "Capital Expenditures" of \$0.1 million, \$9.2 million of "Debt Service Principal" expenditures, \$3.8 million of "Interest and Other Costs".

In addition to general operating expenses, the General Fund also had "Net Other Financing Uses" of \$ 103.4 million. This was primarily of "Transfers Out" to the "School Unrestricted" for operations.

The net change in fund balances was \$1.6 million for the fiscal year ended June 30, 2024. This increase resulted primarily from investment income generated from ARPA proceeds.

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, 2024, of \$89.7 million. This was derived from \$73.1 million of "Intergovernmental" revenues, \$2.5 million of "Charges for Services", \$11.2 million of "State on Behalf Pension Contribution" and \$2.9 million of "Other Income".

Expenditures for the School Unrestricted Fund totaled \$191.4 million. This entire amount represents expenditures related to "Education".

In addition to general operating revenues, the School Department had "Net other Financing Sources" of \$99.9 million. This amount was comprised of "Transfers In" of \$99.9 million for operations.

The net change in fund balance was \$(1.8) million for the fiscal year ended June 30, 2024. This decrease was due primarily to the acquisition of capital assets for the school department.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

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

Expenditures for the School Bond Fund totaled \$19.3 million. This was comprised of "Capital Expenditures" of \$17.7 million and \$1.6 million of interest expense associated with issuing the bond anticipation notes used to fund school construction projects.

The net change in fund balance was \$(19.3) million for the fiscal year ended June 30, 2024. This decrease was due to costs incurred for school construction projects that were not bonded for in the current fiscal year. The fund balance decreased from \$(56.0) million at June 30, 2023 to \$(75.3) million at June 30, 2024.

Proprietary Funds

The Proprietary Funds consist of the Sewer Fund, the Non-Major Programs and the Internal Service Funds. Total operating revenues were \$68.6 million. The major sources of revenue were "Charges for Usage and Service" of \$64.3 million, "Grant Income" of \$3.1 million and "Miscellaneous" revenue of \$1.2 million. Total operating expenses for the year ending June 30, 2023, for the Proprietary Funds were \$67.5 million. Expenses were comprised of "Health Care Management" of \$31.1 million, the "Contract Payments" of \$11.7 million for sewer privatization, "Operation" expense of \$6.4 million. "Personnel" cost of \$0.7 million, "Claims" of \$14.4 million and \$3.1 million of "Depreciation" expense. Net Non-Operating Revenues for the year ending June 30, 2024, was \$1.1 million. The Proprietary Funds ended fiscal year 2024 with \$2.8 million more in revenues than expenses.

Total Net Position was \$81.1 million at June 30, 2024, of that "Net Investment in Capital Assets" was \$50.3 million, "Restricted for Debt Service" of \$1.7 million and \$29.8 million was "Unrestricted". Total Net Position as of June 30, 2024 increased \$2.8 million or 3.50% from \$79.0 million at June 30, 2023 to \$81.8 million at June 30, 2024.

Analysis of Significant Budget Variations in the General Fund

For the fiscal year ended June 30, 2024, the General Fund Revenues were over budget projections by \$6.3 million or 1.9%. General Fund expenditures were over budget by \$1.1 million or 0.3%. Also, there was \$4.6 million transferred to the Capital Projects Funds.

Significant revenue variances include:

- General Property Taxes – Favorable variance of \$1.3 million due to the changes made to the tangible tax valuations by the state after budget was adopted.
- Intergovernmental – A favorable variance of \$4.8 million due a transfer from ARPA fund to replace lost revenue.
- Investment Income – A net favorable variance of \$0.7 million resulting from unspent ARPA and capital project fund proceeds.

Most of the departments within the City had minimal surpluses/deficits with regard to their expense budgets prior to the allocation of the \$7 million sent to the Internal Service Fund. The exception to that was the public works and police departments. The Public Works department had an unfavorable variance of \$0.5 million due to unrealized energy credits and unanticipated increases for refuse removal. The police department also had unfavorable variance of \$0.5 million due to unanticipated overtime due to staffing shortages. The unanticipated additional revenues combined with the over expenditures described above resulted in a \$0.7 million surplus for the fiscal year that ended June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

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, 2024, and 2023, amounted to \$118.8 and \$115.9 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, motor vehicles, machinery and equipment and office furniture and equipment, and infrastructure.

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

Capital Assets at Year End
(In Millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	2024	2023	2024	2023	2024	2023
Land.....	\$ 15.4	\$ 15.4	\$ 0.3	\$ 0.3	\$ 15.7	\$ 15.7
Construction in progress.....	26.2	76.9	0.7	1.3	26.9	78.2
Land improvements.....	63.6	59.1	1.8	1.5	65.4	60.6
Buildings	204.7	130.0	1.3	1.3	206.0	131.3
Motor vehicles.....	30.1	29.3	0.2	0.1	30.3	29.4
Equipment	25.9	23.4	3.0	2.0	28.9	25.4
Infrastructure	87.4	87.4			87.4	87.4
Right of use lease assets.....	8.6	8.8			8.6	8.8
Right of use subscription assets...	1.0	1.1			1.0	1.1
Leasehold improvements.....			0.1	0.1	0.1	0.1
Sewer lines			53.6	52.5	53.6	52.5
Treatment and pumping plant.....			105.1	105.0	105.1	105.0
Total assets.....	462.9	431.4	166.1	164.1	629.0	595.5
Less: accumulated depreciation	(221.0)	(209.1)	(102.2)	(99.2)	(323.2)	(308.3)
Net capital assets	\$ 241.9	\$ 222.3	\$ 63.9	\$ 64.9	\$ 305.8	\$ 287.2

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Capital Assets (Continued)

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, were \$629.0 million less accumulated depreciation of \$323.2 million and less related debt of \$185.9 million for a net investment in capital assets of \$119.9 million.

Governmental Activities:

Major capital asset additions during the fiscal year ended June 30, 2024, included the following:

- \$22.5 million in school construction and renovations.
- \$0.1 million in fire emergency vehicle.
- \$7.5 million for road repayment, storm drain repairs and equipment upgrades.
- \$1.0 million storm drain projects.
- \$0.5 million for recreation projects.

Business-Type Activities:

Major capital asset additions during the fiscal year ended June 30, 2024, included the following:

- \$0.9 million of infrastructure improvements.
- \$0.6 million of construction in progress.

Additional information on the City's capital assets can be found on Note 3. C. of this report.

Long-Term Liabilities

As of June 30, 2024, the governmental activities had total long-term obligations of \$504.2 million. Of that, \$336.6 million was pension related debt, \$58.7 million was for post-retirement health benefits, \$14.2 million of compensated absences, lease liability of \$5.8 million, \$0.6 subscription-based technology, \$0.6 financed purchases and \$21.7 million related to bonded debt guaranteed by the City's assets. Based on an actuarial valuation completed as of July 1, 2024, for governmental activities, the net pension obligation liability for unpaid pension contributions increased by \$22.7 million from \$359.3 million at June 30, 2023, to \$336.6 million at June 30, 2024. The net other post-employment benefit obligation (OPEB) liability for governmental activities decreased \$2.4 million from \$61.1 million at June 30, 2023, to \$58.7 million at June 30, 2024. Additional information can be found in Note 3. E. 1.

The business-type activities had total long-term obligations of \$12.5 million. The total \$12.5 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 3. E. 1.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding

For the year ending June 30, 2024, the City had \$87.8 million in debt (bonds, notes, etc.) outstanding as compared to \$90.5 million as of June 30, 2023, a net decrease of \$2.7 million or 3.0% (considering debt issuances and retirements). The key factors for this decrease were the issuance of \$6.0 million in general obligation bonds and bond premiums offset by retirements and amortization of bond premiums of \$8.7 million of outstanding debt.

For the year ending June 30, 2024, the Business-Type Activities had \$12.5 million in debt (bonds, notes, etc.) outstanding as compared to \$13.7 million at June 30, 2023, a net decrease of \$1.2 million or 8.8% (considering debt retirements). The key factor for this decrease was principal repayments of \$1.2 million.

**Outstanding Debt, at June 30
(In Millions)**

	<u>2024</u>	<u>2023</u>
<i>Governmental:</i>		
General obligation bonds.....	\$ 80.5	\$82.9
Lease liability	<u>5.8</u>	<u>6.7</u>
<i>Subtotal</i>	<u>86.3</u>	<u>89.6</u>
<i>Business-type:</i>		
Sewer revolving loans	<u>12.5</u>	<u>13.7</u>
<i>Subtotal</i>	<u>12.5</u>	<u>13.7</u>
<i>Total</i>	<u>\$ 98.8</u>	<u>\$ 104.5</u>

Principal payments of \$8.9 million and \$1.2 million were made in the governmental and business-type activities, respectively, during fiscal year 2024.

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 \$269.0 million based on taxable property as of December 31, 2022, of approximately \$9.2 billion. On June 30, 2024, the City had \$87.8 million of debt outstanding that is outside the 3% debt limit.

The City's bond ratings are as follows:

- Standard & Poor's: "AA-"
- Fitch Ratings: "AA-"
- Moody's Investors Service: "A1"

Economic Factors and Next Year's Budget and Rates

- As noted previously, the Fiscal Year 2025 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 \$22.5 million for Police and Fire Pension Fund contributions and \$5.5 million for Other Post-Employment Benefits (OPEB).

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
JUNE 30, 2024

Unemployment Statistics

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

	Annualized									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City of Cranston	7.5%	5.9%	5.0%	4.3%	4.0%	3.4%	9.5%	5.6%	3.1%	2.9%
State of Rhode Island	7.8	6.0	5.2	4.5	4.0	3.5	9.2	5.5	3.2	3.0
United States	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6	3.6

Source: Rhode Island Department of Labor and Training.

Request for Information

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

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

BASIC FINANCIAL STATEMENTS

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 66,378,598	\$ 37,587,171	\$ 103,965,769
Receivables:			
Property Taxes	4,396,230	-	4,396,230
Sewer Assessments and User Fees, Net	-	842,687	842,687
Intergovernmental	5,941,922	3,106,787	9,048,709
Loans	2,092,829	-	2,092,829
Lease	40,226	-	40,226
Other	3,872,225	-	3,872,225
Prepays	272,649	-	272,649
Inventory	-	56,059	56,059
Other Assets	3,792	-	3,792
Due from Fiduciary Fund	1,767,248	-	1,767,248
Internal Balances	2,830,957	(2,830,957)	-
Total Current Assets	87,596,676	38,761,747	126,358,423
Noncurrent Assets:			
Advance Deposits - Hospitalization	853,000	-	853,000
Net Pension Asset	38,866,310	-	38,866,310
Restricted Cash - Debt Service Reserve	-	1,370,434	1,370,434
Lease Receivable, less current portion	547,850	-	547,850
Held in Escrow	-	308,633	308,633
Total	40,267,160	1,679,067	41,946,227
Capital Assets:			
Nondepreciable	41,623,790	1,093,547	42,717,337
Depreciable (Net of Accumulated Depreciation and Amortization)	200,341,587	62,808,376	263,149,963
Total Net Capital Assets	241,965,377	63,901,923	305,867,300
 Total Noncurrent Assets	 282,232,537	 65,580,990	 347,813,527
 Total Assets	 369,829,213	 104,342,737	 474,171,950
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	34,715,324	-	34,715,324
Deferred Outflows of Resources Related to OPEB	10,304,053	-	10,304,053
Total Deferred Outflows of Resources	45,019,377	-	45,019,377
 Total Assets and Deferred Outflows of Resources	 \$ 414,848,590	 \$ 104,342,737	 \$ 519,191,327

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 12,274,085	\$ 2,599,938	\$ 14,874,023
Accrued Liabilities	87,212	-	87,212
Accrued Payroll	3,668,779	11,475	3,680,254
Compensated Absences	1,413,807	10,806	1,424,613
Accrued Interest Payable	4,472,331	47,580	4,519,911
Retainage Payable	975,203	-	975,203
Unearned Revenue	8,014,904	65,297	8,080,201
Claims Payable	1,424,756	-	1,424,756
Bond Anticipation Note	85,000,000	-	85,000,000
Bond Anticipation Note Premium	910,900	-	910,900
Long-Term Liabilities Due Within One Year	8,581,269	1,217,000	9,798,269
Total Current Liabilities	126,823,246	3,952,096	130,775,342
Noncurrent Liabilities:			
Net Pension Liability	336,596,654	-	336,596,654
Net OPEB Liability	58,672,096	-	58,672,096
Long-Term Liabilities Due in More than One Year	98,950,867	11,287,000	110,237,867
Total Noncurrent Liabilities	494,219,617	11,287,000	505,506,617
Total Liabilities	621,042,863	15,239,096	636,281,959
DEFERRED INFLOWS OF RESOURCES			
Advanced Tax Collections	9,696,262	-	9,696,262
Deferred Sewer Lease Arrangement	-	1,698,854	1,698,854
Deferred Inflows of Resources - Leases	556,522	-	556,522
Deferred Inflows of Resources Related to Pensions	26,647,743	-	26,647,743
Deferred Inflows of Resources Related to OPEB	6,029,472	-	6,029,472
Total Deferred Inflows of Resources	42,929,999	1,698,854	44,628,853
Total Liabilities and Deferred Inflows of Resources	663,972,862	16,937,950	680,910,812
NET POSITION			
Net Investment in Capital Assets	68,518,706	51,397,923	119,916,629
Restricted for:			
Net Pension Asset	38,866,310	-	38,866,310
Education	7,099,059	-	7,099,059
Grants	2,872,938	-	2,872,938
Housing and Redevelopment	749,629	-	749,629
Community Services	1,931,049	-	1,931,049
Other Purposes	1,259,839	-	1,259,839
Debt Service	-	1,679,067	1,679,067
Unrestricted	(370,421,802)	34,327,797	(336,094,005)
Total Net Position	(249,124,272)	87,404,787	(161,719,485)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 414,848,590	\$ 104,342,737	\$ 519,191,327

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue 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	\$ 16,406,771	\$ 7,433,156	\$ 20,002,067	\$ -	\$ 11,028,452	\$ -	\$ 11,028,452
Public Safety	98,096,031	7,462,688	1,679,639	93,449	(88,860,255)	-	(88,860,255)
Public Works	19,481,838	1,538,421	15,846	400,000	(17,527,571)	-	(17,527,571)
Education	196,125,988	3,840,356	102,129,469	-	(90,156,163)	-	(90,156,163)
Parks and Recreation	3,341,927	288,392	-	-	(3,053,535)	-	(3,053,535)
Public Libraries	4,233,479	41,500	797,557	-	(3,394,422)	-	(3,394,422)
Senior Services	2,459,145	755,526	-	-	(1,703,619)	-	(1,703,619)
Community Development	1,617,784	-	1,392,583	-	(225,201)	-	(225,201)
Interest Expense	8,411,254	-	-	-	(8,411,254)	-	(8,411,254)
Total Governmental Activities	350,174,217	21,360,039	126,017,161	493,449	(202,303,568)	-	(202,303,568)
BUSINESS-TYPE ACTIVITIES							
Sewer Fund	16,271,153	23,185,495	-	-	-	6,914,342	6,914,342
School Lunch	4,719,833	981,131	3,071,294	-	-	(667,408)	(667,408)
Ice Rink	680,481	748,026	-	-	-	67,545	67,545
Total Business-Type Activities	21,671,467	24,914,652	3,071,294	-	-	6,314,479	6,314,479
Total	\$ 371,845,684	\$ 46,274,691	\$ 129,088,455	\$ 493,449	(202,303,568)	6,314,479	(195,989,089)
GENERAL REVENUES							
Property Taxes					187,970,975	-	187,970,975
Motor Vehicle Phase-Out Taxes					22,312,247	-	22,312,247
Other Income					5,831,489	-	5,831,489
Investment Income					4,041,530	1,834,354	5,875,884
Total General Revenues					220,156,241	1,834,354	221,990,595
CHANGE IN NET POSITION							
					17,852,673	8,148,833	26,001,506
Net Position - Beginning of Year					(266,976,945)	79,255,954	(187,720,991)
NET POSITION - END OF YEAR							
					\$ (249,124,272)	\$ 87,404,787	\$ (161,719,485)

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	School Unrestricted	School Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 31,447,309	\$ 608	\$ 13,611,674	\$ 18,036,964	\$ 63,096,555
Receivables:					-
Property Taxes, Net	2,958,783	-	-	-	2,958,783
Intergovernmental	1,170,024	-	-	4,817,247	5,987,271
Loans	-	-	-	2,092,829	2,092,829
Lease Receivable	588,076	-	-	-	588,076
Other	1,838,438	3,303,113	-	447,909	5,589,460
Security Deposits	-	-	-	9,417	9,417
Prepays	-	224,916	-	42,108	267,024
Advance Deposits - Hospitalization	207,000	-	-	-	207,000
Due from Other Funds	7,364,630	8,377,923	-	221,235	15,963,788
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 45,574,260</u>	<u>\$ 11,906,560</u>	<u>\$ 13,611,674</u>	<u>\$ 25,667,709</u>	<u>\$ 96,760,203</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 2,104,253	\$ 2,959,909	\$ 2,075,107	\$ 1,960,927	\$ 9,100,196
Accrued Payroll	3,440,400	-	-	228,379	3,668,779
Accrued Liabilities	76,011	11,201	-	-	87,212
Retainage Payable	-	-	946,329	28,874	975,203
Due to Other Funds	258,308	3,436,685	-	4,477,033	8,172,026
Bond Anticipation Note Payable	-	-	85,000,000	-	85,000,000
Bond Anticipation Note Premium	-	-	910,900	-	910,900
Unearned Revenue	5,764,531	-	-	2,250,373	8,014,904
Total Liabilities	<u>11,643,503</u>	<u>6,407,795</u>	<u>88,932,336</u>	<u>8,945,586</u>	<u>115,929,220</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	2,592,087	-	-	-	2,592,087
Advanced Tax Collections	9,696,262	-	-	-	9,696,262
Lease Receivable	556,522	-	-	-	556,522
Total Deferred Inflows of Resources	<u>12,844,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,844,871</u>
FUND BALANCES					
Nonspendable	207,000	224,916	-	42,108	474,024
Restricted	300,654	5,209,640	-	16,607,557	22,117,851
Committed	1,505,854	64,209	-	126,933	1,696,996
Unassigned	19,072,378	-	(75,320,662)	(54,475)	(56,302,759)
Total Fund Balances	<u>21,085,886</u>	<u>5,498,765</u>	<u>(75,320,662)</u>	<u>16,722,123</u>	<u>(32,013,888)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 45,574,260</u>	<u>\$ 11,906,560</u>	<u>\$ 13,611,674</u>	<u>\$ 25,667,709</u>	<u>\$ 96,760,203</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III)	\$ (32,013,888)
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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Total Capital Assets	462,934,719
Accumulated Depreciation and Amortization	(220,969,342)
Net Capital Assets	241,965,377

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property Tax, Interest, and Lien Accrual, Net	1,437,447
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	2,592,087
Net Pension Asset	38,866,310
Deferred Outflows of Resources Related to Pensions	34,715,324
Deferred Outflows of Resources Related OPEB	10,304,053

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	(5,626,743)
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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	(80,483,000)
Financed Purchase	(558,352)
Lease Liability	(5,822,149)
SBITA Liability	(631,970)
Unamortized Premium on Bonds Payable	(7,270,434)
Compensated Absences	(14,138,069)
Deferred Salary	(41,970)
Net Pension Liability	(336,596,654)
Net OPEB Liability	(58,672,095)
Deferred Inflows of Resources Related to Pensions	(26,647,743)
Deferred Inflows of Resources Related OPEB	(6,029,472)
Accrued Interest Payable	(4,472,331)

Net Position of Governmental Activities	\$ (249,124,272)
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See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	School Unrestricted	School Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	\$ 188,234,513	\$ -	\$ -	\$ -	\$ 188,234,513
Intergovernmental	44,516,232	73,120,957	-	23,558,445	141,195,634
Charges for Services	14,533,706	2,576,469	-	4,249,864	21,360,039
Investment Income	3,493,976	-	7,119	265,416	3,766,511
State On-Behalf Contributions	-	11,182,927	-	-	11,182,927
Other	2,534,402	2,870,859	-	489,856	5,895,117
Total Revenues	253,312,829	89,751,212	7,119	28,563,581	371,634,741
EXPENDITURES					
Current:					
General Government	12,494,582	-	-	416,800	12,911,382
Public Safety	94,567,158	-	-	3,184,475	97,751,633
Public Works	18,446,985	-	-	-	18,446,985
Education	-	188,563,685	-	20,513,008	209,076,693
Parks and Recreation	3,099,116	-	-	142,517	3,241,633
Public Libraries	4,046,076	-	-	104,206	4,150,282
Senior Services	2,367,924	-	-	46,305	2,414,229
Community Development	-	-	-	1,623,433	1,623,433
Other	155,840	-	-	-	155,840
Debt Service:					
Principal	9,234,970	972,083	-	-	10,207,053
Interest and Other Costs	3,757,052	119,554	1,604,989	291,064	5,772,659
Capital Outlay:					
Capital Expenditures	91,213	1,765,043	17,724,382	5,103,752	24,684,390
Total Expenditures	148,260,916	191,420,365	19,329,371	31,425,560	390,436,212
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	105,051,913	(101,669,153)	(19,322,252)	(2,861,979)	(18,801,471)
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	-	5,600,000	5,600,000
Issuance of Financed Purchase	-	355,545	-	-	355,545
Bond Premium	-	-	-	406,355	406,355
Lease Insurance	91,213	-	-	-	91,213
Transfers In	-	99,503,600	-	4,487,000	103,990,600
Transfers Out	(103,567,499)	-	-	(423,101)	(103,990,600)
Net Other Financing Sources (Uses)	(103,476,286)	99,859,145	-	10,070,254	6,453,113
NET CHANGE IN FUND BALANCES	1,575,627	(1,810,008)	(19,322,252)	7,208,275	(12,348,358)
Fund Balances - Beginning of Year	19,510,259	7,308,773	(55,998,410)	9,513,848	(19,665,530)
FUND BALANCES - END OF YEAR	<u>\$ 21,085,886</u>	<u>\$ 5,498,765</u>	<u>\$ (75,320,662)</u>	<u>\$ 16,722,123</u>	<u>\$ (32,013,888)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (12,348,358)

Amounts reported for governmental activities in the statement of activities (Exhibit II)
are due to:

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 and amortization in the current period:

Capital Outlay	32,629,392
Depreciation and Amortization Expense	(12,915,952)
Loss on Disposition of Assets	(27,450)

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	(127,288)
Change in Property Tax Interest and Lien Revenue	(136,250)
Lease Receivable change	(19,868)
Changes in Net Pension Asset	4,186,244
Changes in Deferred Outflows Related to Pensions	(59,736,183)
Changes in Deferred Outflows Related to OPEB	(5,896,875)

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

Accrued Interest Payable	(3,288,565)
Amortization of Deferred Charge on Refunding	(62,664)
Bond Premium Incurred	(406,355)
Bond Premium Amortized	712,191
Debt Issuance	(5,600,000)
Principal Payments on Bonds and Notes	8,008,000
Lease Liability Issuance	(91,213)
Lease Liability Payments	978,805
SBITA Payment	281,985
Financed Purchase Issuance	(355,545)
Financed Purchase Payments	938,262

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES (CONTINUED)

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

Compensated Absences	\$ 4,570
Deferred Salary	11,265
Changes in Net Pension Liability	22,714,246
Changes in Net OPEB Liability	2,383,542
Changes in Deferred Inflows Related to Pensions	51,009,716
Changes in Deferred Inflows Related to OPEB	354,026

The net revenue of the activities of the Internal Service Fund is reported with governmental activities.

(5,347,005)

Change in Net Position of Governmental Activities (Exhibit II)

\$ 17,852,673

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Total	Internal
	Sewer	Funds		Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 36,887,251	\$ 699,920	\$ 37,587,171	\$ 3,282,043
Inventory	-	56,059	56,059	-
Receivables:				
Sewer Assessments and User Fees, Net	842,687	-	842,687	-
Other	-	-	-	4,664
Due from Other Funds	-	-	-	200,712
Intergovernmental	2,607,927	498,860	3,106,787	-
Claims Deposits	-	-	-	-
Total Current Assets	40,337,865	1,254,839	41,592,704	3,487,419
Noncurrent Assets:				
Advance Deposits - Medical	-	-	-	853,000
Restricted Cash - Debt Service Reserve	1,370,434	-	1,370,434	-
Held in Escrow	308,633	-	308,633	-
Total Noncurrent Assets	1,679,067	-	1,679,067	853,000
Capital Assets:				
Capital Assets, Nondepreciable	1,081,536	12,010	1,093,546	-
Capital Assets, Depreciable, Net of Accumulated Depreciation	60,771,184	2,037,193	62,808,377	-
Total Capital Assets	61,852,720	2,049,203	63,901,923	-
Total Assets	\$ 103,869,652	\$ 3,304,042	\$ 107,173,694	\$ 4,340,419

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Total	Internal
	Sewer	Funds		Service Fund
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 2,220,470	\$ 379,468	\$ 2,599,938	\$ 3,380,888
Accrued Payroll	11,475	-	11,475	-
Compensated Absences	-	10,806	10,806	-
Accrued Interest	47,580	-	47,580	-
Due to Other Funds	2,784,364	46,593	2,830,957	5,161,518
Claims Payable	-	-	-	1,424,756
Unearned Revenue	-	65,297	65,297	-
Long-Term Liabilities Due Within One Year	1,217,000	-	1,217,000	-
Total Current Liabilities	6,280,889	502,164	6,783,053	9,967,162
Noncurrent Liabilities:				
Compensated Absences, Net of Current Portion	-	-	-	-
Net OPEB Liability	-	-	-	-
Net Pension Liability	-	-	-	-
Long-Term Liabilities Due in More than One Year	11,287,000	-	11,287,000	-
Total Noncurrent Liabilities	11,287,000	-	11,287,000	-
Total Liabilities	17,567,889	502,164	18,070,053	9,967,162
DEFERRED INFLOWS OF RESOURCES				
Deferred Sewer Lease Arrangement	1,698,854	-	1,698,854	-
Total Deferred Inflows of Resources	1,698,854	-	1,698,854	-
NET POSITION				
Net Investment in Capital Assets	49,348,720	2,049,203	51,397,923	-
Restricted:				
Debt Service	1,679,067	-	1,679,067	-
Unrestricted	33,575,122	752,675	34,327,797	(5,626,743)
Total Net Position	84,602,909	2,801,878	87,404,787	(5,626,743)
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 103,869,652</u>	<u>\$ 3,304,042</u>	<u>\$ 107,173,694</u>	<u>\$ 4,340,419</u>

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Total	Internal
	Sewer	Funds		Service Fund
OPERATING REVENUES				
Charges for Usage and Service	\$ 21,969,185	\$ 1,719,617	\$ 23,688,802	\$ 40,604,936
Grant Income	-	3,071,294	3,071,294	-
Miscellaneous	1,216,310	9,540	1,225,850	17,009
Total Operating Revenues	23,185,495	4,800,451	27,985,946	40,621,945
OPERATING EXPENSES				
Operations	1,316,906	4,496,922	5,813,828	562,475
Personnel	211,712	517,469	729,181	-
Claims	-	-	-	14,437,089
Contract Payments	11,728,015	-	11,728,015	-
Health Care Management	-	-	-	31,107,123
Depreciation	2,695,588	385,923	3,081,511	-
Total Operating Expenses	15,952,221	5,400,314	21,352,535	46,106,687
OPERATING INCOME (LOSS)	7,233,274	(599,863)	6,633,411	(5,484,742)
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	(318,932)	-	(318,932)	-
Investment Income	1,809,747	24,607	1,834,354	137,737
Total Nonoperating Revenues (Expenses)	1,490,815	24,607	1,515,422	137,737
CHANGE IN NET POSITION	8,724,089	(575,256)	8,148,833	(5,347,005)
Net Position - Beginning of Year	75,878,820	3,377,134	79,255,954	(279,738)
NET POSITION - END OF YEAR	<u>\$ 84,602,909</u>	<u>\$ 2,801,878</u>	<u>\$ 87,404,787</u>	<u>\$ (5,626,743)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Total	Internal
	Sewer	Funds		Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 22,721,351	\$ 4,360,722	\$ 27,082,073	\$ 40,620,997
Cash Paid to Suppliers	(11,728,015)	(362,452)	(12,090,467)	-
Cash Paid to Employees	(207,507)	(516,188)	(723,695)	-
Cash Paid for Claims	-	-	-	(40,248,055)
Cash Paid for Other Operating Expenses	(937,441)	(4,160,305)	(5,097,746)	(501,425)
Net Cash Provided (Used) by Operating Activities	9,848,388	(678,223)	9,170,165	(128,483)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Nonoperating Grant	23,034	-	23,034	-
Change in Interfund Loans	3,220,106	515,354	3,735,460	1,710,024
Net Cash Provided by Noncapital Financing Activities	3,243,140	515,354	3,758,494	1,710,024
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(1,651,478)	(425,534)	(2,077,012)	-
Principal Paid on Bonds	(1,191,000)	-	(1,191,000)	-
Interest Paid on Bonds	(413,028)	-	(413,028)	-
Net Cash Used by Capital and Related Financing Activities	(3,255,506)	(425,534)	(3,681,040)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Income from Investments	1,809,747	24,607	1,834,354	137,737
Net Cash Provided by Investing Activities	1,809,747	24,607	1,834,354	137,737
NET INCREASE (DECREASE) IN CASH (INCLUDING RESTRICTED CASH)	11,645,769	(563,796)	11,081,973	1,719,278
Cash - Beginning of Year (Including Restricted Cash)	26,611,916	1,263,716	27,875,632	1,562,765
CASH - END OF YEAR (INCLUDING RESTRICTED CASH)	<u>\$ 38,257,685</u>	<u>\$ 699,920</u>	<u>\$ 38,957,605</u>	<u>\$ 3,282,043</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major Fund	Nonmajor	Total	Internal
	Sewer	Funds		Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 7,233,274	\$ (599,863)	\$ 6,633,411	\$ (5,484,742)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	2,695,588	385,923	3,081,511	-
(Increase) Decrease in Accounts Receivable	(75,228)	32,149	(43,079)	60,102
Increase in Claims Deposits	-	-	-	1,820,011
Decrease in Inventory	-	(16,845)	(16,845)	-
Increase in Intergovernmental Receivables	(477,165)	(487,978)	(965,143)	-
(Increase) Decrease in Accounts Payable	379,465	(8,990)	370,475	3,286,490
Increase in Accrued Payroll	4,205	-	4,205	-
Decrease in Compensated Absences	-	1,281	1,281	-
Increase in Prepaid Assessments	88,249	-	88,249	-
Increase in Claims Payable	-	-	-	189,656
Increase in Unearned Revenue	-	16,100	16,100	-
Net Cash Provided (Used) by Operating Activities	\$ 9,848,388	\$ (678,223)	\$ 9,170,165	\$ (128,483)

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Pension and Other Employee Benefit Trust Fund	Private Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 2,098,904	\$ 159,140	465,993
Investments:			
Mutual Funds	72,537,161	-	-
Exchange Traded Funds	2,576,528	-	-
U.S. Government Securities	11,495,699	-	-
Total Assets	<u>88,708,292</u>	<u>159,140</u>	<u>465,993</u>
LIABILITIES			
Accounts Payable	120,245	-	-
Due to Primary Government	<u>1,767,248</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,887,493</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Pensions	77,828,967	-	-
Postemployment Benefits Other than Pensions	8,991,832	-	-
Contributions Held in Trust	-	159,140	-
Unclaimed Estates	-	-	108,889
Proformance Bonds	<u>-</u>	<u>-</u>	<u>357,104</u>
Total Net Position	<u>\$ 86,820,799</u>	<u>\$ 159,140</u>	<u>\$ 465,993</u>

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Pension and Other Employee Benefit Trust Fund	Private Purpose Trust Fund	Custodial Fund
ADDITIONS			
Contributions:			
Employer Contributions	\$ 26,525,636	\$ -	\$ -
Plan Member Contributions	491,789	52,761	-
Total Contributions	27,017,425	52,761	-
Investment Income:			
Interest and Dividends	2,256,785	35	27,895
Change in the Fair Value of Investments	8,009,972	-	-
Other	2,129	-	-
Total Investment Income	10,268,886	35	27,895
Total Additions	37,286,311	52,796	27,895
DEDUCTIONS			
Benefits	31,814,425	10,871	-
Administrative Expenses	106,310	-	5,000
Total Deductions	31,920,735	10,871	5,000
CHANGE IN NET POSITION	5,365,576	41,925	22,895
Net Position - Beginning of Year	81,455,223	117,215	443,098
NET POSITION - END OF YEAR	<u>\$ 86,820,799</u>	<u>\$ 159,140</u>	<u>\$ 465,993</u>

See accompanying Notes to Basic Financial Statements.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Public School Department.

The City reports the following major proprietary funds:

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 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 *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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deposits and Investments

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

Investments – In general, State of Rhode Island Statutes allow the City to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Rhode Island or political subdivision rated within the top two 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. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Receivables and Payables

Interfunds

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

Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, and sewer use amounts are shown net of an allowance for uncollectibles. Allowance percentages range from 10% to 100% of outstanding receivable balances at June 30, 2024, 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 60 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 60-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 and tangible property located in the City. Taxes are due in four installments in July, October, January, and April. Rhode Island general laws restrict the City's ability to increase either its total tax levy or its tax rates by more than 4.0% over those of the preceding year. Overdue taxes are assessed penalties and will be collected through the sale of tax titles if required.

Inventories and Prepaid Items

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

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

Restricted Assets

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

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings	20 to 50
Leasehold Improvements	20
Infrastructure	5 to 65
Sewer Plant	50
Sewer Lines and Pumping Stations	50 to 100
Vehicles	5
Right-to-Use Lease Equipment	5
Machinery and Equipment	3 to 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, 2024, there were no impairment losses recognized for long-lived assets.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Leases (Lessee)

The City determines if an arrangement is a lease at inception. Leases are included in right-to-use lease assets and lease liabilities in the statements of net position.

Lease assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City has recognized payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Leases (Lessor)

The City determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The City has recognized payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the City has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The City accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the City treats the components as a single lease unit.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Subscription-Based Information Technology Arrangements

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or useful life of the underlying asset.

Self-Insurance

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 insurance claims. Claims incurred but not paid, including those which have not been reported, are accrued as long-term obligations in the government-wide and internal service fund financial statements. Obligations are paid out of the General Fund and the Internal Service Funds.

Compensated Absences

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

Net Pension (Asset) Liability

The net pension (asset) 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 (asset) liability), net of the pension plans' fiduciary net position. The pension plans' fiduciary net position is determined using the same valuation methods that are used by the pension plans for purposes of preparing their statements of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. Investments are reported at fair value.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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. Investments are reported at fair value.

Long-Term Obligations

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows

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

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections, a deferred sewer lease arrangement and deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a closed five year period. 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance and Net Position

Net Position

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

Net Investment in Capital Assets – consists of all capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable by the acquisition, construction, or improvement of those assets.

Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance

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

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance and Net Position (Continued)

Fund Balance (Continued)

Assigned Fund Balance – includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself, or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

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

Stabilization Arrangements

Budget Stabilization Fund – this fund shall be created, into which the City shall transfer such funds as are available to provide for capital expenditures and other one-time expenditures. The fund was established by a City ordinance. Any such transfer shall not create an operating deficit in the General Fund. Any expenditure from or transfer to this fund must first be approved by the City Council. As of June 30, 2024, the remaining fund balance included in this fund was \$1,500,989 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, 2024, the remaining fund balance included in this fund was \$4,865 and is reported in the totals of the City's General Fund on the governmental funds balance sheet within the committed fund balance.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed appropriations) is fixed by resolution as part of the annual budget adoption process at the Financial City Council Meeting. Although the resolution prohibits spending in excess of the authorized budget, it does allow management the right to create intradepartmental transfers at any time during the fiscal year. Interdepartmental transfers and supplemental appropriations are restricted to the fourth quarter and must be approved by the City Council in the form of an ordinance. Interdepartmental transfers reallocate surplus funds from one department to another. Supplemental appropriations increase or decrease both revenue appropriation and expenditure appropriation by an equal amount. During the fiscal year ended June 30, 2024, 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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.

Excess of Expenditures Over Appropriations

- The law line was overspent by \$51,081
- The probate court line was overspent by \$365
- The board of canvassers line was overspent by \$99,430
- The rescue fund line was overspent by \$1,184,043
- The police line was overspent by \$500,474
- The public works line was overspent by \$463,410
- The parks and recreation line was overspent by \$18,052
- The municipal debt line was overspent by \$34,635
- The education line was overspent by \$37

B. Capital Projects Authorizations

The following is a summary of projects recorded in the Capital Projects Fund at June 30, 2024:

Project Name	Project Authorization	Current Year Expenditures	Cumulative Expenditures	Balance - June 30, 2024
Governmental Funds:				
School Bond Fund	\$ 141,012,582	\$ -	\$ 23,919,986	\$ 117,092,596
Police and Fire Bond Fund	34,814,250	147,558	16,412,592	18,401,658
Public Building Bond Fund	9,000,000	85,460	260,383	8,739,617
Recreation Bond Fund	11,258,766	482,431	6,449,678	4,809,088
Highway Bond Fund	33,354,560	2,773,594	24,229,402	9,125,158
Storm Drains Bond Fund	6,000,000	319,423	3,273,742	2,726,258
Library Bond Fund	2,076,802	(3)	870,090	1,206,712
Neighborhood Infrastructure Fund	3,981,919	9,800	3,538,635	443,284
Open Space Bond Fund	7,000,000	(27,802)	2,444,573	4,555,427
Enterprise Funds:				
Sewer System Project	8,500,000	-	-	8,500,000

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Deficit Fund Balance

During the year ended June 30, 2024, the City had a deficit fund balance in the following funds:

Major Governmental Funds:	
School Bond Fund	\$ 75,320,662
Nonmajor Governmental Funds:	
WIOA Job Development Fund	54,475
Internal Service Funds:	
School Internal Service Fund	5,784,461

The major fund deficit will be eliminated from future bond proceeds. The nonmajor fund deficit will be eliminated through future intergovernmental grant receipts, new bond issuances, or interfund contributions. The internal service fund deficit will be eliminated through the monitoring of these fund activities and adjusting working rates for healthcare costs.

NOTE 3 DETAILED NOTES

A. Cash and Investments

Deposits Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires that deposits be placed in financial institutions that are FDIC insured up to \$250,000 and rated "well capitalized" on the institution's most recent audited financial statements/SEC filings, if deposits exceed \$250,000. As of June 30, 2024, the City's bank balance of \$92,841,131 was insured and collateralized as follows:

Insured	\$ 9,167,498
Collateralized:	
Collateral Held by Pledging Banks' Trust	
Department, Not in the City's Name	83,673,633
Total Amount Subject to Custodial Risk	<u>\$ 92,841,131</u>

The City's carrying value of cash and cash equivalents at June 30, 2024, was \$108,060,240, and is presented within the following in the financial statements:

Governmental Activities	\$ 63,096,555
Business-Type Activities	38,957,605
Pension Trust Funds	1,001,344
OPEB Trust Funds	1,097,560
Internal Service Funds	3,282,043
Private Purpose Trust Funds	159,140
Custodial Funds	465,993
Total	<u>\$ 108,060,240</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Deposits Custodial Credit Risk (Continued)

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, 2024, 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	Maturity			Fair Value
	N/A	Less than 1 Year	1 to 10 Years	
U.S. Equity Mutual Funds	\$ 49,421,530	\$ -	\$ -	\$ 49,421,530
International Equity Mutual Funds	9,058,786	-	-	9,058,786
Other Exchange Traded Products	2,576,528	-	-	2,576,528
U.S. Government Securities	-	8,192,299	3,303,400	11,495,699
Pooled Domestic Equity Index Funds	475,095	-	-	475,095
Pooled Fixed Income Index Funds	527,883	-	-	527,883
Fixed Income Mutual Funds	12,737,137	-	-	12,737,137
Pooled Real Estate Index Funds	79,182	-	-	79,182
Pooled International Equity Index Funds	237,548	-	-	237,548
Total	<u>\$ 75,113,689</u>	<u>\$ 8,192,299</u>	<u>\$ 3,303,400</u>	<u>\$ 86,609,388</u>

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. These investments do not specify an interest rate rather the rate of return is dependent on operating results and economic conditions. These investments are not rated by Standard & Poor's as of June 30, 2024.

Credit Risk

The City has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Rhode Island or political subdivision.

Custodial Credit Risk

The 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Fair Value of Financial Instruments (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 2024.

Description	Level 1	Level 2	Fair Value
U.S. Equity Mutual Funds	\$ 49,421,530	\$	\$ 49,421,530
International Equity Mutual Funds	9,058,786	-	9,058,786
Other Exchange Traded Products	2,576,528	-	2,576,528
U.S. Government Securities	11,495,699	-	11,495,699
Pooled Domestic Equity Index Funds	475,095	-	475,095
Pooled Fixed Income Index Funds	527,883	-	527,883
Fixed Income Mutual Funds	12,737,137	-	12,737,137
Pooled Real Estate Index Funds	79,182	-	79,182
Pooled International Equity Index Funds	237,548	-	237,548
Investments at Fair Value	<u>\$ 86,609,388</u>	<u>\$ -</u>	<u>\$ 86,609,388</u>

There were no transfers between any levels during the year ended June 30, 2024.

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 and Liens	Total
Current Portion	\$ 4,248,783	\$ 2,515,985	\$ 6,764,768
Less: Allowance for Uncollectibles	(1,290,000)	(1,078,538)	(2,368,538)
Total Receivable	<u>\$ 2,958,783</u>	<u>\$ 1,437,447</u>	<u>\$ 4,396,230</u>
	Economic Development		
	Loans	CDBG Loans	Total
Loans Receivable	<u>\$ 394,402</u>	<u>\$ 1,698,427</u>	<u>\$ 2,092,829</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

	Sewer Use Charges		
	Use Charges	Interest and Liens	Total
Current Portion	\$ 849,798	\$ 138,414	\$ 988,212
Less: Allowance for Uncollectibles	(115,000)	(30,525)	(145,525)
Total Receivable	<u>\$ 734,798</u>	<u>\$ 107,889</u>	<u>\$ 842,687</u>

The City, acting as lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2045. During the year ended June 30, 2024, the City recognized \$48,664 and \$24,397 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 40,226	\$ 22,619
2026	26,390	21,275
2027	27,465	20,200
2028	28,584	19,081
2029	29,749	17,916
2030-2034	167,943	70,382
2035-2039	182,253	33,644
3040-2044	79,574	9,237
2045-2049	5,892	29
Total	<u>\$ 588,076</u>	<u>\$ 214,383</u>

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

Unearned Revenue:

Grant Draw-Downs Prior to Meeting All Eligibility Requirements	\$ 2,250,373
American Rescue Plan Act	5,597,684
Unearned Developer Security Deposits	166,847
Total Unearned Revenue	<u>\$ 8,014,904</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance - July 1, 2023	Increases	Decreases	Transfers	Balance - June 30, 2024
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 15,375,557	\$ -	\$ -	\$ -	\$ 15,375,557
Construction in Progress	76,916,548	18,075,457	-	(68,743,772)	26,248,233
Total Capital Assets, Not Being Depreciated/Amortized	92,292,105	18,075,457	-	(68,743,772)	41,623,790
Capital Assets, Being Depreciated/Amortized:					
Land Improvements	59,073,281	3,198,837	-	1,303,637	63,575,755
Buildings	130,021,527	7,238,585	-	67,440,135	204,700,247
Machinery and Equipment	15,221,355	724,744	-	-	15,946,099
Office Furniture and Equipment	8,167,960	1,805,703	-	-	9,973,663
Vehicles	29,503,070	1,445,040	888,873	-	30,059,237
Infrastructure	87,418,995	-	-	-	87,418,995
Right to Use Assets	8,561,706	141,026	86,522	-	8,616,210
Right to Use Subscription Asset	1,139,722	-	118,999	-	1,020,723
Total Capital Assets Being Depreciated/Amortized	339,107,616	14,553,935	1,094,394	68,743,772	421,310,929
Total Capital Assets	431,399,721	32,629,392	1,094,394	-	462,934,719
Less Accumulated Depreciation/Amortization for:					
Land Improvements	25,219,150	2,619,746	-	-	27,838,896
Buildings	59,170,434	4,452,006	-	-	63,622,440
Machinery and Equipment	11,964,636	1,482,651	-	-	13,447,287
Office Furniture and Equipment	7,679,552	326,590	-	-	8,006,142
Vehicles	24,751,592	2,150,871	887,909	-	26,014,554
Infrastructure	77,926,966	513,046	-	-	78,440,012
Right to Use Assets	2,180,370	1,166,897	86,522	-	3,260,745
Right to Use Subscription Asset	227,634	204,145	92,513	-	339,266
Total Accumulated Depreciation/Amortization	209,120,334	12,915,952	1,066,944	-	220,969,342
Total Capital Assets, Being Depreciated/Amortized, Net	129,987,282	1,637,983	27,450	68,743,772	200,341,587
Governmental Activities Capital Assets, Net	<u>\$ 222,279,387</u>	<u>\$ 19,713,440</u>	<u>\$ 27,450</u>	<u>\$ -</u>	<u>\$ 241,965,377</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	Balance - July 1, 2023	Increases	Decreases	Transfers	Balance - June 30, 2024
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 342,712	\$ -	\$ -	\$ -	\$ 342,712
Construction in Progress	1,315,586	583,335	-	(1,148,086)	750,835
Total Capital Assets, Not Being Depreciated	1,658,298	583,335	-	(1,148,086)	1,093,547
Capital Assets, Being Depreciated/Amortized:					
Land Improvements	1,493,169	864	-	311,195	1,805,228
Building	1,240,464	15,000	-	-	1,255,464
Leasehold Improvements	76,097	7,812	-	-	83,909
Machinery and Equipment	2,003,665	341,642	-	690,342	3,035,649
Office Furniture and Equipment	1,124	2	-	-	1,126
Vehicles	92,193	69,219	-	-	161,412
Service to Customers	217,509	-	-	-	217,509
Pumping Plant and Equipment	4,304,308	1,102	-	-	4,305,410
GIS Project	1,103,834	-	-	-	1,103,834
Treatment Plant and Equipment	99,349,350	161,854	-	-	99,511,204
Infrastructure	52,517,613	896,534	-	146,549	53,560,696
Total Capital Assets, Being Depreciated/Amortized	162,399,326	1,494,029	-	1,148,086	165,041,441
Total Capital Assets	164,057,624	2,077,364	-	-	166,134,988
Less Accumulated Depreciation/Amortization for:					
Land Improvements	330,512	71,739	-	-	402,251
Building	628,687	20,242	-	-	648,929
Leasehold Improvements	15,271	4,131	-	-	19,402
Machinery and Equipment	1,343,121	361,545	-	-	1,704,666
Office Furniture and Equipment	1,124	2	-	-	1,126
Vehicles	48,977	8,437	-	-	57,414
Service to Customers	99,930	3,483	-	-	103,413
Pumping Plant and Equipment	2,674,352	70,174	-	-	2,744,526
GIS Project	1,103,833	1	-	-	1,103,834
Treatment Plant and Equipment	55,893,285	1,913,096	-	-	57,806,381
Infrastructure	37,012,110	629,013	-	-	37,641,123
Total Accumulated Depreciation/Amortization	99,151,202	3,081,863	-	-	102,233,065
Total Capital Assets, Being Depreciated/Amortized, Net	63,248,124	(1,587,834)	-	1,148,086	62,808,376
Business-Type Activities Capital Assets, Net	\$ 64,906,422	\$ (1,004,499)	\$ -	\$ -	\$ 63,901,923

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 3,654,096
Public Safety	3,067,042
Public Works	2,029,347
Education	3,779,799
Parks and Recreation	261,350
Public Libraries	85,678
Senior Services	38,640
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 12,915,952</u>

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

Business-Type Activities:	
Sewer	\$ 2,695,938
Ice Rink	43,136
School Lunch	342,789
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 3,081,863</u>

Construction Commitments

The City has active construction projects as of June 30, 2024. At year-end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Governmental-Type Activities:	
School Bond Fund	\$ 56,621,896
Highway Maintenance Bond Fund	2,842,540
Total Construction Commitments - Governmental-Type Activities	<u>\$ 59,464,436</u>
Business-Type Activities:	
Sewer Fund	<u>\$ 2,963,630</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

D. Interfund Accounts

Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 338,523
General Fund	Internal Service	922,105
General Fund	School Unrestricted	3,273,046
General Fund	Nonmajor Enterprise Fund	46,593
General Fund	Sewer Fund	2,784,364
Internal Service	General Fund	200,712
School Unrestricted	Nonmajor Governmental	4,138,510
School Unrestricted	Internal Service	4,239,413
Nonmajor Governmental	School Unrestricted	163,639
Nonmajor Governmental	General Fund	57,596
Total		<u><u>\$ 16,164,501</u></u>

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

Interfund Transfer

A summary of interfund transfers as of June 30, 2024, is as follows:

	Transfers In	
	School Unrestricted Fund	Nonmajor Governmental Funds
Transfers Out:		
General Fund	\$ 103,567,499	
Nonmajor Governmental Funds:		4,487,000
School Education Fund	423,101	
Total	<u><u>\$ 103,990,600</u></u>	<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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations

Bond Anticipation Notes

The City uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2024 was as follows:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 01, 2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2024</u>
8/23/2022	8/22/2023	2.765 %	\$ 57,030,000	\$ -	\$ 57,030,000	\$ -
8/10/2023	8/21/2024	4.25-4.75%	-	85,000,000	-	85,000,000

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

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 - July 1, 2023	Additions	Retirements	Balance Outstanding - June 30, 2024	Current Portion
Governmental Activities:									
General Obligation Debt:									
158a Advance Refunding (158) Public Improvements	June 1, 2016	\$ 7,840,000	3.00-5.00%	July 1, 2028	\$ 5,130,000	\$ -	\$ 755,000	\$ 4,375,000	\$ 795,000
162B Refunding -162B (Issue 154 and 155)	March 29, 2012	15,955,000	2.00-5.00%	July 1, 2023	1,390,000	-	1,390,000	-	-
163 Public Improvements -163	July 30, 2013	10,210,000	3.00-4.75%	August 1, 2033	1,040,000	-	520,000	520,000	520,000
164 Advance Refunding (156 and 157) Public Improvements -164	July 15, 2015	30,715,000	1.25-5.00%	July 15, 2035	11,035,000	-	1,910,000	9,125,000	1,990,000
169 Public Improvements -169	July 24, 2018	15,910,000	2.00-5.00%	August 1, 2036	12,960,000	-	810,000	12,150,000	810,000
171 Public Improvements -171	July 29, 2019	13,410,000	4.00-5.00%	August 1, 2039	12,090,000	-	480,000	11,610,000	505,000
172 Refunding -172(issue 160, 162A & 163)	October 27, 2020	8,890,000	0.495-2.429%	August 1, 1933	8,285,000	-	470,000	7,815,000	460,000
173 Public Improvements -173	August 11, 2021	8,055,000	3.00-5.00%	August 15, 1941	7,795,000	-	270,000	7,525,000	285,000
174 Public Improvements - 174	August 10, 2023	5,600,000	4.00-5.00%	August 15, 2043	-	5,600,000	-	5,600,000	195,000
Total General Obligation Debt					59,725,000	5,600,000	6,605,000	58,720,000	5,560,000
Direct Borrowings Debt:									
159a Advance Refunding (159) School Borrowing	August 10, 2016	4,335,000	3.25-5.00%	May 15, 2029	2,635,000	-	380,000	2,255,000	405,000
166 RI Infrastructure Bank -166	April 9, 2016	1,755,000	0.40-2.41%	September 1, 2035	1,270,000	-	85,000	1,185,000	87,000
165 School Improvements - RI Infrastructure Bank - 165	May 15, 2016	4,565,000	2.00-5.00%	May 15, 2036	3,315,000	-	200,000	3,115,000	205,000
167 RI Infrastructure Bank - 167	July 15, 2016	2,240,000	0.986-2.32%	September 1, 2032	1,556,000	-	143,000	1,413,000	145,000
168 School Improvements - RI Infrastructure Bank - 168	July 19, 2017	5,000,000	3.00-5.00%	April 1, 2038	4,140,000	-	195,000	3,945,000	205,000
170 School Borrowing - 170	April 11, 2019	11,335,000	4.00-5.00%	May 15, 2040	10,250,000	-	400,000	9,850,000	420,000
Total Direct Borrowings Debt					23,166,000	-	1,403,000	21,763,000	1,467,000
Total General Obligation Bonds					82,891,000	5,600,000	8,008,000	80,483,000	7,027,000
Bond Premiums					7,576,270	406,355	712,191	7,270,434	-
Total Bonds, Notes, and Related Liabilities					90,467,270	6,006,355	8,720,191	87,753,434	7,027,000
Lease Liability					6,709,742	91,213	978,806	5,822,149	1,096,802
Subscription Based Technology Liability					913,955	-	281,985	631,970	200,237
Financed Purchase					1,141,069	355,545	938,262	558,352	253,033
Compensated Absences					14,142,639	8,095,765	8,100,335	14,138,069	1,413,807
Deferred Salary					53,235	-	11,265	41,970	4,197
Net Pension Liability:									
Municipal Employees' Retirement System - City of Cranston					5,579,122	-	2,959,624	2,619,498	-
Municipal Employees' Retirement System - Police					7,849,520	56,458	-	7,905,978	-
Employees' Retirement System					124,670,575	-	12,585,263	112,085,312	-
Police and Fire Employees' Retirement System					221,211,683	-	7,225,817	213,985,866	-
Net OPEB Liability - School Department					14,282,907	-	1,271,345	13,011,562	-
Net OPEB Liability - City					46,772,730	-	1,112,197	45,660,533	-
Total General Long-Term Obligations					\$ 533,794,447	\$ 14,605,336	\$ 44,185,090	\$ 504,214,693	\$ 9,995,076

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Summary of Changes (Continued)

Description	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding - July 1, 2023	Additions	Retirements	Balance Outstanding - June 30, 2024	Current Portion
Business-Type Activities									
Enterprise Funds:									
Sewer:									
RI Infrastructure Bank	November 13, 2003	\$ 2,000,000	0.03	September 1, 2024	\$ 200,000	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
RI Infrastructure Bank	December 15, 2005	900,000	0.03	September 1, 2025	180,000	-	60,000	120,000	60,000
RI Infrastructure Bank	December 7, 2007	3,000,000	0.0143	September 1, 2028	900,000	-	150,000	750,000	150,000
RI Infrastructure Bank	June 24, 2010	1,000,000	0.52-3.19%	September 1, 2030	477,000	-	52,000	425,000	54,000
RI Infrastructure Bank	February 20, 2014	18,000,000	0.35-3.14%	September 1, 2034	11,938,000	-	829,000	11,109,000	853,000
Total Sewer					13,695,000	-	1,191,000	12,504,000	1,217,000
Compensated Absences					9,525	1,281	-	10,806	10,806
Total Enterprise Funds					<u>\$ 13,704,525</u>	<u>\$ 1,281</u>	<u>\$ 1,191,000</u>	<u>\$ 12,514,806</u>	<u>\$ 1,227,806</u>

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 postemployment 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Summary of Changes (Continued)

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
2025	\$ 5,560,000	\$ 2,401,212	\$ 1,467,000	\$ 921,979	\$ 1,217,000	\$ 489,157
2026	5,700,000	2,064,028	1,531,000	858,621	1,146,000	466,053
2027	4,135,000	1,867,676	1,590,000	790,698	1,114,000	440,613
2028	4,210,000	1,706,833	1,670,000	719,732	1,146,000	413,026
2029	4,285,000	1,550,130	1,735,000	649,304	1,180,000	383,292
2030-2034	16,920,000	5,631,263	6,926,000	2,311,803	5,386,533	1,418,775
2035-2039	13,445,000	2,366,625	5,964,000	836,756	1,314,467	492,903
2040-2044	4,465,000	289,000	880,000	42,000	-	-
Total	<u>\$ 58,720,000</u>	<u>\$ 17,876,767</u>	<u>\$ 21,763,000</u>	<u>\$ 7,130,893</u>	<u>\$ 12,504,000</u>	<u>\$ 4,103,819</u>

Compensated Absences

Governmental Activities – The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating \$14,138,069 as of June 30, 2024. This amount is recorded in the government-wide statements and paid out of the General Fund.

Lease Payable and Commitment

The City is obligated under various lessee agreements to make annual lease payments. Lease and interest expense recognized in fiscal year 2024 was \$1,015,261 and \$381,642, respectively.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 1,096,802	\$ 306,919
2026	855,572	243,553
2027	900,340	193,393
2028	943,450	140,840
2029	988,479	85,527
2030-2034	1,037,506	27,494
Total	<u>\$ 5,822,149</u>	<u>\$ 997,726</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Subscription-Based Information Technology Arrangement

The School has entered into subscription-based information technology arrangements (SBITAs) for general ledger and student transportation management software. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

As of June 30, 2024, SBITA assets and the related accumulated amortization totaled \$1,020,723 and \$339,266, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 200,237	\$ 25,531
2026	210,482	15,286
2027	221,251	4,518
Total	<u>\$ 631,970</u>	<u>\$ 45,335</u>

Financed Purchases

The City has entered into a financed purchase agreement for financing the acquisition of vehicles. The agreement qualifies as a financed purchase for accounting purposes, and therefore has been recorded at the present value of future minimum payments as of the inception date. The asset acquired through the financed purchases is as follows:

	<u>Governmental Activities</u>
Vehicles	\$ 1,265,975
Less: Accumulated Depreciation	(792,563)
Total	<u>\$ 473,412</u>

The future minimum payments and net present value of the minimum payments as of June 30, 2024 were as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>
2025	\$ 278,198
2026	126,398
2027	126,398
2028	82,106
Subtotal	613,100
Less: amount for Interest	(54,748)
Present Value of Minimum Payments	<u>\$ 558,352</u>

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Statutory Debt Limitations

Debt Limit

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the City subject to the 3% debt limit. The current 3% debt limit of the City is \$285 million based on taxable property as of December 31, 2022, of approximately \$9.5 billion.

The State of Rhode Island General Assembly (General Assembly) may by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 2024, the City had \$80,483,000 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.

Authorized/Unissued Bonds

The amount of authorized, unissued bonds is as follows:

General	\$ 46,834,655
Schools	86,638,810
Total	<u>\$ 133,473,465</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

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, 2024, there were 37 teachers eligible for the benefit, with an outstanding balance of \$41,970.

F. Fund Balance

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

At June 30, 2024, Nonspendable Fund Balance consisted of the following:

Nonspendable:

General Fund:

Advance Deposits - Hospitalization	\$ 207,000
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School Unrestricted Fund:

School Department Long-Term-Receiveable from Health Insurance Fund	224,916
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Nonmajor Funds:

Prepaid Assets	42,108
Total Nonspendable Fund Balance	<u><u>\$ 474,024</u></u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

F. Fund Balance (Continued)

At June 30, 2024, Restricted Fund Balance consisted of the following:

Restricted:

General Fund:

To Fund Future Library Expenses	\$ 203,046
To Fund Future Fire Expenses	<u>97,608</u>
Total General Fund	300,654

School Unrestricted Fund:

To Fund Education Expenses	10,994,102
To Fund Future Health Insurance Costs	<u>(5,784,461)</u>
Total School Unrestricted Fund	5,209,641

Nonmajor Funds:

To Fund Recreation Bond Expenditures	5,607,166
To Fund Student Activities	862,051
To Fund Student Athletics	190,915
To Fund Charter School	836,453
To Fund Highway Bond	1,239,594
To Fund Public Building Bond	273,854
To Fund Library Expenses	36,831
To Fund Police and Fire Capital Projects	680,458
To Fund Storm Drain Projects	250,522
To Fund Neighborhood Infrastructure Capital Projects	77,285
To Fund Open Space	39,627
To Fund Future Community Development Expenditures	1,931,047
To Fund Future Public Service Expenditures	2,952,077
To Fund CDBG	749,629
To Fund Future Parks and Recreation Expenditures	1,890
To Fund Future Capital Facilities Impact Expenditures	466,172
To Fund Future Cemetery Trust Expenditures	227
To Fund Future Historical Record Expenditures	<u>411,758</u>
Total Nonmajor Funds	<u>16,607,556</u>

Total Restricted Fund Balance	<u><u>\$ 22,117,851</u></u>
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CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

F. Fund Balance (Continued)

At June 30, 2024, Committed Fund Balance consisted of the following:

Committed:

General Fund:

Capital and One-Time Expenditures	\$ 1,500,989
Self-Insurance Healthcare Reserve Fund	4,865
Senior Center	126,933

School Unrestricted Fund:

Encumbrances for Education Supplies	64,209
Total Committed Fund Balance	<u>\$ 1,696,996</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.

NOTE 4 OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The City is self-insured in most areas of risk, subject to certain third party "stop loss" coinsurance. Self-insured risks include 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The City of Cranston contributes to a separate account an amount per covered employee which would otherwise have been paid to an insurance carrier. These amounts are determined by an independent third-party consultant hired by the City of Cranston who works with the provider to examine past experience and determine an adequate amount for each type of plan offered by the City. Factors considered by the plan administrator include the amount of claims paid during the previous year, claims administration costs and projected insurance industry inflation rates. The City of Cranston, including Cranston Public Schools, incurred approximately \$46 million for fiscal year 2024 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

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

	2024	2023
July 1	\$ 1,323,541	\$ 1,328,537
Add: Incurred Claims	36,167,050	39,412,706
Less: Payments of Claims Attributable to Events of Both the Current and Prior Fiscal Years:		
Health and Life	36,065,835	39,417,702
Year Ended June 30	<u>\$ 1,424,756</u>	<u>\$ 1,323,541</u>

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years. The liability at June 30, 2024, has been recorded on the statement of net position under the claims payable line, within the government-wide statements \$1,424,756.

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

B. Lease of Wastewater Treatment Facility

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Lease of Wastewater Treatment Facility (Continued)

At June 30, 2024, the balance of unearned revenue related to this was approximately \$1,699,000.

During the term of the agreement, the City pays the Company a service fee, which is calculated based on definitive components and amounts, as adjusted in accordance with guidelines established in the agreement. The service fee is generally fixed at the beginning of each fiscal year. During 2024, the City paid service fees totaling approximately \$12 million. The City also recognized 4% of the lease payment (\$1,900,000) as revenue for the year ended June 30, 2024.

C. Commitments and Litigation

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

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System

Summary

The City contributes to five defined benefit pension plans – the Police and Fire Employees' Pension Plan of the City of Cranston (PFERS), a single-employer plan; the Municipal Employees' Retirement System (MERS), an agent multiple-employer plan; the Employees' Retirement System of the State of Rhode Island (ERS), a cost-sharing multiple employer plan; the Teacher's Survivor Benefits of the State of Rhode Island (TSB), a cost-sharing multi-employer plan; the National (Industrial) Pension Plan, a cost-sharing multi-employer defined benefit plan; and the New England Teamsters & Trucking Industry Pension Plan, a cost-sharing multiple-employer plan. The PFERS is presented in the accompanying financial statements as a fiduciary fund. MERS, ERS, TSB, the National Industrial Pension Plan and the New England Teamsters & Trucking Industry Pension Plan are not included in the City's financial 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, 2024, 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, 2024	\$ 213,985,866	\$ -	\$ (130,215)	\$ 17,978,094
Municipal Employees' Retirement System - City of Cranston	June 30, 2023	2,619,498	2,797,687	(2,882,534)	(619,254)
Municipal Employees' Retirement System - Police	June 30, 2023	7,905,978	7,393,205	(2,683,842)	1,853,140
Municipal Employees' Retirement System - Fire	June 30, 2023	(5,744,773)	4,629,751	(3,123,576)	379,148
Employees' Retirement System	June 30, 2023	112,085,312	18,846,287	(11,936,063)	8,358,453
Teacher Survivor Benefits	June 30, 2023	(33,121,537)	1,048,394	(5,891,513)	(3,092,715)
Total		<u>\$ 297,730,344</u>	<u>\$ 34,715,324</u>	<u>\$ (26,647,743)</u>	<u>\$ 24,856,866</u>

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

Plan Administration

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

PFERS' financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contract requirements and investment income is recognized when earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the plan. As of June 30, 2024, there are no separate financial statements available for the PFERS plan.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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, 2024, the plans' membership consists of:

Retirees, Disability Retirees, and	
Beneficiaries Receiving Benefits	390
Active Plan Members Vested	<u>6</u>
Total	<u><u>396</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.

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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, 2024, the City contributed \$21,693,077 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, 2024, (the date of the most recent actuarial valuation) was as follows:

Total Pension Liability	\$ 291,814,833
Plan Fiduciary Net Position	<u>77,828,967</u>
Net Pension Liability (NPL)	<u><u>\$ 213,985,866</u></u>

Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	26.67 %
Covered Payroll (Active Plan Members)	\$ 828,852
NPL as a Percentage of Covered Payroll	25,817.14 %

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)
D. Employee Retirement System (Continued)

Police and Fire Employees' Pension Plan of the City of Cranston (PFERS) (Continued)
Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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, 2024, total pension liability was determined by rolling back the July 1, 2024, valuation results, using the following actuarial assumptions, applied to all periods included in the measurement:

Census data was collected as of July 1, 2024. Liabilities measured as of the census date were projected to June 30, 2024, assuming no demographic gains or losses.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return and by adding expected inflation. Best estimates of rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table (note that the rates shown below include the inflation component):

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity (Large Cap)	11.13 %	35.00 %
Domestic Equity (Mid Cap)	13.16	5.00
Domestic Equity (Small Cap)	13.22	5.00
International Equity	9.86	15.00
Fixed Income	4.16	35.00
Real Estate	8.35	5.00
Total		<u>100.00 %</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.7%. 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). 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 based on the S&P Municipal Bond 20 Year High Grade Rate Index, was used in the development of the blended GASB discount rate. The resulting blended rate of 7.90% was used to measure the Plan's total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - July 1, 2023	\$ 293,745,327	\$ 72,533,644	\$ 221,211,683
Changes for the Year:			
Service Cost	232,851	-	232,851
Interest on the Total Pension Liability	22,252,069	-	22,252,069
Differences Between Expected and Actual Experience	674,286	-	674,286
Changes in Assumptions	-	-	-
Employer Contributions	-	21,693,077	(21,693,077)
Employee Contributions	-	85,151	(85,151)
Net Investment Income	-	8,685,545	(8,685,545)
Benefit Payments, Including Employee Refunds	(25,089,700)	(25,089,700)	-
Administrative Expense	-	(78,750)	78,750
Other Changes	-	-	-
Net Changes	(1,930,494)	5,295,323	(7,225,817)
Balances - June 30, 2024	<u>\$ 291,814,833</u>	<u>\$ 77,828,967</u>	<u>\$ 213,985,866</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	<u>\$ 240,444,364</u>	<u>\$ 213,985,866</u>	<u>\$ 191,228,543</u>

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

For the year ended June 30, 2024, the employer recognized pension expense of \$17,978,094. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Differences Between Expected and Actual Earnings	<u>\$ -</u>	<u>\$ (130,215)</u>
	<u>Net Deferred Outflows (Inflows) of Resources</u>	
<u>Year Ending June 30,</u>		
2025	\$ (440,963)	
2026	1,913,622	
2027	(985,522)	
2028	(617,352)	
Total	<u>\$ (130,215)</u>	

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Plan Description

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

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

Benefits Provided

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

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefits Provided (Continued)

Final Compensation – Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable Final Average Compensation (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. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Monthly benefits are based on one-twelfth of this amount.

General Employees

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

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

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

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

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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefits Provided (Continued)

General Employees (Continued)

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

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

Police and Fire Employees

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

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

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefits Provided (Continued)

Police and Fire Employees (Continued)

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

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

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

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

Other Benefit Provisions

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

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefits Provided (Continued)

Other Benefit Provisions (Continued)

Postretirement 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
- 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 \$27,608 for 2021, \$27,907 for 2022, and \$28,878 for 2023.

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefits Provided (Continued)

Special Provisions Applying to Specific Units

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

Cranston Fire Department hired after July 1, 1995, or with Less than 5 Years of Service at that Date – Rhode Island General Law § 45-21.2-5 (7) and § 45-21.2-14 9 (e).

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

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, 2023, valuation date, the following employees were covered by the benefit terms:

	Municipal	Police	Fire
Inactive, Nonretired Members	375	16	2
Retirees and Beneficiaries	641	36	50
Active Members	572	142	185
Total	<u>1,588</u>	<u>194</u>	<u>237</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The City of Cranston contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City of Cranston contributed \$2,456,061 to general MERS, \$2,117,824 to police, and \$1,376,109 to fire in the year ended June 30, 2024, which was 11.2% of annual covered payroll.

Net Pension Liability (Asset)

The total pension liability was determined by actuarial valuations performed as of June 30, 2022, and rolled forward to June 30, 2023, 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 - 3.25% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5%
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	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 calculation of the total pension liability at June 30, 2023 measurement date were based on June 30, 2022 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Net Pension Liability (Asset) (Continued)

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 42 sources. The June 30, 2023, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Energy	12.50	10.30
Non-Core RE	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
CLO's	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Net Pension Liability (Asset) (Continued)

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Volatility Protection:		
IG Fixed Income	3.25 %	2.46 %
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	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 of the plans 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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Changes in the Net Pension Liability (Asset)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - July 1, 2023	\$ 164,391,356	\$ 158,812,234	\$ 5,579,122
Changes for the Year:			
Service Cost	2,169,340	-	2,169,340
Interest on the Total Pension Liability	11,206,483	-	11,206,483
Differences Between Expected and Actual Experience	480,324	-	480,324
Changes in Assumptions	(433,507)	-	(433,507)
Employer Contributions	-	2,836,907	(2,836,907)
Employee Contributions	-	700,588	(700,588)
Net Investment Income	-	13,044,345	(13,044,345)
Benefit Payments, Including Employee Refunds	(10,766,813)	(10,766,813)	-
Administrative Expense	-	(140,403)	140,403
Other Changes	-	(59,173)	59,173
Net Changes	2,655,827	5,615,451	(2,959,624)
Balances - June 30, 2024	\$ 167,047,183	\$ 164,427,685	\$ 2,619,498

Municipal Employee's Retirement System - Police			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - July 1, 2023	\$ 74,886,018	\$ 67,036,498	\$ 7,849,520
Changes for the Year:			
Service Cost	2,891,883	-	2,891,883
Interest on the Total Pension Liability	5,274,000	-	5,274,000
Differences Between Expected and Actual Experience	1,957,204	-	1,957,204
Changes in Assumptions	(242,613)	-	(242,613)
Employer Contributions	-	2,439,269	(2,439,269)
Employee Contributions	-	1,512,458	(1,512,458)
Net Investment Income	-	5,940,858	(5,940,858)
Benefit Payments, Including Employee Refunds	(1,978,206)	(1,978,206)	-
Administrative Expense	-	(63,945)	63,945
Other Changes	-	(4,624)	4,624
Net Changes	7,902,268	7,845,810	56,458
Balances - June 30, 2024	\$ 82,788,286	\$ 74,882,308	\$ 7,905,978

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Changes in the Net Pension Liability (Asset) (Continued)

Municipal Employee's Retirement System - Fire			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances - July 1, 2023	\$ 97,179,224	\$ 103,007,404	\$ (5,828,180)
Changes for the Year:			
Service Cost	3,657,142	-	3,657,142
Interest on the Total Pension Liability	6,825,688	-	6,825,688
Differences Between Expected and Actual Experience	2,197,922	-	2,197,922
Changes in Assumptions	(166,833)	-	(166,833)
Employer Contributions	-	1,734,745	(1,734,745)
Employee Contributions	-	1,870,627	(1,870,627)
Net Investment Income	-	8,920,554	(8,920,554)
Benefit Payments, Including Employee Refunds	(2,995,925)	(2,995,925)	-
Administrative Expense	-	(96,017)	96,017
Other Changes	-	603	(603)
Net Changes	<u>9,517,994</u>	<u>9,434,587</u>	<u>83,407</u>
Balances - June 30, 2024	<u>\$ 106,697,218</u>	<u>\$ 112,441,991</u>	<u>\$ (5,744,773)</u>

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employees	\$ 18,671,644	\$ 2,619,498	\$ (11,965,238)
Police	15,541,885	7,905,978	970,304
Fire	4,139,751	(5,744,773)	(14,723,091)

Pension Plan Fiduciary Net Position

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

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

For the year ended June 30, 2024, the employer recognized pension expense of \$1,613,034. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Police	Fire	Total
Deferred Outflow of Resources:				
Difference in Experience	\$ 341,626	\$ 4,009,428	\$ 2,396,885	\$ 6,747,939
Difference in Assumptions	-	1,265,953	856,757	2,122,710
Contributions Subsequent to the Measurement Date	2,456,061	2,117,824	1,376,109	5,949,994
Total Deferred Outflow of Resources	<u>\$ 2,797,687</u>	<u>\$ 7,393,205</u>	<u>\$ 4,629,751</u>	<u>\$ 14,820,643</u>
Deferred Inflow of Resources:				
Difference in Experience	\$ (503,296)	\$ (1,391,426)	\$ (1,412,268)	\$ (3,306,990)
Difference in Assumptions	(308,328)	(269,616)	(217,173)	(795,117)
Net Deficit Investment Returns	(2,070,910)	(1,022,800)	(1,494,135)	(4,587,845)
Total Deferred Inflow of Resources	<u>\$ (2,882,534)</u>	<u>\$ (2,683,842)</u>	<u>\$ (3,123,576)</u>	<u>\$ (8,689,952)</u>

\$5,949,994 reported as deferred outflows of resources related to pensions resulting from the (name of employer unit) contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

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

<u>Year Ending June 30,</u>	Municipal	Police	Fire	Total
2025	\$ (2,114,891)	\$ (126,692)	\$ (1,140,513)	\$ (3,382,096)
2026	(2,782,700)	(373,109)	(1,436,758)	(4,592,567)
2027	2,794,183	1,788,299	1,964,926	6,547,408
2028	(437,500)	408,966	(197,038)	(225,572)
2029	-	191,069	223,465	414,534
Thereafter	-	703,006	715,984	1,418,990
Total	<u>\$ (2,540,908)</u>	<u>\$ 2,591,539</u>	<u>\$ 130,066</u>	<u>\$ 180,697</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

General Employee (Noncertified) 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 \$1,022,792 for the fiscal year ended June 30, 2024.

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

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

Plan Description

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Plan Description (Continued)

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%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. 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 five years of service as of July 1, 2012. Members are vested after five 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 to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Benefit Provisions (Continued)

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 2024, Cranston School District teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The state and the Cranston School District are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Cranston School Department; the rates were 11.13% and 15.03% of annual covered payroll for the fiscal year ended June 30, 2024, for the State and Cranston School Department, respectively. The School Department contributed \$14,669,245, \$14,542,700, and \$13,700,256 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2024 was \$9,913,409 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

The Cranston School District reported a liability of \$112,085,312 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	\$ 112,085,312
State's Proportionate Share of the Net Pension	
Liability Associated with the Cranston District	<u>82,182,617</u>
Total Net Pension Liability	<u>\$ 194,267,929</u>

The net pension liability was measured as of June 30, 2023, 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, 2022, rolled forward to June 30, 2023. The Cranston School District proportion of the net pension liability was based on a projection of the Cranston School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2023, the Cranston School District's proportion was 4.62%.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources (Continued)

For the year ended June 30, 2024, the Cranston School District recognized gross pension expense of \$15,335,071 and revenue of \$6,976,618 for support provided by the state. At June 30, 2024, the Cranston School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:

Contributions Subsequent to the Measurement Date	\$ 14,669,245
Difference Between Expected and Actual Experience	1,299,592
Changes of Assumptions	479,856
Changes In Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	2,397,594
Total	<u>\$ 18,846,287</u>

Deferred Inflows of Resources:

Difference Between Expected and Actual Experience	\$ (2,606,848)
Changes of Assumptions	(4,431,539)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	(3,981,448)
Changes In Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(916,228)
Total	<u>\$ (11,936,063)</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$14,669,245 reported as deferred outflows of resources related to pensions resulting from the Cranston School District contributions in fiscal year 2024 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (3,035,470)
2026	(4,781,956)
2027	2,424,940
2028	(1,450,827)
2029	(643,602)
Thereafter	(272,106)
Total	<u>\$ (7,759,021)</u>

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 calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Actuarial Assumptions (Continued)

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 42 sources. The June 30, 2023, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Energy	12.50	10.30
Non-Core Real Estate	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
CLO's	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Actuarial Assumptions (Continued)

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Volatility Protection:		
IG Corp Credit	3.25 %	2.46 %
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	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%. 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 to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.0% 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%)
Net Pension Liability	\$ 143,726,697	\$ 112,085,312	\$ 83,335,483

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Pension Plan Fiduciary Net Position

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

Defined Contribution Plan Description

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

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

The Cranston School District recognized pension expense of \$2,724,861 for the fiscal year ended June 30, 2024.

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

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

Plan Description

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

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Plan Description (Continued)

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

Eligibility and Plan Benefits

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

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

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

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

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

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Eligibility and Plan Benefits (Continued)

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
<u>150.00 %</u>	<u>175.00 %</u>	<u>75.00 %</u>	<u>150.00 %</u>	<u>175.00 %</u>	<u>100.00 %</u>

Contributions

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

The Cranston School District contributed \$124,570, \$126,324, and \$124,156 for the fiscal years ended June 30, 2024, 2023, and 2022, 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, 2024, the Cranston School District reported an asset of \$33,121,537 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, 2023, 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, 2022, rolled forward to June 30, 2023. The Cranston School District proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2023 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2023, the Cranston School District proportion was 16.47%.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources (Continued)

For the year ended June 30, 2024, the Cranston School District recognized pension expense of \$3,217,161. At June 30, 2024, the Cranston School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:

Contributions Subsequent to the Measurement Date	\$ 124,570
Difference Between Expected and Actual Experience	228,099
Changes in Assumptions	395,102
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	300,623
Total	<u>\$ 1,048,394</u>

Deferred Inflows of Resources:

Difference Between Expected and Actual Experience	\$ (2,844,071)
Changes in Assumptions	(1,772,338)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	(954,641)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(320,463)
Total	<u>\$ (5,891,513)</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$124,570 reported as deferred outflows of resources related to pensions resulting from the Cranston School District contributions in fiscal year 2024 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2023. 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>	<u>Amount</u>
2025	\$ (1,685,554)
2026	(1,976,283)
2027	249,884
2028	(832,701)
2029	(314,285)
Thereafter	(408,750)
Total	<u>\$ (4,967,689)</u>

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 calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Actuarial Assumptions (Continued)

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 42 sources. The June 30, 2023, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Energy	12.50	10.30
Non-Core RE	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
CLO's	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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

Actuarial Assumptions (Continued)

Type of Investment	Target Allocation	Long-Term Expected Real Rate of Return
Volatility Protection:		
IG Fixed Income	3.25 %	2.46 %
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	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.

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%)
Net Pension Liability (Asset)	\$ (29,618,948)	\$ (33,121,537)	\$ (36,303,913)

Pension Plan Fiduciary Net Position

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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 five years of pension credit and have earned at least one of the years of pension credit during the period that their employer is contributing to the pension fund are eligible for benefits through the regular pension that is payable monthly for life. The retirement benefit is determined by the highest contribution rate at which the employee earned pension credit and the years of pension credits they have earned (up to a maximum of 30 years of pension credits). The Plan also provides death and disability benefits. Benefits are established by the Board of Trustees of the Pension Fund. Financial statements for the Plan can be obtained by contacting the Laborers' National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC, 20106.

Funding Policy

Covered employees are not required to contribute to the Plan. For Fiscal Year ended June 30, 2024, the City was required to contribute \$2.50 per hour, and the School Department was required to contribute \$1.32 per hour for each hour worked by the employees to the Plan.

Contributions

Contributions for the past three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contribution</u>
City:			
June 30, 2022	\$ 439,260	\$ 439,260	100 %
June 30, 2023	378,816	378,816	100
June 30, 2024	376,853	376,853	100
School Department:			
June 30, 2022	\$ 190,428	\$ 190,428	100
June 30, 2023	206,307	206,307	100
June 30, 2024	205,967	205,967	100

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Employee Retirement System (Continued)

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, 2024, the City was required to contribute \$2.33 per hour for each hour worked by the employees to the Plan.

Contributions

Contributions for the past three years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contribution</u>
June 30, 2022	\$ 448,328	\$ 448,328	100 %
June 30, 2023	461,691	461,691	100
June 30, 2024	477,233	477,233	100

E. Other Postemployment Benefit (OPEB) Obligations

The City contributes to two defined benefit OPEB plans, the City of Cranston Public Safety OPEB Plan, and the City of Cranston's Cranston Public School OPEB Plan, both which are a single-employer plan. As of and for the year ended June 30, 2024, 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, 2024	\$ 45,660,533	\$ 5,297,007	\$ 129,256	\$ 6,182,551
Cranston Public Schools OPEB Plan	June 30, 2024	13,011,564	5,007,046	5,900,216	1,386,794
Total		<u>\$ 58,672,097</u>	<u>\$ 10,304,053</u>	<u>\$ 6,029,472</u>	<u>\$ 7,569,345</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment 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, 2024, there are no separate financial statements available for the Public Safety Employees OPEB plan.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Valuation of Investments

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

Classes of Employees Covered

As of June 30, 2024, (date of the last actuarial valuation) membership data was as follows:

Active Employees	313
Retirees	332
Total Plan Members	<u>645</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – Public Safety Employees (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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 three years of his/her retirement date.

Investments

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expense was 12.2%. The Money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

The following was the City's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024:

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
Total	<u>100.0 %</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – Public Safety Employees (Continued)

Investments (Continued)

Rate of Return (Continued)

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 3%. Best estimates of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
U.S. Stock	4.3 %
International Stock	6.5
U.S. Bonds	2.4
International Bonds	2.4
Other	3.0
Cash	1.3

Net OPEB Liability

The components of the net OPEB liability of the City of Cranston at June 30, 2024, were as follows:

Total OPEB Liability	\$ 53,332,656
Plan Fiduciary Net Position	<u>7,672,123</u>
City's Net OPEB Liability	<u>\$ 45,660,533</u>
Plan Fiduciary Net Position as Percentage of Total OPEB Liability	14.39 %

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – Public Safety Employees (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment Rate of Return	7.50% per Year, Net of Investment Expense
Healthcare Cost Trend Rates	5% for 2023 and Years Later

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

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actual experience study for the period July 1, 2023, to June 30, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net OPEB Liability	<u>\$ 50,489,469</u>	<u>\$ 45,660,532</u>	<u>\$ 41,353,389</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – Public Safety Employees (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate (Continued)

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 Discount Rate (5.0%)	1% Increase (6.0%)
Net OPEB Liability	<u>\$ 41,578,351</u>	<u>\$ 45,660,532</u>	<u>\$ 50,303,429</u>

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances - July 1, 2023	\$ 54,513,397	\$ 7,740,667	\$ 46,772,730
Changes for the Year:			
Service Cost	1,156,853	-	1,156,853
Interest on Total OPEB Liability	3,943,969	-	3,943,969
Change in Terms	-	-	-
Experience (Gain) Loss	-	-	-
Employer Contributions	-	4,832,559	(4,832,559)
Employee Contributions	-	406,638	(406,638)
Net Investment Income (Loss)	-	997,571	(997,571)
Benefit Payments	(6,281,563)	(6,281,563)	-
Administrative Expenses	-	(23,748)	23,748
Net Changes	<u>(1,180,741)</u>	<u>(68,543)</u>	<u>(1,112,198)</u>
Balances - June 30, 2024	<u>\$ 53,332,656</u>	<u>\$ 7,672,124</u>	<u>\$ 45,660,532</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – Public Safety Employees (Continued)

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$6,182,551. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,297,007	\$ -
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	-	(129,256)
Total	<u>\$ 5,297,007</u>	<u>\$ (129,256)</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>	<u>Amount</u>
2025	\$ 1,969,641
2026	1,575,510
2027	1,206,010
2028	416,590
2029	-
Total	<u>\$ 5,167,751</u>

Other Postemployment 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, 2024, there are no separate, audited GAAP-basis financial statements available for the Board of Education Employees OPEB plan.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – School Department Employees (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Valuation of Investment

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

Classes of Employees Covered

As of June 30, 2024, (date of the last actuarial valuation) membership data was as follows:

Active Employees	1,075
Inactive Employees	-
Retirees	77
Total Plan Members	<u>1,152</u>

Funding Policy

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

**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – School Department Employees (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Funding Policy (Continued)

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 postretirement benefits on a pay-as-you-go basis. Expenditures for the benefits described above for the year ended June 30, 2024, were \$443,162.

Investments

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expense was 12.12%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

The following was the City's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024:

Asset Class	Target Allocation
Equity	60 %
Fixed Income	40
Total	100 %

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – School Department Employees (Continued)

Investments (Continued)

Rate of Return (Continued)

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, 2024, are summarized in the following table:

Asset Class	Long Term Expected Rate of Return
U.S. Equities	5.3 %
International Stock	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

Net OPEB Liability

The following table shows the School Department's annual OPEB liability as of June 30, 2024.

Total OPEB Liability	\$ 14,331,272
Plan Fiduciary Net Position	1,319,708
School Department's Net OPEB Liability	<u>\$ 13,011,564</u>

Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	9 %
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**CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – School Department Employees (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment Rate of Return	4.75% of 2024, Net of Investment Expense
Healthcare Cost Trend Rates	4.5% for 2024 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, 2023, valuation were based on the results of the 2014 ERSRI experience study for general employees.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	<u>\$ 14,029,831</u>	<u>\$ 13,011,564</u>	<u>\$ 12,026,769</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment Benefits (OPEB) – School Department Employees (Continued)

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%)	Current Trend (4.5%)	1% Increase (5.5%)
Net OPEB Liability	<u>\$ 11,470,991</u>	<u>\$ 13,011,564</u>	<u>\$ 14,809,116</u>

Net OPEB Liability

	Total OPEB Liability (a) + (b)	Plan Fiduciary Net Position (c)	Net OPEB Liability (a) + (b) - (c)
Balances - July 1, 2023	\$ 15,463,819	\$ 1,180,912	\$ 14,282,907
Changes for the Year:			
Service Cost	665,739	-	665,739
Interest on Total OPEB Liability	676,581	-	676,581
Change in Assumptions	(454,863)	-	(454,863)
Experience (Gain) Loss	(1,221,347)	-	(1,221,347)
Employer Contributions	-	-	-
Net Investment Income (Loss)	-	585,770	(585,770)
Benefit Payments	(798,657)	(443,162)	(355,495)
Administrative Expenses	-	(3,812)	3,812
Net Changes	<u>(1,132,547)</u>	<u>138,796</u>	<u>(1,271,343)</u>
Balances - June 30, 2024	<u>\$ 14,331,272</u>	<u>\$ 1,319,708</u>	<u>\$ 13,011,564</u>

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Other Postemployment 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, 2024, the City recognized OPEB expense of \$1,386,794. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,071,282	\$ (3,417,371)
Difference in Assumptions	935,764	(2,110,280)
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	-	(372,565)
Total	<u>\$ 5,007,046</u>	<u>\$ (5,900,216)</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>	<u>Amount</u>
2025	\$ 84,638
2026	117,475
2027	(59,036)
2028	(355,118)
2029	(393,482)
Thereafter	(287,647)
Total	<u>\$ (893,170)</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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

Combining Schedule of Fiduciary Net Position

The following schedules present the net position held in trust for pension and OPEB benefits at June 30, 2024 and the changes in net position for the year ended June 30, 2024.

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Assets:				
Cash and Cash Equivalents	\$ 1,001,344	\$ 1,097,560	\$ -	\$ 2,098,904
Investments:				
U.S. Equity Mutual Funds	44,417,707	5,003,823	-	49,421,530
International Equity Mutual Funds	8,178,122	880,664	-	9,058,786
Other Exchange Traded Products	2,331,713	244,815	-	2,576,528
U.S. Government Securities	10,387,680	1,108,019	-	11,495,699
Pooled Domestic Equity Index Funds	-	-	475,095	475,095
Pooled Fixed Income Index Funds	-	-	527,883	527,883
Fixed Income Mutual Funds	11,532,401	1,204,736	-	12,737,137
Pooled Real Estate Index Funds	-	-	79,182	79,182
Pooled International Equity Index Funds	-	-	237,548	237,548
Contribution Receivable	-	-	-	-
Total Assets	77,848,967	9,539,617	1,319,708	88,708,292
Liabilities:				
Accounts Payable	-	120,245	-	120,245
Due to Primary Government	20,000	1,747,248	-	1,767,248
Total Liabilities	20,000	1,867,493	-	1,887,493
Net Position:				
Restricted for:				
Pensions	77,828,967	-	-	77,828,967
Postemployment Benefits Other than Pensions	-	7,672,124	1,319,708	8,991,832
Total Net Position	\$ 77,828,967	\$ 7,672,124	\$ 1,319,708	\$ 86,820,799
	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
Additions:				
Contributions:				
Employer Contributions	\$ 21,693,077	\$ 4,832,559	\$ -	\$ 26,525,636
Plan Member Contributions	85,151	406,638	-	491,789
Total Contributions	21,778,228	5,239,197	-	27,017,425
Investment Income:				
Interest and Dividends	1,485,911	185,104	585,770	2,256,785
Net Appreciation in the Fair Value of Investments	7,197,505	812,467	-	8,009,972
Other	2,129	-	-	2,129
Total Investment Income	8,685,545	997,571	585,770	10,268,886
Total Additions	30,463,773	6,236,768	585,770	37,286,311
Deductions:				
Benefits	25,089,700	6,281,563	443,162	31,814,425
Administrative Expenses	78,750	23,748	3,812	106,310
Total Deductions	25,168,450	6,305,311	446,974	31,920,735
Change in Net Position	5,295,323	(68,543)	138,796	5,365,576
Net Position - Beginning of Year	72,533,644	7,740,667	1,180,912	81,455,223
Net Position - End of Year	\$ 77,828,967	\$ 7,672,124	\$ 1,319,708	\$ 86,820,799

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit (OPEB) Obligations (Continued)

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, 2024, were \$236,589. Total employee contributions made to the plan during June 30, 2024, were \$236,589.

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, 2024, was \$80,276. Total employee contributions made to the plan during the fiscal year ending June 30, 2024, was \$80,276.

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 \$9,913,409.

F. Tax Abatements

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Tax Abatements (Continued)

For the fiscal year ended June 30, 2024, the City of Cranston abated property taxes totaling \$26,903 under this program, including the following tax abatement agreements to new businesses locating in a commercially zoned property or existing businesses that are expanding:

<u>Purpose</u>	<u>Percentage of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Additional Manufacturing Facility for Medical Device Company	24 %	\$ 2,776
Wholesale Distribution Facility for Restaurant Supplies Company	13	14,024
Global Supply Chain and Warehouse (Purchase of Building)	9	10,103

G. Subsequent Events

In August 2024, the City of Cranston issued \$75,000,000 in general obligation bond anticipation notes. The proceeds will be used by the City to refund presently outstanding bond anticipation notes dated August 22, 2023. The bond anticipation notes will be payable on the maturity date August 20, 2025 with an interest rate of 4.50%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGETARY BASIS
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
General Property Taxes	\$ 186,927,485	\$ 186,927,485	\$ 188,234,513	\$ 1,307,028
Intergovernmental	39,639,844	39,639,844	44,413,721	4,773,877
Charges for Services:				
Licenses and Permits	5,532,500	5,532,500	4,137,438	(1,395,062)
Fines and Forfeitures	1,416,000	1,416,000	1,353,620	(62,380)
Departmental	9,260,100	9,260,100	9,042,648	(217,452)
Investment Income	1,995,756	1,995,756	2,688,371	692,615
Education	79,662,490	80,087,490	80,087,490	-
Other	1,283,900	1,283,900	2,485,914	1,202,014
Total Revenues	325,718,075	326,143,075	332,443,715	6,300,640
EXPENDITURES				
Current:				
Executive	683,340	683,340	630,426	52,914
City Council	344,687	344,687	310,548	34,139
Law	642,950	642,950	694,031	(51,081)
Personnel	223,138	223,138	213,912	9,226
City Clerk	1,953,479	1,953,479	1,845,920	107,559
Probate Court	18,839	18,839	19,204	(365)
Municipal Court	368,634	368,634	339,479	29,155
Board of Canvassers	394,362	394,362	493,792	(99,430)
City Planning	532,696	532,696	408,944	123,752
Economic Development	131,662	131,662	118,394	13,268
Inspections	1,222,749	1,222,749	1,195,020	27,729
Finance	6,514,102	6,514,102	6,186,021	328,081
Fire	37,619,710	37,619,710	37,355,552	264,158
Rescue Fund	1,170,000	1,170,000	2,354,043	(1,184,043)
Police	29,384,642	29,384,642	29,885,116	(500,474)
Long-Term Debt	26,036,115	26,036,115	26,036,115	-
Public Works	18,472,773	18,472,773	18,936,183	(463,410)
Parks and Recreation	3,081,064	3,081,064	3,099,116	(18,052)
Public Libraries	4,026,055	4,026,055	4,026,055	-
Senior Services	2,559,990	2,559,990	2,367,924	192,066
Municipal Debt	11,376,277	11,376,277	11,410,912	(34,635)
Education	178,742,952	179,167,952	179,167,989	(37)
Community Grants	180,000	180,000	127,500	52,500
Boards and Commissions	33,089	33,089	23,572	9,517
Harbor Master	4,770	4,770	4,768	2
Total Expenditures	325,718,075	326,143,075	327,250,536	(1,107,461)
EXCESS OF BUDGETED REVENUES OVER				
EXPENDITURES	-	-	5,193,179	5,193,179
OTHER FINANCING USES				
Transfers out	-	-	(4,487,000)	(4,487,000)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 706,179</u>	<u>\$ 706,179</u>

See accompanying Note to Required Supplementary Information.

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE BUDGETARY BASIS
BUDGET AND ACTUAL
SPECIAL REVENUE FUND – SCHOOL UNRESTRICTED
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
State Aid	\$ 71,186,671	\$ 73,120,957	\$ 73,120,957	\$ -
Federal through State	1,950,000	2,275,000	2,870,859	595,859
Tuition	1,550,000	1,650,000	1,879,276	229,276
Miscellaneous	525,000	525,000	253,195	(271,805)
Use of Fund Balance	2,915,892	2,516,533	2,516,533	-
Total Revenues	78,127,563	80,087,490	80,640,820	553,330
EXPENDITURES				
Salaries	112,236,475	109,613,792	110,737,667	(1,123,875)
Employee Benefits	42,905,347	42,632,137	40,752,493	1,879,644
Purchased Services	20,716,829	20,361,298	21,584,372	(1,223,074)
Supplies and Materials	4,605,760	4,607,393	5,271,398	(664,005)
Capital Outlay	1,752,687	1,843,887	1,473,397	370,490
Other	(1,637,181)	109,445	109,249	196
Total Expenditures	180,579,917	179,167,952	179,928,576	(760,624)
DEFICIENCY OF REVENUES UNDER EXPENSES	(102,452,354)	(99,080,462)	(99,287,756)	(207,294)
OTHER FINANCING SOURCES				
Transfers In - City of Cranston	102,452,354	99,080,462	99,080,462	-
Transfers in from Other Funds	-	-	423,138	423,138
Total Other Financing Sources	102,452,354	99,080,462	99,503,600	423,138
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,844</u>	<u>\$ 215,844</u>

See accompanying Note to Required Supplementary Information.

CITY OF CRANSTON, RHODE ISLAND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 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 and Other Financing Sources	Expenditures and Other Financing Uses	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance, Budgetary Basis - June 30, 2024	\$ 332,443,715	\$ 327,250,536	\$ 180,144,420	\$ 179,928,576
Revenues/Expenditures Accounted for on the Budgetary Basis Associated with Education Funds	(80,087,490)	(75,691,703)	-	-
GASB 87 adjustment, not budgeted	31,554	79,886	355,545	355,517
Encumbrances Outstanding at June 30, 2024, Charged to Budgetary Expenditures	-	-	-	(64,209)
Encumbrances Outstanding at June 30, 2023, Liquidated During the Year Ended June 30, 2024	-	-	-	17,554
Transfers to the School Department Included in the City's General Fund Budget	-	-	-	-
Expenditures in the School Department Capital Reserve Fund - Not Budgeted in General Fund	-	-	443,998	-
Current Year Activity for Funds that Do Not Meet the GASB 54 Definition for a Special Revenue Fund	1,016,263	98,483	-	-
Use of Fund Balance, not a revenue source	-	-	(2,516,533)	-
Transportation on-behalf contribution	-	-	634,759	634,759
State Teachers' Retirement On-Behalf Payment	-	-	10,548,168	10,548,168
Balance, GAAP Basis - June 30, 2024	<u>\$ 253,404,042</u>	<u>\$ 251,737,202</u>	<u>\$ 189,610,357</u>	<u>\$ 191,420,365</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 232,851	\$ 225,842	\$ 240,288	\$ 288,030	\$ 279,641	\$ 434,021	\$ 517,492	\$ 561,127	\$ 550,317	\$ 696,010
Interest on the Total Pension Liability	22,252,069	21,594,365	22,644,814	22,489,492	23,281,092	22,902,534	23,006,008	23,599,906	23,368,984	22,826,090
Changes of Benefit Terms										
Difference Between Expected and Actual Experience of the Total Pension Liability	674,286	11,566,769	(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	(25,089,700)	(25,048,317)	(25,182,095)	(25,182,095)	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)
Net Change in Total Pension Liability	(1,930,494)	8,338,659	(13,347,992)	2,013,837	(9,965,118)	4,977,499	(901,569)	(7,218,036)	(3,879,366)	(11,209,857)
Total Pension Liability - Beginning	293,745,327	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
Total Pension Liability - Ending (a)	291,814,833	293,745,327	285,406,668	298,754,660	296,740,823	306,705,941	301,728,442	302,630,011	309,848,047	313,727,413
Plan Fiduciary Net Position:										
Contributions - Employer	21,693,077	20,834,416	21,532,473	21,457,077	21,463,003	21,569,803	22,568,319	21,403,849	21,316,456	21,994,344
Contributions - Employee	85,151	79,639	98,659	101,122	144,191	201,448	240,058	279,548	257,734	336,937
Net Investment Income (Loss)	8,685,545	7,173,848	(8,205,152)	17,009,093	1,110,760	4,016,741	5,322,330	5,803,466	(2,072,781)	2,983,286
Benefit Payments, Including Refunds of Employee Contributions	(25,089,700)	(25,048,317)	(25,182,095)	(25,182,095)	(25,052,576)	(24,988,877)	(24,326,796)	(23,804,824)	(24,053,360)	(24,067,694)
Pension Plan Administrative Expense	(78,750)	(78,750)	(78,750)	(69,750)	(142,889)	(73,636)	(293,500)	(65,569)	(598,630)	(451,177)
Other	-	-	-	-	-	-	-	1	-	429,963
Net Change in Plan Fiduciary Net Position	5,295,323	2,960,836	(11,834,865)	13,315,447	(2,477,511)	725,479	3,510,411	3,616,471	(5,150,581)	1,225,659
Plan Fiduciary Net Position - Beginning	72,533,644	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
Plan Fiduciary Net Position - Ending (b)	77,828,967	72,533,644	69,572,808	81,407,673	68,092,226	70,569,737	69,844,258	66,333,847	62,717,376	67,867,957
Net Pension Liability - Ending (a) - (b)	<u>\$ 213,985,866</u>	<u>\$ 221,211,683</u>	<u>\$ 215,833,860</u>	<u>\$ 217,346,987</u>	<u>\$ 228,648,597</u>	<u>\$ 236,136,204</u>	<u>\$ 231,884,184</u>	<u>\$ 236,296,164</u>	<u>\$ 247,130,671</u>	<u>\$ 245,859,456</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.67 %	24.69 %	24.38 %	27.25 %	22.95 %	23.01 %	23.15 %	21.92 %	20.24 %	21.63 %
Covered Payroll	\$ 828,852	\$ 1,031,143	\$ 1,000,797	\$ 1,065,712	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734
Net Pension Liability as a Percentage of Covered Payroll	25,817.14 %	21,453.06 %	21,566.20 %	20,394.53 %	18,059.77 %	11,552.75 %	9,649.52 %	8,760.23 %	9,276.77 %	8,360.48 %

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 2,169,340	\$ 2,192,897	\$ 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	11,206,483	11,059,406	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	480,324	(657,802)	(809,725)	(1,001,401)	(374,386)	(494,724)	468,058	(1,706,718)	-	-
Changes of Assumptions	(433,507)	-	-	(1,901,901)	-	-	7,489,555	-	(2,865,321)	233,636
Benefit Payments, Including Refunds of Employee Contributions	(10,766,813)	(10,196,432)	(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	2,655,827	2,398,069	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	164,391,356	161,993,287	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)	167,047,183	164,391,356	161,993,287	159,767,138	159,284,779	156,257,987	152,978,001	141,597,445	139,759,544	136,010,293
Plan Fiduciary Net Position:										
Contributions - Employer	2,836,907	2,672,435	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	700,588	714,318	717,805	777,209	787,306	812,598	836,339	847,508	488,592	478,002
Net Investment Income	13,044,345	(4,446,914)	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	(10,766,813)	(10,196,432)	(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	(140,403)	(151,595)	(140,476)	(141,173)	(138,533)	(139,150)	(136,055)	(193,515)	(124,435)	(112,827)
Other	(59,173)	(240,675)	184,877	(10,222)	(13,385)	(57,545)	254,209	28,596	176,372	7,388
Net Change in Plan Fiduciary Net Position	5,615,451	(11,648,863)	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	158,812,234	170,461,097	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)	164,427,685	158,812,234	170,461,097	140,347,795	141,883,807	139,688,091	135,607,447	127,196,632	133,128,907	135,280,321
Net Pension Asset - Ending (a) - (b)	\$ 2,619,498	\$ 5,579,122	\$ (8,467,810)	\$ 19,419,343	\$ 17,400,972	\$ 16,569,896	\$ 17,370,554	\$ 14,400,813	\$ 6,630,637	\$ 729,972
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.43%	96.61%	105.23%	87.85%	89.08%	89.40%	88.65%	89.83%	95.26%	99.46%
Covered Payroll	\$ 25,672,665	\$ 24,976,050	\$ 23,988,407	\$ 25,403,609	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205	\$ 23,528,405
Net Pension Asset as a Percentage of Covered Payroll	10.20%	22.34%	-35.30%	76.44%	70.06%	67.09%	71.60%	59.44%	27.43%	3.10%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 2,891,883	\$ 2,496,057	\$ 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	5,274,000	4,880,830	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	1,957,204	(108,562)	1,553,128	(1,413,525)	(392,714)	(648,949)	3,152,114	(61,897)	-	-
Changes of Assumptions	(242,613)	-	-	589,857	-	-	2,582,739	-	386,791	(648,637)
Benefit Payments, Including Refunds of Employee Contributions	(1,978,206)	(1,720,848)	(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	7,902,268	5,547,477	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	74,886,018	69,338,541	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)	82,788,286	74,886,018	69,338,541	62,325,000	57,830,539	53,367,676	49,431,890	39,612,715	35,996,105	29,987,413
Plan Fiduciary Net Position:										
Contributions - Employer	2,439,269	2,057,555	1,982,333	1,842,074	1,439,364	1,199,854	1,040,242	1,109,071	857,531	687,959
Contributions - Employee	1,512,458	1,328,333	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)	5,940,858	(1,877,094)	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	(1,978,206)	(1,720,848)	(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	(63,945)	(63,990)	(55,378)	(51,162)	(46,104)	(42,770)	(38,697)	(31,476)	(30,599)	(25,797)
Other	(4,624)	113,336	-	32,219	(2)	2	(394,850)	(2)	13,001	-
Net Change in Plan Fiduciary Net Position	7,845,810	(162,708)	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	67,036,498	67,199,206	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)	74,882,308	67,036,498	67,199,206	50,862,831	47,218,764	42,934,978	38,569,650	33,709,297	32,577,392	30,930,926
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 7,905,978</u>	<u>\$ 7,849,520</u>	<u>\$ 2,139,335</u>	<u>\$ 11,462,169</u>	<u>\$ 10,611,775</u>	<u>\$ 10,432,698</u>	<u>\$ 10,862,240</u>	<u>\$ 5,903,418</u>	<u>\$ 3,418,713</u>	<u>\$ (943,513)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.45 %	89.52 %	96.91 %	81.61 %	81.65 %	80.45 %	78.03 %	85.10 %	90.50 %	103.15 %
Covered Payroll	\$ 15,061,889	\$ 12,939,640	\$ 12,502,586	\$ 12,191,132	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870	\$ 7,745,546
Net Pension Liability as a Percentage of Covered Payroll	52.49 %	60.66 %	17.11 %	94.02 %	96.65 %	98.69 %	99.91 %	56.25 %	42.62 %	(12.18)%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 3,657,142	\$ 3,272,765	\$ 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	6,825,688	6,307,473	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	2,197,922	280,538	(35,026)	300,156	(1,584,171)	181,502	(928,566)	(2,398,843)	(249,261)	-
Changes of Assumptions	(166,833)	-	-	135,602	-	-	3,052,432	-	-	(649,235)
Benefit Payments, Including Refunds of Employee Contributions	(2,995,925)	(2,303,849)	(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	9,517,994	7,556,927	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	97,179,224	89,622,297	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)	106,697,218	97,179,224	89,622,297	82,355,587	74,971,735	69,620,526	62,747,004	54,736,760	51,467,852	44,990,329
Plan Fiduciary Net Position:										
Contributions - Employer	1,734,745	1,438,506	1,244,667	1,197,397	819,835	792,107	971,858	991,610	1,226,727	1,006,080
Contributions - Employee	1,870,627	1,668,254	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)	8,920,554	(2,884,319)	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	(2,995,925)	(2,303,849)	(1,698,086)	(1,536,674)	(1,071,175)	(720,365)	(753,251)	(583,801)	(482,813)	(444,721)
Pension Plan Administrative Expense	(96,017)	(98,326)	(86,500)	(81,676)	(75,131)	(70,725)	(64,352)	(51,895)	(50,779)	(42,657)
Other	603	223,126	177	170,908	85	138,343	297,336	786	830	727
Net Change in Plan Fiduciary Net Position	9,434,587	(1,956,608)	23,765,574	4,250,283	5,949,816	6,858,180	8,563,250	1,527,176	2,904,325	8,264,954
Plan Fiduciary Net Position - Beginning	103,007,404	104,964,012	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)	112,441,991	103,007,404	104,964,012	81,198,438	76,948,155	70,998,339	64,140,159	55,576,909	54,049,723	51,145,398
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (5,744,773)</u>	<u>\$ (5,828,180)</u>	<u>\$ (15,341,715)</u>	<u>\$ 1,157,149</u>	<u>\$ (1,976,420)</u>	<u>\$ (1,377,813)</u>	<u>\$ (1,393,155)</u>	<u>\$ (840,149)</u>	<u>\$ (2,581,871)</u>	<u>\$ (6,155,069)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.38 %	106.00 %	117.12 %	98.59 %	102.64 %	101.98 %	102.22 %	101.53 %	105.02 %	113.68 %
Covered Payroll	\$ 18,658,886	\$ 16,663,775	\$ 16,018,925	\$ 15,351,310	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323	\$ 11,626,334
Net Pension Asset as a Percentage of Covered Payroll	(30.79)%	(34.98)%	(95.77)%	7.54 %	(13.45)%	(9.81)%	(10.75)%	(6.91)%	(21.97)%	(52.94)%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	4.62 %	4.62 %	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	\$ 112,085,312	\$ 124,670,575	\$ 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	82,182,617	92,202,648	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	<u>\$ 194,267,929</u>	<u>\$ 216,873,223</u>	<u>\$ 189,109,540</u>	<u>\$ 254,827,075</u>	<u>\$ 251,388,607</u>	<u>\$ 249,949,818</u>	<u>\$ 249,552,019</u>	<u>\$ 232,740,196</u>	<u>\$ 209,004,064</u>	<u>\$ 185,394,143</u>
City's Covered Payroll	\$ 93,582,411	\$ 89,919,568	\$ 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	119.77 %	138.65 %	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	- %	- %	- %	- %	54.30 %	54.30 %	54.00 %	54.06 %	57.55 %	61.40 %

Note:

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

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM – TEACHER'S SURVIVOR BENEFIT COST-SHARING PLAN
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Asset	16.47 %	16.42 %	16.67 %	61.59 %	16.43 %	16.44 %	16.59 %	16.33 %	15.92 %	16.15 %
City's Proportionate Share of the Net Pension Asset	<u>\$ (33,121,537)</u>	<u>\$ (28,851,886)</u>	<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	\$ 93,582,411	\$ 89,919,568	\$ 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	0.35 %	0.32 %	0.37 %	0.23 %	0.22 %	0.18 %	0.17 %	0.23 %	0.20 %	0.30 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	190.20 %	177.70 %	185.70 %	153.10 %	150.20 %	137.40 %	136.10 %	153.30 %	146.60 %	173.30 %

Note:

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 21,693,077	\$ 20,834,416	\$ 21,532,473	\$ 21,457,077	\$ 21,463,003	\$ 21,569,803	\$ 22,568,319	\$ 21,403,849	\$ 21,316,456	\$ 21,353,591
Contributions in Relation to the Actuarially Determined Contribution	<u>21,693,077</u>	<u>20,834,416</u>	<u>21,532,473</u>	<u>21,457,077</u>	<u>21,463,003</u>	<u>21,569,803</u>	<u>22,568,319</u>	<u>21,403,849</u>	<u>21,316,456</u>	<u>22,376,110</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,022,519)</u>
Covered Payroll	\$ 828,852	\$ 1,031,143	\$ 1,000,797	\$ 1,065,712	\$ 1,266,066	\$ 2,043,982	\$ 2,403,064	\$ 2,697,374	\$ 2,663,974	\$ 2,940,734
Contributions as a Percentage of Covered Payroll	2,617.24 %	2,020.52 %	2,151.53 %	2,013.40 %	1,695.25 %	1,055.28 %	939.15 %	793.51 %	800.18 %	760.90 %

Notes to Schedule:

Valuation Date: June 30, 2024

Measurement Date: June 30, 2024

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method
Amortization Method

Entry Age Normal

Level Dollar Basis,

Court Approved Plan: Closed 28-Year Period Beginning with the July 1, 2013, Valuation. Opted Out of Court Approved Plan: Closed 23-Year Period

Remaining Amortization Period

Beginning with the July 1, 2013, Valuation

Asset Valuation Method

Market Value of Assets

Inflation

3.00%

Salary Increases

3%

Investment Rate of Return

7.90%

Cost of Living Adjustments

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,456,061	\$ 2,836,907	\$ 2,672,435	\$ 2,516,380	\$ 2,565,916	\$ 2,367,241	\$ 2,161,301	\$ 2,342,837	\$ 2,403,173	\$ 2,479,865
Contributions in Relation to the Actuarially Determined Contribution	<u>2,456,061</u>	<u>2,836,907</u>	<u>2,672,435</u>	<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>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 26,442,845	\$ 25,672,665	\$ 24,976,050	\$ 23,988,407	\$ 25,403,609	\$ 24,838,673	\$ 24,696,262	\$ 24,260,270	\$ 24,225,987	\$ 24,170,205
Contributions as a Percentage of Covered Payroll	0.09 %	0.11 %	0.11 %	0.10 %	0.10 %	0.10 %	0.09 %	0.10 %	0.10 %	0.10 %

Notes to Schedule:

Valuation Date: June 30, 2022
Measurement Date: June 30, 2023
Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective two years after the actuarial valuation.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	General Employees - 3.50% to 7.50% Police and Fire Employees - 4.00% to 14.00%
Investment Rate of Return	7.50%
Retirement Age	Experience-Based Table of Rates that are Specific to the Type of Eligibility Conditions. Last Updated for 2014 Valuation.
Mortality	Males: 115% of PR-2000 Combined Healthy for Males with White Collar Adjustments, Projected with Scale AA from 2000. 95% of RP-2000 Combined Healthy for Females with White Collar Adjustments, Projected with Scale AA from 2000.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,117,824	\$ 2,439,269	\$ 2,057,555	\$ 1,982,333	\$ 1,842,074	\$ 1,439,364	\$ 1,199,854	\$ 1,040,242	\$ 1,109,071	\$ 857,531
Contributions in Relation to the Actuarially Determined Contribution	<u>2,117,824</u>	<u>2,439,269</u>	<u>2,057,555</u>	<u>1,982,333</u>	<u>1,842,074</u>	<u>1,439,364</u>	<u>1,199,854</u>	<u>1,040,242</u>	<u>1,109,071</u>	<u>857,531</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,513,746	\$ 15,061,889	\$ 12,939,640	\$ 12,502,586	\$ 12,191,132	\$ 10,979,095	\$ 10,571,361	\$ 10,872,555	\$ 10,494,555	\$ 8,021,870
Contributions as a Percentage of Covered Payroll	13.65 %	16.19 %	15.90 %	15.86 %	15.11 %	13.11 %	11.35 %	9.57 %	10.57 %	10.69 %

Notes to Schedule:

Valuation Date: June 30, 2022

Measurement Date: June 30, 2023

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

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	General Employees - 3.50% to 7.50%
	Police and Fire Employees - 4.00% to 14.00%

Investment Rate of Return

7.50%

Retirement Age

Experience-Based Table of Rates that are Specific to the Type of Eligibility Conditions. Last Updated for 2014 Valuation.

Mortality

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,376,109	\$ 1,734,745	\$ 1,438,506	\$ 1,244,667	\$ 1,197,397	\$ 819,835	\$ 792,107	\$ 971,858	\$ 991,610	\$ 1,226,727
Contributions in Relation to the Actuarially Determined Contribution	<u>1,376,109</u>	<u>1,734,745</u>	<u>1,438,506</u>	<u>1,244,667</u>	<u>1,197,397</u>	<u>819,835</u>	<u>792,107</u>	<u>971,858</u>	<u>991,610</u>	<u>1,226,727</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 19,218,653	\$ 18,658,886	\$ 16,663,775	\$ 16,018,925	\$ 15,351,310	\$ 14,692,524	\$ 14,044,515	\$ 12,959,047	\$ 12,165,930	\$ 11,750,323
Contributions as a Percentage of Covered Payroll	7.16 %	9.30 %	8.63 %	7.77 %	7.80 %	5.58 %	5.64 %	7.50 %	8.15 %	10.44 %

Notes to Schedule:

Valuation Date: June 30, 2022
Measurement Date: June 30, 2023
Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective two years after the actuarial valuation.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period 20 Years
Asset Valuation Method 5-Year Smoothed Market
Inflation 2.75%
Salary Increases General Employees - 3.50% to 7.50%
Police and Fire Employees - 4.00% to 14.00%

Investment Rate of Return 7.50%
Retirement Age Experience-Based Table of Rates that are Specific to the Type of Eligibility Conditions. Last Updated for 2014 Valuation.
Mortality Males: 115% of PR-2000 Combined Healthy for Males with White Collar Adjustments, Projected with Scale AA from 2000.
95% of RP-2000 Combined Healthy for Females with White Collar Adjustments, Projected with Scale AA from 2000.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 14,669,245	\$ 14,542,700	\$ 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	14,669,245	14,542,700	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	\$ 95,921,971	\$ 93,582,411	\$ 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	15.29 %	15.54 %	15.24 %	14.93 %	14.55 %	13.86 %	13.65 %	13.18 %	13.66 %	11.82 %

Notes:

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

Notes to Schedule:

Valuation Date: June 30, 2022
Measurement Date: June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining amortization period	15 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	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 124,569	\$ 126,324	\$ 124,156	\$ 122,736	\$ 123,737	\$ 122,562	\$ 122,309	\$ 104,893	\$ 96,065	\$ 98,373
Contributions In Relation to the Actuarially Determined Contribution	<u>124,569</u>	<u>126,324</u>	<u>124,156</u>	<u>122,736</u>	<u>123,737</u>	<u>122,562</u>	<u>122,309</u>	<u>104,893</u>	<u>96,065</u>	<u>98,373</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 95,921,971	\$ 93,582,411	\$ 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	0.13 %	0.13 %	0.14 %	0.14 %	0.14 %	0.15 %	0.15 %	0.13 %	0.13 %	0.13 %

Notes:

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

Notes to Schedule:

Valuation Date: June 30, 2022
Measurement Date: June 30, 2023

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method Entry Age Normal - The individual Entry Age Actuarial Cost methodology is used.
Inflation 2.50%
Salary Increases 3.0% to 13.0%
Investment Rate of Return 7.00%
Mortality Male Employees, RP-2014 Combined Healthy for Males with White Collar Adjustments, Projected with Scale Ultimate MP16.
 Female Employees, RP-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

Cost of Living Adjustment Eligible survivors receive a yearly cost of living adjustment based on the annual Social Security adjustment - for valuation purposes, a 2.50% cost of living adjustment is assumed.

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
NATIONAL (INDUSTRIAL) PENSION PLAN
LAST TEN FISCAL YEARS**

<u>City</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 376,853	\$ 378,816	\$ 439,260	\$ 427,085	\$ 399,417	\$ 346,921	\$ 333,152	\$ 301,375	\$ 259,382	\$ 238,153
Contributions in Relation to the Actuarially Determined Contribution	<u>376,853</u>	<u>378,816</u>	<u>439,260</u>	<u>427,085</u>	<u>399,417</u>	<u>346,921</u>	<u>333,152</u>	<u>301,375</u>	<u>259,382</u>	<u>238,153</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>School Department</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 205,967	\$ 206,307	\$ 190,428	\$ 181,422	\$ 207,027	\$ 181,422	\$ 207,027	\$ 136,018	\$ 124,272	\$ 115,668
Contributions in Relation to the Actuarially Determined Contribution	<u>205,967</u>	<u>206,307</u>	<u>190,428</u>	<u>181,422</u>	<u>207,027</u>	<u>181,422</u>	<u>207,027</u>	<u>136,018</u>	<u>124,272</u>	<u>115,668</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

Contribution Rates:

City Employer Contributions	\$1.87 per hour
School Employer Contributions	\$0.99 per hour

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
NEW ENGLAND TEAMSTERS & TRUCKING INDUSTRY PLAN
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 439,260	\$ 378,816	\$ 376,853	\$ 364,025	\$ 390,673	\$ 364,025	\$ 342,232	\$ 327,411	\$ 296,407	\$ 276,354
Contributions in Relation to the Actuarially Determined Contribution	<u>439,260</u>	<u>378,816</u>	<u>376,853</u>	<u>364,025</u>	<u>390,673</u>	<u>364,025</u>	<u>342,232</u>	<u>327,411</u>	<u>296,407</u>	<u>276,354</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

Contribution Rates:

City Employer Contributions

\$1.35 per hour

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF CITY INVESTMENT RETURNS
CRANSTON RETIREMENT SYSTEM – POLICE AND FIRE PENSION
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>12.70 %</u>	<u>8.30 %</u>	<u>(14.60)%</u>	<u>18.70 %</u>	<u>1.61 %</u>	<u>5.64 %</u>	<u>9.25 %</u>	<u>(3.35)%</u>	<u>4.00 %</u>	<u>5.76 %</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 1,156,853	\$ 965,781	\$ 924,192	\$ 910,189	\$ 892,711	\$ 954,238	\$ 930,661	\$ 890,585
Interest on the Total OPEB Liability	3,943,969	3,578,402	3,636,797	3,587,362	3,350,222	3,776,605	3,867,250	3,830,040
Change in Terms	-	-	-	-	(556,407)	-	-	-
Change in Assumptions	-	1,383,778	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	7,190,077	-	1,086,712	4,099,493	(5,576,847)	(1,729,986)	-
Benefit Payments	(6,281,563)	(5,760,678)	(4,938,475)	(5,005,273)	(4,605,759)	(4,378,012)	(4,104,990)	(4,467,496)
Net Change in Total OPEB Liability	(1,180,741)	7,357,360	(377,486)	578,990	3,180,260	(5,224,016)	(1,037,065)	253,129
Total OPEB Liability - Beginning	54,513,397	47,156,037	47,533,523	46,954,533	43,774,273	48,998,289	50,035,354	49,782,225
Total OPEB Liability - Ending	<u>\$ 53,332,656</u>	<u>\$ 54,513,397</u>	<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	\$ 4,832,559	\$ 4,832,559	\$ 4,512,526	\$ 2,040,266	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions - Retired Members	406,638	446,345	413,459	438,863	396,346	385,781	368,718	362,505
Net Investment Income	997,571	766,890	(870,677)	1,914,392	242,263	410,584	316,629	174,087
Benefit Payments	(6,281,563)	(5,760,678)	(4,938,475)	(5,106,910)	(4,605,759)	(4,378,012)	(4,104,989)	(4,467,496)
OPEB Plan Administrative Expense	(23,748)	(16,484)	(27,682)	(24,328)	(24,164)	(23,396)	(19,792)	(17,471)
Net Change in Plan Fiduciary Net Position	(68,543)	268,632	(910,849)	(737,717)	497,664	821,678	1,669,406	1,107,341
Plan Fiduciary Net Position - Beginning	7,740,667	7,472,035	8,382,884	9,120,601	8,622,937	7,801,259	6,131,853	5,024,512
Plan Fiduciary Net Position - Ending (B)	<u>7,672,124</u>	<u>7,740,667</u>	<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>\$ 45,660,532</u>	<u>\$ 46,772,730</u>	<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	14.39%	14.20%	15.85%	17.64%	19.42%	19.70%	15.92%	12.26%
Covered Payroll	\$ 25,596,231	\$ 26,949,407	\$ 26,967,333	\$ 26,055,394	\$ 24,369,602	\$ 24,825,724	\$ 24,041,185	\$ 23,228,198
Net OPEB Liability as a Percentage of Covered Payroll	178.39%	173.56%	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
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
CRANSTON PUBLIC SCHOOLS OPEB TRUST FUND
LAST EIGHT FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 665,739	\$ 539,475	\$ 492,771	\$ 758,165	\$ 758,165	\$ 570,694	\$ 546,119	\$ 538,422
Interest on the Total OPEB Liability	676,581	687,379	827,124	436,834	544,115	400,456	380,630	363,147
Changes of Assumptions	(454,863)	741,579	-	4,808,320	930,455	-	-	-
Differences Between Expected and Actual Experience	(1,221,347)	674,076	(3,309,213)	(3,318,952)	(640,086)	3,327,983	172,483	-
Benefit Payments	(798,657)	(764,265)	(938,189)	(945,945)	(750,281)	(662,755)	(542,485)	(357,642)
Net Change in Total OPEB Liability	(1,132,547)	1,878,244	(2,927,507)	1,738,422	842,368	3,636,378	556,747	543,927
Total OPEB Liability - Beginning (a)	15,463,819	13,585,575	16,513,082	14,774,660	13,932,292	10,295,914	9,739,167	9,195,240
Total OPEB Liability - Ending (b)	<u>\$ 14,331,272</u>	<u>\$ 15,463,819</u>	<u>\$ 13,585,575</u>	<u>\$ 16,513,082</u>	<u>\$ 14,774,660</u>	<u>\$ 13,932,292</u>	<u>\$ 10,295,914</u>	<u>\$ 9,739,167</u>
Plan Fiduciary Net Position:								
Contributions - Employer	\$ -	\$ -	\$ 630,971	\$ 1,631,995	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Net Investment Income	585,770	133,645	(258,132)	221,586	38,077	43,177	37,929	49,267
Benefit Payments	(443,162)	(563,433)	(630,971)	(659,695)	(519,171)	(449,828)	(368,198)	(512,786)
OPEB Plan Administrative Expense	(3,812)	(5,226)	-	(2,980)	(1,645)	(1,530)	-	-
Net Change in Plan Fiduciary Net Position	138,796	(435,014)	(258,132)	1,190,906	36,432	41,647	537,929	49,267
Plan Fiduciary Net Position - Beginning	1,180,912	1,615,926	1,874,058	683,152	646,720	605,073	67,144	17,877
Plan Fiduciary Net Position - Ending	<u>1,319,708</u>	<u>1,180,912</u>	<u>1,615,926</u>	<u>1,874,058</u>	<u>683,152</u>	<u>646,720</u>	<u>605,073</u>	<u>67,144</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 13,011,564</u>	<u>\$ 14,282,907</u>	<u>\$ 11,969,649</u>	<u>\$ 14,639,024</u>	<u>\$ 14,091,508</u>	<u>\$ 13,285,572</u>	<u>\$ 9,690,841</u>	<u>\$ 9,672,023</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.21 %	7.64 %	11.89 %	11.35 %	4.62 %	4.64 %	5.88 %	0.69 %
Covered Payroll	\$ 98,804,270	\$ 100,836,786	\$ 90,299,925	\$ 90,387,800	\$ 87,331,208	\$ 86,830,931	\$ 83,894,619	\$ 82,578,112
Net OPEB Liability as a Percentage of Covered Payroll	13.17 %	14.16 %	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
SCHEDULE OF CITY CONTRIBUTIONS
CITY OF CRANSTON PUBLIC SAFETY OPEB TRUST FUND
LAST EIGHT FISCAL YEARS***

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (1)	\$ 4,832,559	\$ 4,832,559	\$ 4,512,526	\$ 2,040,266	\$ 4,488,978	\$ 4,426,721	\$ 5,108,840	\$ 5,055,716
Contributions in Relation to the Actuarially Determined Contribution	4,832,559	4,832,559	4,512,526	2,040,266	4,488,978	4,426,721	5,108,840	5,055,716
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 25,596,231	\$ 26,949,407	\$ 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	18.88 %	17.93 %	16.73 %	7.83 %	18.42 %	17.83 %	21.25 %	21.77 %

(1) Actuarially determined contributions prior to fiscal year ended June 30, 2016, are based on the annual required contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: June 30, 2024
Measurement Date: June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal
Discount Rate 7.50%
Asset Valuation Method Market value of assets
Inflation 3.00%
Investment Rate of Return 7.5% per year, net of investment expenses
Healthcare Trend Rates 5% for 2023 and after

Mortality 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.

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution (1)	\$ 1,193,861	\$ 1,271,485	\$ 630,971	\$ 659,695	\$ 519,171	\$ 449,828	\$ 868,198	\$ 512,786
Contributions in Relation to the Actuarially Determined Contribution	-	-	630,971	1,631,995	519,171	449,828	868,198	512,786
Contribution Deficiency (Excess)	<u>\$ 1,193,861</u>	<u>\$ 1,271,485</u>	<u>\$ -</u>	<u>\$ (972,300)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 98,804,270	\$ 100,836,786	\$ 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 %	1.81 %	0.59 %	0.52 %	1.03 %	0.62 %

(1) Actuarially determined contributions prior to fiscal year ended 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, 2024
Measurement Date: June 30, 2024

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
Discount Rate 4.75%
Asset Valuation Method Market value of assets
Inflation 5.0%
Investment Rate of Return 4.75%
Healthcare Trend Rates 4.5% for 2023 and years later
Mortality It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 White Collar Mortality with Scale MP-2016, fully generational. Mortality for disabled members is represented by the RP-2014 Disabled Mortality with Scale MP-2016, fully generational.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2014 ERSRI experience study for general employees.

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>12.20 %</u>	<u>8.20 %</u>	<u>(13.60)%</u>	<u>18.70 %</u>	<u>3.28 %</u>	<u>5.92 %</u>	<u>6.15 %</u>

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>12.12 %</u>	<u>8.57 %</u>	<u>(13.18)%</u>	<u>23.99 %</u>	<u>5.88 %</u>	<u>7.14 %</u>	<u>6.47 %</u>

*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

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

Special Revenue Funds

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

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

Student Athletic Funds – This fund accounts for the receipt and disbursement of school athletic funds.

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.

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Special Revenue Funds (Continued)

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

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

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

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

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Special Revenue Funds (Continued)

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

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

Capital Project Funds

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

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

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

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

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

Highway Bond Fund – This fund accounts for the 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.

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.

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Capital Project Funds (Continued)

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

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

**CITY OF CRANSTON, RHODE ISLAND
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Special Revenue Funds						
	School Federal Grants	School State Grants	School Private Grants	School Athletic Funds	Student Activity Funds	Charter School	Community Services
ASSETS							
Cash and Cash Equivalents	\$ 203,358	\$ 387,226	\$ 1,019,929	\$ 18,604	\$ 862,051	\$ 954,400	\$ 1,769,683
Receivables:							
Intergovernmental	4,363,946	381,137	24,503	17,314	-	30,347	-
Loans	-	-	-	-	-	-	394,402
Other	-	-	-	-	-	-	-
Security Deposits	-	-	9,417	-	-	-	-
Prepays	-	-	-	-	-	42,108	-
Due from:							
Other Funds	-	290	8,352	154,997	-	-	2,461
Total Assets	<u>\$ 4,567,304</u>	<u>\$ 768,653</u>	<u>\$ 1,062,201</u>	<u>\$ 190,915</u>	<u>\$ 862,051</u>	<u>\$ 1,026,855</u>	<u>\$ 2,166,546</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,189,015	\$ -	\$ -	\$ -	\$ -	\$ 50,659	\$ 2,607
Accrued Payroll	-	-	-	-	-	-	-
Retainage Payable	-	-	-	-	-	-	-
Due to Other Funds	3,375,052	426,150	251,637	-	-	85,671	-
Unearned Revenues	3,237	342,503	810,564	-	-	11,964	232,892
Total Liabilities	4,567,304	768,653	1,062,201	-	-	148,294	235,499
FUND BALANCES							
Nonspendable	-	-	-	-	-	42,108	-
Restricted	-	-	-	190,915	862,051	836,453	1,931,047
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,915</u>	<u>862,051</u>	<u>878,561</u>	<u>1,931,047</u>
Total Liabilities and Fund Balances	<u>\$ 4,567,304</u>	<u>\$ 768,653</u>	<u>\$ 1,062,201</u>	<u>\$ 190,915</u>	<u>\$ 862,051</u>	<u>\$ 1,026,855</u>	<u>\$ 2,166,546</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Special Revenue Funds					Capital Project Funds	
	Public Service	Senior Services	Governmental Special Revenue Funds	Community Development Block Grant	WIOA Job Development	Police and Fire Bond Fund	Public Building Bond Fund
ASSETS							
Cash and Cash Equivalents	\$ 2,945,980	\$ 124,520	\$ 964,919	\$ -	\$ 914	\$ 729,729	\$ 291,621
Receivables:							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	1,698,427	-	-	-
Other	447,909	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Due from:							
Other Funds	48,484	4,154	2,497	-	-	-	-
Total Assets	<u>\$ 3,442,373</u>	<u>\$ 128,674</u>	<u>\$ 967,416</u>	<u>\$ 1,698,427</u>	<u>\$ 914</u>	<u>\$ 729,729</u>	<u>\$ 291,621</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 45,713	\$ 1,741	\$ 87,368	\$ 32,655	\$ -	\$ 49,271	\$ 17,767
Accrued Payroll	203,884	-	-	13,661	10,834	-	-
Retainage Payable	-	-	-	-	-	-	-
Due to Other Funds	240,699	-	-	53,269	44,555	-	-
Unearned Revenues	-	-	-	849,213	-	-	-
Total Liabilities	<u>490,296</u>	<u>1,741</u>	<u>87,368</u>	<u>948,798</u>	<u>55,389</u>	<u>49,271</u>	<u>17,767</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,952,077	-	880,048	749,629	-	680,458	273,854
Committed	-	126,933	-	-	-	-	-
Unassigned	-	-	-	-	(54,475)	-	-
Total Fund Balances	<u>2,952,077</u>	<u>126,933</u>	<u>880,048</u>	<u>749,629</u>	<u>(54,475)</u>	<u>680,458</u>	<u>273,854</u>
Total Liabilities and Fund Balances	<u>\$ 3,442,373</u>	<u>\$ 128,674</u>	<u>\$ 967,416</u>	<u>\$ 1,698,427</u>	<u>\$ 914</u>	<u>\$ 729,729</u>	<u>\$ 291,621</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024**

	Capital Project Funds						Total Nonmajor Governmental Funds
	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	\$ 5,875,462	\$ 1,396,090	\$ 338,735	\$ 36,831	\$ 77,285	\$ 39,627	\$ 18,036,964
Receivables:							
Intergovernmental	-	-	-	-	-	-	4,817,247
Loans	-	-	-	-	-	-	2,092,829
Other	-	-	-	-	-	-	447,909
Security Deposits							9,417
Prepays	-	-	-	-	-	-	42,108
Due from:							
Other Funds	-	-	-	-	-	-	221,235
Total Assets	\$ 5,875,462	\$ 1,396,090	\$ 338,735	\$ 36,831	\$ 77,285	\$ 39,627	\$ 25,667,709
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 268,296	\$ 127,622	\$ 88,213	\$ -	\$ -	\$ -	\$ 1,960,927
Accrued Payroll	-	-	-	-	-	-	228,379
Retainage Payable	-	28,874	-	-	-	-	28,874
Due to Other Funds	-	-	-	-	-	-	4,477,033
Unearned Revenues	-	-	-	-	-	-	2,250,373
Total Liabilities	268,296	156,496	88,213	-	-	-	8,945,586
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	42,108
Restricted	5,607,166	1,239,594	250,522	36,831	77,285	39,627	16,607,557
Committed	-	-	-	-	-	-	126,933
Unassigned	-	-	-	-	-	-	(54,475)
Total Fund Balances	5,607,166	1,239,594	250,522	36,831	77,285	39,627	16,722,123
Total Liabilities and Fund Balances	\$ 5,875,462	\$ 1,396,090	\$ 338,735	\$ 36,831	\$ 77,285	\$ 39,627	\$ 25,667,709

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						
	School Federal Grants	School State Grants	School Private Grants	School Athletic Funds	Student Activity Funds	Charter School	Community Services
REVENUES							
Intergovernmental	\$ 15,706,303	\$ 1,896,485	\$ 572,208	\$ 153,525	\$ 1,275,213	\$ 1,793,401	\$ -
Charges for Services	-	-	-	-	-	1,263,887	-
Investment Income	-	-	-	-	-	6,681	84,268
Other	-	-	-	-	-	-	86,829
Total Revenues	15,706,303	1,896,485	572,208	153,525	1,275,213	3,063,969	171,097
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	765
Public Safety	-	-	-	-	-	-	-
Education	14,127,844	1,732,665	355,425	48,749	1,260,227	2,988,098	-
Parks and Recreation	-	-	-	-	-	-	-
Public Libraries	-	-	-	-	-	-	104,206
Senior Services	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Debt Service:							
Interest and Other Costs	-	-	-	-	-	-	-
Capital:							
Capital Expenditures	1,155,358	163,820	216,783	54,353	-	14,041	-
Total Expenditures	15,283,202	1,896,485	572,208	103,102	1,260,227	3,002,139	104,971
DEFICIENCY OF REVENUES UNDER EXPENDITURES	423,101	-	-	50,423	14,986	61,830	66,126
OTHER FINANCING SOURCES (USES)							
Issuance of General Obligation Bond	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Transfer Out	(423,101)	-	-	-	-	-	-
Net Other Financing Sources (Uses)	(423,101)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	50,423	14,986	61,830	66,126
Fund Balances - Beginning of Year	-	-	-	140,492	847,065	816,731	1,864,921
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,915</u>	<u>\$ 862,051</u>	<u>\$ 878,561</u>	<u>\$ 1,931,047</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					Capital Projects Fund	
	Public Service	Senior Services	Governmental Special Revenue Funds	Community Development Block Grant	WIOA Job Development	Police and Fire Bond Fund	Public Building Bond Fund
REVENUES							
Intergovernmental	\$ 149,217	\$ -	\$ -	\$ 1,392,583	\$ 219,510	\$ -	\$ -
Charges for Services	2,799,179	62,953	123,845	-	-	-	-
Investment Income	108,570	5,198	42,958	17,119	652	-	-
Other	403,027	-	-	-	-	-	-
Total Revenues	3,459,993	68,151	166,803	1,409,702	220,162	-	-
EXPENDITURES							
Current:							
General Government	-	-	193,947	-	222,088	-	-
Public Safety	3,169,773	-	14,702	-	-	-	-
Education	-	-	-	-	-	-	-
Parks and Recreation	-	-	142,517	-	-	-	-
Public Libraries	-	-	-	-	-	-	-
Senior Services	-	46,305	-	-	-	-	-
Community Development	-	-	-	1,623,433	-	-	-
Debt Service:							
Interest and Other Costs	-	-	-	-	-	19	13
Capital:							
Capital Expenditures	-	-	-	-	-	147,539	85,447
Total Expenditures	3,169,773	46,305	351,166	1,623,433	222,088	147,558	85,460
DEFICIENCY OF REVENUES UNDER EXPENDITURES	290,220	21,846	(184,363)	(213,731)	(1,926)	(147,558)	(85,460)
OTHER FINANCING SOURCES (USES)							
Issuance of General Obligation Bond	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-
Transfer In	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	290,220	21,846	(184,363)	(213,731)	(1,926)	(147,558)	(85,460)
Fund Balances - Beginning of Year	2,661,857	105,087	1,064,411	963,360	(52,549)	828,016	359,314
FUND BALANCES - END OF YEAR	<u>\$ 2,952,077</u>	<u>\$ 126,933</u>	<u>\$ 880,048</u>	<u>\$ 749,629</u>	<u>\$ (54,475)</u>	<u>\$ 680,458</u>	<u>\$ 273,854</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Capital Projects Fund						Total Nonmajor Governmental Funds
	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Library Bond Fund	Neighborhood Infrastructure Bond Fund	Open Space Bond Fund	
REVENUES							
Intergovernmental	\$ -	\$ 400,000	\$ -	\$ -		\$ -	\$ 23,558,445
Charges for Services	-	-	-	-	-	-	4,249,864
Investment Income	-	-	-	-	(30)	-	265,416
Other	-	-	-	-	-	-	489,856
Total Revenues	-	400,000	-	-	(30)	-	28,563,581
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	416,800
Public Safety	-	-	-	-	-	-	3,184,475
Education	-	-	-	-	-	-	20,513,008
Parks and Recreation	-	-	-	-	-	-	142,517
Public Libraries	-	-	-	-	-	-	104,206
Senior Services	-	-	-	-	-	-	46,305
Community Development	-	-	-	-	-	-	1,623,433
Debt Service:							
Interest and Other Costs	(18)	259,987	31,168	(3)	-	(102)	291,064
Capital:							
Capital Expenditures	482,449	2,513,607	288,255	-	9,800	(27,700)	5,103,752
Total Expenditures	482,431	2,773,594	319,423	(3)	9,800	(27,802)	31,425,560
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(482,431)	(2,373,594)	(319,423)	3	(9,830)	27,802	(2,861,979)
OTHER FINANCING SOURCES (USES)							
Issuance of General Obligation Bond	-	5,000,000	600,000	-	-	-	5,600,000
Bond Premium	-	362,834	43,521	-	-	-	406,355
Transfer In	4,487,000						4,487,000
Transfer Out				-	-	-	(423,101)
Net Other Financing Sources (Uses)	4,487,000	5,362,834	643,521	-	-	-	10,070,254
NET CHANGE IN FUND BALANCES	4,004,569	2,989,240	324,098	3	(9,830)	27,802	7,208,275
Fund Balances - Beginning of Year	1,602,597	(1,749,646)	(73,576)	36,828	87,115	11,825	9,513,848
FUND BALANCES - END OF YEAR	<u>\$ 5,607,166</u>	<u>\$ 1,239,594</u>	<u>\$ 250,522</u>	<u>\$ 36,831</u>	<u>\$ 77,285</u>	<u>\$ 39,627</u>	<u>\$ 16,722,123</u>

**CITY OF CRANSTON, RHODE ISLAND
COMMUNITY DEVELOPMENT BLOCK GRANT
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Program Income	\$ 160,000	\$ 160,000	\$ 17,119	\$ (142,881)
Federal Grants	1,476,811	1,476,811	1,392,583	(84,228)
Total Revenues	1,636,811	1,636,811	1,409,702	(227,109)
EXPENDITURES				
Current:				
Program Activities	1,636,811	1,636,811	1,623,433	13,378
Total Expenditures	1,636,811	1,636,811	1,623,433	13,378
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (213,731)</u>	<u>\$ (213,731)</u>

**CITY OF CRANSTON, RHODE ISLAND
WORKFORCE INVESTMENT ACT
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
REVENUES				
Program Income	\$ 408,311	\$ 408,311	\$ 219,510	\$ (188,801)
Investment Income	-	-	652	652
Total Revenues	408,311	408,311	220,162	(188,149)
EXPENDITURES				
Current:				
Program Activities	408,311	408,311	222,088	186,223
Total Expenditures	408,311	408,311	222,088	186,223
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,926)</u>	<u>\$ (1,926)</u>

NONMAJOR ENTERPRISE FUNDS

**CITY OF CRANSTON, RHODE ISLAND
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

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 Fund – This fund accounts for the activity of the Cranston Ice Rink.

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
JUNE 30, 2024

	Business-Type Activities		
	School Lunch	Ice Rink	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 33,277	\$ 666,643	\$ 699,920
Inventory	56,059	-	56,059
Receivables:			
Intergovernmental	498,860	-	498,860
Total Current Assets	588,196	666,643	1,254,839
Noncurrent Assets:			
Capital Assets:			
Capital Assets, Nondepreciable	-	12,010	12,010
Capital Assets, Depreciable, Net of			
Accumulated Depreciation	1,365,706	671,487	2,037,193
Total Noncurrent Assets	1,365,706	683,497	2,049,203
Total Assets	1,953,902	1,350,140	3,304,042
LIABILITIES			
Current Liabilities:			
Accounts Payable	356,258	23,210	379,468
Due to Other Funds	-	46,593	46,593
Compensated Absences	-	10,806	10,806
Unearned Revenue	65,297	-	65,297
Total Liabilities	421,555	80,609	502,164
NET POSITION			
Net Investment in Capital Assets	1,365,706	683,497	2,049,203
Unrestricted (Deficit)	166,641	586,034	752,675
Total Net Position	\$ 1,532,347	\$ 1,269,531	\$ 2,801,878

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
YEAR ENDED JUNE 30, 2024

	Business-Type Activities		
	School Lunch	Ice Rink	Total
OPERATING REVENUES			
Charges for Usage And Service	\$ 971,591	\$ 748,026	\$ 1,719,617
Intergovernmental	3,071,294		3,071,294
Miscellaneous	9,540	-	9,540
Total Operating Revenues	<u>4,052,425</u>	<u>748,026</u>	<u>4,800,451</u>
OPERATING EXPENSES			
Operations	4,129,665	367,257	4,496,922
Personnel	247,381	270,088	517,469
Depreciation	342,787	43,136	385,923
Total Operating Expenses	<u>4,719,833</u>	<u>680,481</u>	<u>5,400,314</u>
OPERATING INCOME (LOSS)	(667,408)	67,545	(599,863)
NONOPERATING REVENUES			
Investment Income	<u>32</u>	<u>24,575</u>	<u>24,607</u>
CHANGE IN NET POSITION	(667,376)	92,120	(575,256)
Net Position - Beginning of Year	<u>2,199,723</u>	<u>1,177,411</u>	<u>3,377,134</u>
NET POSITION - END OF YEAR	<u><u>\$ 1,532,347</u></u>	<u><u>\$ 1,269,531</u></u>	<u><u>\$ 2,801,878</u></u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	School Lunch	Ice Rink	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 3,611,593	\$ 749,129	\$ 4,360,722
Cash Paid to Suppliers	-	(362,452)	(362,452)
Cash Paid to Employees	(247,381)	(268,807)	(516,188)
Cash Paid for Other Operating Expenses	(4,160,305)	-	(4,160,305)
Net Cash Provided (Used) by Operating Activities	(796,093)	117,870	(678,223)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from Interfund Loans	512,900	2,454	515,354
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(360,341)	(65,193)	(425,534)
CASH FLOWS FROM INVESTING ACTIVITIES			
Income from Investments	32	24,575	24,607
NET INCREASE (DECREASE) IN CASH (INCLUDING RESTRICTED CASH)	(643,502)	79,706	(563,796)
Cash - Beginning of Year (Including Restricted Cash)	676,779	586,937	1,263,716
CASH - END OF YEAR (INCLUDING RESTRICTED CASH)	<u>\$ 33,277</u>	<u>\$ 666,643</u>	<u>\$ 699,920</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS – ENTERPRISE FUNDS (NONMAJOR)
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities		
	School Lunch	Ice Rink	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (667,408)	\$ 67,545	\$ (599,863)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	342,787	43,136	385,923
Decrease in Accounts Receivable	31,046	1,103	32,149
Increase in Inventory	(16,845)	-	(16,845)
Increase in Intergovernmental Receivables	(487,978)	-	(487,978)
Increase (Decrease) in Accounts Payable	(13,795)	4,805	(8,990)
Decrease in Compensated Absences	-	1,281	1,281
Increase in Unearned Revenue	16,100	-	16,100
Net Cash Provided (Used) by Operating Activities	<u>\$ (796,093)</u>	<u>\$ 117,870</u>	<u>\$ (678,223)</u>

INTERNAL SERVICE FUNDS

**CITY OF CRANSTON, RHODE ISLAND
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

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

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

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

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
JUNE 30, 2024**

	Governmental Activities		
	School Department Internal Service Fund	City Internal Service Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	\$ 3,282,043	\$ 3,282,043
Receivables:			
Other	4,664		4,664
Due from Other Funds	-	200,712	200,712
Claims Deposit	-	-	-
Total Current Assets	4,664	3,482,755	3,487,419
Noncurrent Assets:			
Advance Deposits - Medical	853,000		853,000
Total Assets	857,664	3,482,755	4,340,419
LIABILITIES			
Current Liabilities:			
Accounts Payable	2,402,713	978,175	3,380,888
Due to Other Funds	4,239,412	922,106	5,161,518
Claims Payable	-	1,424,756	1,424,756
Total Liabilities	6,642,125	3,325,037	9,967,162
NET POSITION			
Unrestricted	\$ (5,784,461)	\$ 157,718	\$ (5,626,743)

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Governmental Activities		
	School Department Internal Service Fund	City Internal Service Fund	Total
OPERATING REVENUES			
Charges for Usage and Service	\$ 26,669,237	\$ 13,935,699	\$ 40,604,936
Miscellaneous	-	17,009	17,009
Total Operating Revenues	26,669,237	13,952,708	40,621,945
OPERATING EXPENSES			
Operations	-	562,475	562,475
Claims	-	14,437,089	14,437,089
Health Care Management	31,107,123	-	31,107,123
Total Operating Expenses	31,107,123	14,999,564	46,106,687
OPERATING LOSS	(4,437,886)	(1,046,856)	(5,484,742)
NONOPERATING REVENUES			
Investment Income	-	137,737	137,737
CHANGE IN NET POSITION	(4,437,886)	(909,119)	(5,347,005)
Net Position - Beginning of Year	(1,346,575)	1,066,837	(279,738)
NET POSITION - END OF YEAR	<u>\$ (5,784,461)</u>	<u>\$ 157,718</u>	<u>\$ (5,626,743)</u>

**CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Governmental Activities		
	School Department Internal Service Fund	City Internal Service Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 26,668,289	\$ 13,952,708	\$ 40,620,997
Cash Paid for Claims	(26,884,399)	(13,363,656)	(40,248,055)
Cash Paid for Other Operating Expenses	-	(501,425)	(501,425)
Net Cash Provided (Used) by Operating Activities	(216,110)	87,627	(128,483)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Change in Interfund Loans	216,110	1,493,914	1,710,024
CASH FLOWS FROM INVESTING ACTIVITIES			
Income from Investments	-	137,737	137,737
NET INCREASE (DECREASE) IN CASH (INCLUDING RESTRICTED CASH)	-	1,719,278	1,719,278
Cash - Beginning of Year (Including Restricted Cash)	-	1,562,765	1,562,765
CASH - END OF YEAR (INCLUDING RESTRICTED CASH)	<u>\$ -</u>	<u>\$ 3,282,043</u>	<u>\$ 3,282,043</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	\$ (4,437,886)	\$ (1,046,856)	\$ (5,484,742)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Increase (Decrease) in Accounts Receivable	(948)	61,050	60,102
Increase in Claims Deposits	1,820,011	-	1,820,011
Increase in Accounts Payable	2,402,713	883,777	3,286,490
Decrease in Claims Payable	-	189,656	189,656
Net Cash Provided (Used) by Operating Activities	<u>\$ (216,110)</u>	<u>\$ 87,627</u>	<u>\$ (128,483)</u>

FIDUCIARY FUNDS

CITY OF CRANSTON, RHODE ISLAND
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

Fiduciary Funds

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

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

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

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

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2024

	Pension Trust Fund	City OPEB Trust Fund	School OPEB Trust Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 1,001,344	\$ 1,097,560	\$ -	\$ 2,098,904
Investments:				
Mutual Funds	64,128,230	7,089,223	1,319,708	72,537,161
Exchange Traded Funds	2,331,713	244,815	-	2,576,528
U.S. Government Securities	10,387,680	1,108,019	-	11,495,699
Total Assets	<u>77,848,967</u>	<u>9,539,617</u>	<u>1,319,708</u>	<u>88,708,292</u>
LIABILITIES				
Accounts Payable	-	120,245	-	120,245
Due to Primary Government	20,000	1,747,248	-	1,767,248
Total Liabilities	<u>20,000</u>	<u>1,867,493</u>	<u>-</u>	<u>1,887,493</u>
NET POSITION				
Restricted for:				
Pensions	77,828,967	-	-	77,828,967
Postemployment Benefits Other than Pensions	<u>-</u>	<u>7,672,124</u>	<u>1,319,708</u>	<u>8,991,832</u>
Total Net Position	<u>\$ 77,828,967</u>	<u>\$ 7,672,124</u>	<u>\$ 1,319,708</u>	<u>\$ 86,820,799</u>

CITY OF CRANSTON, RHODE ISLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Pension Trust Fund</u>	<u>City OPEB Trust Fund</u>	<u>School OPEB Trust Fund</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer Contributions	\$ 21,693,077	\$ 4,832,559	\$ -	\$ 26,525,636
Plan Member Contributions	85,151	406,638	-	491,789
Total Contributions	<u>21,778,228</u>	<u>5,239,197</u>	<u>-</u>	<u>27,017,425</u>
Investment Income:				
Interest and Dividends	1,485,911	185,104	585,770	2,256,785
Net Appreciation in the Fair Value of Investments	7,197,505	812,467	-	8,009,972
Other	2,129	-	-	2,129
Total Investment Income	<u>8,685,545</u>	<u>997,571</u>	<u>585,770</u>	<u>10,268,886</u>
Total Additions	30,463,773	6,236,768	585,770	37,286,311
DEDUCTIONS				
Benefits	25,089,700	6,281,563	443,162	31,814,425
Administrative Expenses	78,750	23,748	3,812	106,310
Total Deductions	<u>25,168,450</u>	<u>6,305,311</u>	<u>446,974</u>	<u>31,920,735</u>
CHANGE IN NET POSITION	5,295,323	(68,543)	138,796	5,365,576
Net Position - Beginning of Year	<u>72,533,644</u>	<u>7,740,667</u>	<u>1,180,912</u>	<u>81,455,223</u>
NET POSITION - END OF YEAR	<u><u>\$ 77,828,967</u></u>	<u><u>\$ 7,672,124</u></u>	<u><u>\$ 1,319,708</u></u>	<u><u>\$ 86,820,799</u></u>

OTHER SCHEDULES

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
YEAR ENDED JUNE 30, 2024**

Year	Property Taxes Receivable - July 1, 2023	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Property Taxes Receivable - June 30, 2024
2024	\$ -	\$ 188,901,828	\$ 407,696	\$ 304,633	\$ 189,004,891	\$188,047,824	\$ 957,067
2023	680,289	-	146,335	54,144	772,480	549,241	223,239
2022	294,446	-	97,318	14,165	377,599	53,152	324,447
2021	349,702	-	15,348	2,745	362,305	20,500	341,805
2020	393,841	-	3,205	2,678	394,368	13,438	380,930
2019	459,433	-	2,763	2,393	459,803	10,720	449,083
2018	508,462	-	2,405	1,397	509,470	8,092	501,378
2017	528,305	-	3,310	2,251	529,364	5,499	523,865
2016	552,157	-	1,914	2,796	551,275	4,306	546,969
2015	666,639	-	70	660,845	5,864	5,864	-
Subtotal	4,433,274	<u>\$ 188,901,828</u>	<u>\$ 680,364</u>	<u>\$ 1,048,047</u>	<u>\$ 192,967,419</u>	<u>\$ 188,718,636</u>	<u>\$ 4,248,783</u>
Less: Estimated Allowance for Uncollectible Accounts	<u>(1,450,000)</u>						<u>(1,290,000)</u>
Net Property Taxes Receivable	<u>\$ 2,983,274</u>						<u>\$ 2,958,783</u>

CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2024

Year	Collections			
	July to August 2023 Collections Subject to 60-Day FY 23 Accrual	September - June 2024 Collections	Total FY 2024 Collections	July to August 2024 Collections Subject to 60-Day FY 24 Accrual
2024	\$ -	\$ 188,047,824	\$ 188,047,824	\$ 350,411
2023	242,643	306,598	549,241	1,421
2022	12,805	40,347	53,152	7,302
2021	2,392	18,108	20,500	858
2020	1,779	11,659	13,438	1,123
2019	1,330	9,390	10,720	1,028
2018	1,328	6,764	8,092	1,416
2017	433	5,066	5,499	1,012
2016	220	4,086	4,306	2,125
2015	970	4,894	5,864	-
Total	<u>\$ 263,900</u>	<u>\$ 188,454,736</u>	<u>\$ 188,718,636</u>	<u>\$ 366,696</u>

**CITY OF CRANSTON, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Schedule of Net Assessed Property Value by Category			Reconciliation of Current Year Property Tax Revenue	
Assessed December 31, 2022				
Description of Property	Valuations	Levy		
Real Property	\$ 8,840,852,235	\$ 177,768,717	Current Year Collections	\$ 188,718,636
Tangible Property	394,313,560	11,133,111	Revenue Received 60 Days Subsequent to Fiscal Year Ended June 30, 2024	366,696
Total	9,235,165,795	188,901,828	Subtotal	189,085,332
Exemptions and Adjustments	(268,497,787)	-	Prior Year Revenue Received in Current Year (2023 60 Day Rule)	(263,900)
Net Assessed Value	<u>\$ 8,966,668,008</u>	<u>\$ 188,901,828</u>	Current Year Property Tax Revenue	<u>\$ 188,821,432</u>

CITY OF CRANSTON, RHODE ISLAND
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 2024

	Land	Land Improvements	Infrastructure	Buildings	Vehicles	Office Furniture and Equipment	Machinery and Equipment	ROU Assets	Total
General Government	\$ 15,375,557	\$ 29,038,601	\$ 86,698,804	\$ 106,187,507	\$ 385,579	\$ 1,469,056	\$ 1,939,288	\$ 107,939	\$ 241,202,331
Public Safety	-	154,524	17,602	1,736,832	16,461,816	1,265,230	9,992,467	7,504,758	37,133,229
Public Works	-	30,492,312	98,687	443	6,591,275	28,986	1,999,058		39,210,761
Education	-	123,024	-	95,431,944	5,523,577	3,444,447	74,164	2,024,236	106,621,392
Parks and Recreation	-	3,747,284	603,902	457,434	772,451	9,511	1,606,405		7,196,987
Public Libraries	-	20,010	-	629,083	53,878	3,678,458	195,548		4,576,977
Senior Services	-	-	-	257,004	270,661	77,975	139,169		744,809
Total	<u>\$ 15,375,557</u>	<u>\$ 63,575,755</u>	<u>\$ 87,418,995</u>	<u>\$ 204,700,247</u>	<u>\$ 30,059,237</u>	<u>\$ 9,973,663</u>	<u>\$ 15,946,099</u>	<u>\$ 9,636,933</u>	<u>\$ 436,686,486</u>

CITY OF CRANSTON, RHODE ISLAND
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 2024

	Balance - July 1, 2023	Additions	Retirements	Balance - June 30, 2024
General Government	\$ 242,180,772	\$ 325,388	\$ 83,175	\$ 242,422,985
Public Safety	36,060,695	1,845,412	501,547	37,404,560
Public Works	37,094,600	3,736,895	290,602	40,540,893
Education	104,036,845	25,948,541	219,070	129,766,316
Parks and Recreation	6,744,020	734,159	-	7,478,179
Public Libraries	4,547,980	28,997	-	4,576,977
Senior Services	734,809	10,000	-	744,809
	<u>734,809</u>	<u>10,000</u>	<u>-</u>	<u>744,809</u>
Total Capital Assets	<u>\$ 431,399,721</u>	<u>\$ 32,629,392</u>	<u>\$ 1,094,394</u>	<u>\$ 462,934,719</u>

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2024

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 188,398,235	\$ -
Last Year's Levy Tax Collection	308,019	-
Prior Years Property Tax Collection	115,178	-
Interest & Penalty	185,127	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	5,488,103	-
Fines and Forfeitures	581,111	-
Investment Income	3,539,377	-
Departmental	3,281,771	-
Rescue Run Revenue	5,172,077	-
Police & Fire Detail	3,646,494	-
Other Local Non-Property Tax Revenues	1,191,892	-
Tuition	-	1,996,558
Impact Aid	-	-
Medicaid	-	2,870,859
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	3,071,294
CDBG	155,917	-
COPS Grants	-	-
SAFER Grants	1,271,754	-
Other Federal Aid Funds	-	9,224,048
COVID - ESSER	-	6,492,511
COVID - CRF	-	-
COVID - CDBG	198,168	-
COVID - FEMA	-	-
COVID - Other	9,467,142	-
COVID - ARPA	-	80,143
MV Excise Tax Reimbursement	1,042,442	-
State PILOT Program	4,029,628	-
Distressed Community Relief Fund	-	-
Library Resource Aid	797,557	-
Library Construction Aid	-	-
Public Service Corporation Tax	1,170,024	-
Meals & Beverage Tax / Hotel Tax	2,715,607	-
LEA Aid	-	73,787,492
Group Home	-	-
Housing Aid Capital Projects	-	443,998
Housing Aid Bonded Debt	2,393,155	-
State Food Service Revenue	-	19,249
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	1,229,950
Motor Vehicle Phase Out	21,269,805	-
Other Revenue	82,611	3,008,374
Local Appropriation for Education	-	99,080,462
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 256,501,194	\$ 201,304,938
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

See accompanying Notes to Annual Supplemental Transparency Report (MTP2).

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2024

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 1,748,441	\$ 1,451,207	\$ 1,380,239	\$ 262,769	\$ 1,113,597	\$ 2,442,397	\$ 4,344,434	\$ 1,540,851	\$ 11,724,760
Compensation - Group B	-	-	-	-	-	-	-	-	1,336,129
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	11,829	118,354	9,642	850	12,214	28,000	119,255	171,322	1,890,587
Overtime - Group B	-	-	-	-	-	-	-	-	215,447
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	3,054,795
Active Medical Insurance - Group A	252,220	281,040	259,205	65,803	223,113	434,366	968,925	375,572	3,091,991
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	343,586
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	13,275	14,792	13,642	3,463	11,743	22,861	50,996	19,767	158,686
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	18,083
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	136,506	119,345	103,496	22,189	83,715	152,418	353,935	130,111	427,737
Life Insurance	4,704	3,840	4,064	576	3,104	2,976	14,400	4,336	40,812
State Defined Contribution- Group A	14,636	11,441	9,339	2,343	7,367	12,014	40,328	13,434	518,066
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	16,469
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	11,896	206,422	16,928	5,985	7,035	4,000	191,636	57,891	3,328,559
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	8,919,131
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	161,111	102,968	84,054	21,085	66,302	202,523	362,952	120,910	1,960,717
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	130,577
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	86,308	70,455	17,674	55,575	-	304,229	101,347	138,202
Purchased Services	857,200	55,521	69,888	103,740	85,094	-	429,287	51,090	577,267
Materials/Supplies	13,782	94,702	236,593	30,131	2,842	46,500	489,896	174,122	305,181
Software Licenses	-	-	-	181,290	-	-	-	-	-
Capital Outlays	-	-	-	71,916	-	23,022	-	-	397,681
Insurance	1,190,000	-	-	-	-	-	-	-	-
Maintenance	-	-	8,602	411,087	-	80,500	10,376	-	456,678
Vehicle Operations	-	-	27,318	-	7,998	2,000	707,698	55,195	282,072
Utilities	-	-	4,144	159,500	-	110,000	611,138	130,769	67,904
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,349,242	-	-
Revaluation	-	909,317	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	671,891	-	-
Trash Removal & Recycling	-	-	-	-	-	-	5,708,844	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	16,878	-	-	-	-	-	-	-	-
Other Operation Expenditures	1,810,028	140,330	70,314	1,756	119,790	482,500	4,256,544	152,401	627,209
Tipping Fees	-	-	-	-	-	-	1,880,077	-	-
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	\$ 6,242,506	\$ 3,595,589	\$ 2,367,924	\$ 1,362,156	\$ 1,799,488	\$ 4,046,077	\$ 22,866,082	\$ 3,099,116	\$ 40,028,328

see accompanying Notes to Annual Supplemental Transparency Report (MTP2).

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2024

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 14,710,263	\$ -	\$ 225,927	\$ -	\$ -	\$ -	\$ 40,944,885	\$ 90,982,068
Compensation - Group B	874,294	-	-	-	-	-	2,210,423	9,266,954
Compensation - Group C	-	-	-	-	-	-	-	19,203,776
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	6,187,060	-	4,084	-	-	-	8,553,197	-
Overtime - Group B	367,723	-	-	-	-	-	583,171	-
Overtime - Group C	-	-	-	-	-	-	-	223,621
Police & Fire Detail	30,497	-	-	-	-	-	3,085,292	-
Active Medical Insurance - Group A	4,559,633	-	46,181	-	-	-	10,558,049	13,992,666
Active Medical Insurance- Group B	252,495	-	-	-	-	-	596,082	1,224,223
Active Medical Insurance- Group C	-	-	-	-	-	-	-	4,361,538
Active Dental insurance- Group A	223,595	-	2,431	-	-	-	535,251	684,886
Active Dental Insurance- Group B	13,289	-	-	-	-	-	31,373	61,332
Active Dental Insurance- Group C	-	-	-	-	-	-	-	238,079
Payroll Taxes	426,718	-	16,913	-	-	-	1,973,083	3,150,482
Life Insurance	47,548	-	832	-	-	-	127,192	88,040
State Defined Contribution- Group A	643,380	-	1,519	-	-	-	1,273,867	2,176,648
State Defined Contribution - Group B	10,461	-	-	-	-	-	26,931	196,622
State Defined Contribution - Group C	-	-	-	-	-	-	-	133,154
Other Benefits- Group A	4,143,138	-	-	-	-	-	7,973,490	114,344
Other Benefits- Group B	-	-	-	-	-	-	-	8,346
Other Benefits- Group C	-	-	-	-	-	-	-	512
Local Defined Benefit Pension- Group A	12,369,194	-	-	-	-	-	21,288,325	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	164,261
State Defined Benefit Pension- Group A	1,241,209	-	13,671	-	-	-	4,337,502	13,281,987
State Defined Benefit Pension - Group B	86,287	-	11,459	-	-	-	228,324	1,315,231
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,321,661
Other Defined Benefit / Contribution	-	-	-	-	-	-	773,789	-
Purchased Services	2,379,560	-	-	-	-	-	4,608,646	25,378,326
Materials/Supplies	444,866	-	38,278	-	-	-	1,876,892	3,462,006
Software Licenses	-	-	-	-	-	-	181,290	671,121
Capital Outlays	544,369	-	-	-	-	-	1,036,988	2,255,960
Insurance	-	-	-	-	-	-	1,190,000	1,918,281
Maintenance	242,232	-	214,127	-	-	-	1,423,602	1,444,432
Vehicle Operations	297,692	-	-	-	-	-	1,379,972	1,374,698
Utilities	1,227,244	-	-	-	-	-	2,310,699	3,143,207
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,349,242	-
Revaluation	-	-	-	-	-	-	909,317	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	671,891	-
Trash Removal & Recycling	-	-	-	-	-	-	5,708,844	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	16,878	-
Other Operation Expenditures	521,724	-	4,967	-	-	-	8,187,563	1,452,872
Tipping Fees	-	-	-	-	-	-	1,880,077	-
Local Appropriation for Education	-	-	-	99,080,462	-	-	99,080,462	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	8,434,170	-	8,434,170	-
Municipal Debt- Interest	-	-	-	-	3,078,735	-	3,078,735	-
School Debt- Principal	-	-	-	-	800,800	-	800,800	-
School Debt- Interest	-	-	-	-	678,317	-	678,317	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	424,428
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	18,734
OPEB Contribution- Total	-	-	-	-	-	4,832,559	4,832,559	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 51,844,472	\$ -	\$ 580,388	\$ 99,080,462	\$ 12,992,022	\$ 4,832,559	\$ 254,737,168	\$ 203,734,496

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	37	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 37	\$ -
Net Change in Fund Balance¹	1,763,989	(2,429,558)
Fund Balance1- beginning of year	\$20,746,413	\$9,147,901
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	(4)	1
Fund Balance¹ - beginning of year adjusted	20,746,409	9,147,902
Rounding	-	-
Fund Balance¹ - end of year	\$ 22,510,398	\$ 6,718,344

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

see accompanying Notes to Annual Supplemental Transparency Report (MTP2).

City of Cranston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2024

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2023						\$ 20,746,413	\$ -	\$ 20,746,413	
<i>No funds removed from RGS for fiscal 2023</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2023</i>						-	-	-	
<i>Miscellaneous adjustments made for fiscal 2023</i>						(4)	-	(4)	
Fund Balance¹ - per MTP-2 at June 30, 2024 adjusted						<u>\$ 20,746,409</u>	<u>\$ -</u>	<u>\$ 20,746,409</u>	
General fund	\$ 253,312,829	\$ 91,213	\$ 148,260,916	\$ 103,567,499	\$ 1,575,627	\$ 19,510,259	\$ -	\$ 19,510,259	\$ 21,085,886
Fire Detail	28,577	-	30,497	-	(1,920)	(37,358)	-	(37,358)	(39,278)
Police Detail	2,805,704	-	2,615,422	-	190,282	1,273,508	-	1,273,508	1,463,790
CDBG Community Development	1,409,702	-	1,623,433	-	(213,731)	963,360	-	963,360	749,629
Totals per audited financial statements	<u>\$ 257,556,812</u>	<u>\$ 91,213</u>	<u>\$ 152,530,268</u>	<u>\$ 103,567,499</u>	<u>\$ 1,550,258</u>	<u>\$ 21,709,769</u>	<u>\$ -</u>	<u>\$ 21,709,769</u>	<u>\$ 23,260,027</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 99,080,462	\$ (99,080,462)	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Projects funds for additional projects	-	-	4,487,000	(4,487,000)	-	-	-	-	-
Lease Insurance	-	(91,213)	(91,213)	-	-	-	-	-	-
Community Development Block Grant to remove loan activity	(1,055,618)	-	(1,269,349)	-	213,731	(963,360)	-	(963,360)	(749,629)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 256,501,194</u>	<u>\$ -</u>	<u>\$ 254,737,168</u>	<u>\$ 37</u>	<u>\$ 1,763,989</u>	<u>\$ 20,746,409</u>	<u>\$ -</u>	<u>\$ 20,746,409</u>	<u>\$ 22,510,398</u>

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

see accompanying Notes to Annual Supplemental Transparency Report (MTP2).

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, 2024

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2023						\$ 9,147,901	\$ -	\$ 9,147,901	
<i>Miscellaneous adjustments made for fiscal 2023</i>						<u>1</u>	<u>-</u>	<u>1</u>	
Fund Balance¹ - per MTP-2 at June 30, 2024 adjusted						<u>\$ 9,147,902</u>	<u>\$ -</u>	<u>\$ 9,147,902</u>	
School Unrestricted Fund	\$ 89,116,453	\$ 99,859,145	\$ 190,785,634	\$ -	\$ (1,810,036)	\$ 7,308,774	\$ -	\$ 7,308,774	\$ 5,498,738
School Enterprise Fund ¹	4,052,457	-	4,719,833	-	(667,376)	2,199,722	-	2,199,722	1,532,346
School Special Revenue Funds	22,667,700	-	22,117,323	423,138	127,239	1,804,288	-	1,804,288	1,931,527
Totals per audited financial statements	<u>\$ 115,836,610</u>	<u>\$ 99,859,145</u>	<u>\$ 217,622,790</u>	<u>\$ 423,138</u>	<u>\$ (2,350,173)</u>	<u>\$ 11,312,784</u>	<u>\$ -</u>	<u>\$ 11,312,784</u>	<u>\$ 8,962,611</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 99,080,462	\$ (99,080,462)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(9,913,409)	-	(9,913,409)	-	-	-	-	-	-
State contributions on behalf of State-Wide Transportation Program are reported as revenue and expenditures on financial statements only	(634,759)	-	(634,759)	-	-	-	-	-	-
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.	(3,063,966)	-	(3,002,136)	-	(61,830)	(816,731)	-	(816,731)	(878,561)
GASB 87 lease activity reflected as both revenue and expenditures for financial statement purposes only.	-	(355,545)	(355,545)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.	-	(423,138)	-	(423,138)	-	-	-	-	-
Capital purchases in School Lunch Fund reported as an expense on the MPT-2 but recorded as an asset on the June 30, 2024 financial statements.	-	-	360,342	-	(360,342)	-	-	-	(360,342)
Capital assets net of accumulated depreciation at June 30, 2023	-	-	-	-	-	(1,348,151)	-	(1,348,151)	(1,348,151)
Depreciation expense not recorded in UCOA	-	-	(342,787)	-	342,787	-	-	-	342,787
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 201,304,938</u>	<u>\$ -</u>	<u>\$ 203,734,496</u>	<u>\$ -</u>	<u>\$ (2,429,558)</u>	<u>\$ 9,147,902</u>	<u>\$ -</u>	<u>\$ 9,147,902</u>	<u>\$ 6,718,344</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 and UCOA	<u>(3)</u>		<u>(17)</u>						
Totals per UCOA Validated Totals Report 11/26/2024	<u>\$ 201,304,935</u>		<u>\$ 203,734,479</u>						

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

CITY OF CRANSTON, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FISCAL YEAR ENDED JUNE 30, 2024

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.

CITY OF CRANSTON, RHODE ISLAND
NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FISCAL YEAR ENDED JUNE 30, 2024

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

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, and

For the *Remaining Departments* – all employees' compensation and benefits are reported under Group A.

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department, and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust, or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5 EDUCATION REVENUE AND EXPENDITURES

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

STATISTICAL SECTION

TABLE 1

CITY OF CRANSTON, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
				(As Restated)	(As Restated)			(As Restated)		(As Restated)
Governmental Activities:										
Net Investment in Capital Assets	\$ 68,518,706	\$ 64,732,414	\$ 60,373,561	\$ 54,778,268	\$ 41,939,046	\$ 40,421,468	\$ 39,345,605	\$ 39,483,273	\$ 32,242,050	\$ 28,003,223
Restricted	52,778,824	36,768,127	-	-	-	-	-	-	-	-
Unrestricted	(370,421,802)	(368,477,486)	(353,774,220)	(400,519,079)	(379,560,003)	(374,211,125)	(347,727,799)	(358,214,329)	(319,188,692)	(315,174,995)
Total Governmental Activities	(249,124,272)	(266,976,945)	(293,400,659)	(345,740,811)	(337,620,957)	(333,789,657)	(308,382,194)	(318,731,056)	(286,946,642)	(287,171,772)
Business-Type Activities:										
Net Investment in Capital Assets	51,397,923	51,211,421	51,212,580	52,685,639	52,631,482	52,969,695	71,468,481	70,956,771	69,185,030	66,195,785
Restricted	1,679,067	1,589,961	354,100	1,634,294	397,433	418,467	439,167	459,633	2,129,729	8,598,629
Unrestricted	34,327,797	26,454,573	22,611,587	18,080,172	15,755,644	12,627,850	(8,644,499)	(11,507,291)	(16,171,019)	(22,951,735)
Total Business-Type Activities	87,404,787	79,255,955	74,178,267	72,400,105	68,784,559	66,016,012	63,263,149	59,909,113	55,143,740	51,842,679
Total City:										
Net Investment in Capital Assets	119,916,629	115,943,835	111,586,141	107,463,907	94,570,528	93,391,163	110,814,086	110,440,044	101,427,080	94,199,008
Restricted	54,457,891	38,358,088	354,100	1,634,294	397,433	418,467	439,167	459,633	2,129,729	8,598,629
Unrestricted	(336,094,005)	(342,022,913)	(331,162,633)	(382,438,907)	(363,804,359)	(361,583,275)	(356,372,298)	(369,721,620)	(335,359,711)	(338,126,730)
Total City	<u>\$ (161,719,485)</u>	<u>\$ (187,720,990)</u>	<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>

CITY OF CRANSTON, RHODE ISLAND
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2024	2023	2022	2021 (As Restated)	2020 (As Restated)	2019	2018	2017 (As Restated)	2016	2015 (As Restated)
EXPENSES										
Governmental Activities:										
General Government	\$ 16,406,771	\$ 18,490,079	\$ 13,639,378	\$ 28,073,994	\$ 20,138,028	\$ 17,435,819	\$ 15,971,432	\$ 16,186,223	\$ 13,529,838	\$ 15,760,616
Public Safety	98,096,031	108,496,416	74,887,153	101,206,573	82,320,732	108,645,221	75,827,868	123,175,761	77,077,346	76,316,860
Public Works	19,481,838	20,138,737	18,859,206	19,225,195	16,823,150	16,677,301	16,701,972	14,976,564	15,878,037	15,539,611
Education	196,125,988	245,325,718	217,789,862	226,874,242	189,258,089	180,006,491	177,339,237	190,115,630	200,479,946	175,923,426
Parks and Recreation	3,341,927	3,544,880	3,286,376	3,091,523	3,666,440	3,716,927	3,504,777	3,450,619	3,595,810	3,100,766
Public Libraries	4,233,479	4,364,873	4,056,278	3,906,943	3,843,871	3,740,372	3,561,920	3,836,411	3,295,271	3,302,163
Senior Services	2,459,145	2,947,985	3,188,806	2,960,359	3,061,547	3,202,095	3,040,817	3,077,015	2,904,766	3,172,283
Community Development	1,617,784	1,476,099	1,416,617	843,303	1,040,171	1,425,753	1,340,187	1,042,849	1,724,439	1,430,568
Interest Expense	8,411,254	3,635,220	3,582,444	793,777	3,147,113	3,417,594	2,052,994	2,609,611	2,778,437	3,245,053
Other	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	350,174,217	408,420,007	340,706,120	386,975,909	323,299,141	338,267,573	299,341,204	358,470,683	321,263,890	297,791,346
Business-Type Activities:										
Sewer	16,271,153	17,727,574	22,340,727	21,605,441	20,649,172	20,543,184	20,196,899	19,111,340	19,788,661	19,809,246
Public Facilities Management										
Foundation	-	-	-	-	-	-	-	-	-	-
Charter School Fund	-	-	-	-	-	-	-	-	-	-
School Lunch	-	-	-	-	-	-	-	-	-	-
Other	680,481	5,242,054	6,340,572	6,161,282	6,012,354	6,672,150	6,119,203	6,129,756	5,835,392	5,698,896
Total Business-Type Activities	16,951,634	22,969,628	28,681,299	27,766,723	26,661,526	27,215,334	26,316,102	25,241,096	25,624,053	25,508,142
Total City Expenses	367,125,851	431,389,635	369,387,419	414,742,632	349,960,667	365,482,907	325,657,306	383,711,779	346,887,943	323,299,488
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	7,433,156	29,284,353	22,098,968	20,486,923	4,919,579	8,083,806	7,896,754	7,216,284	6,900,084	6,326,794
Public Safety	7,462,688	6,781,795	5,223,357	6,026,518	6,043,895	6,561,184	6,121,655	6,116,849	6,432,342	6,257,323
Public Works	1,538,421	1,413,228	1,455,438	1,391,560	1,263,226	1,321,215	1,296,471	1,056,208	941,631	1,026,133
Education	3,840,356	30,964,581	28,455,113	27,618,047	2,175,318	1,447,882	1,294,881	25,418,622	23,803,519	23,076,779
Parks and Recreation	288,392	426,759	376,438	286,911	139,133	400,370	397,817	355,064	396,967	356,124
Public Libraries	41,500	41,500	41,500	41,500	65,000	75,000	95,000	99,100	99,100	87,400
Senior Services	755,526	950,671	1,229,636	1,266,746	1,448,175	1,727,304	1,654,979	1,646,558	1,612,507	1,729,051
Other Activities	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	126,017,161	134,052,803	122,972,659	117,117,534	88,930,795	85,529,484	82,691,335	85,884,786	81,983,286	79,836,039
Capital Grants and Contributions	493,449	83,469	92,089	85,037	150,050	65,608	89,535	77,484	112,842	185,562
Total Governmental Activities	147,870,649	203,999,159	181,945,198	174,320,776	105,135,171	105,211,853	101,538,427	127,870,955	122,282,278	118,881,205

CITY OF CRANSTON, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(As Restated)			(As Restated)		(As Restated)
PROGRAM REVENUES										
(CONTINUED)										
Business-Type Activities:										
Charges for Services:										
Sewer	\$ 24,914,652	\$ 23,949,157	\$ 22,365,955	\$ 22,708,593	\$ 22,727,619	\$ 22,816,372	\$ 22,857,078	\$ 23,182,878	\$ 22,192,444	\$ 22,135,939
Public Facilities Management	-	-	-	-	-	-	-	-	-	-
Foundation	-	-	-	-	-	-	-	-	-	-
Nonmajor Funds	3,071,294	3,136,187	918,333	6,103,201	3,288,554	3,618,125	3,466,787	3,573,946	3,608,947	3,338,096
Operating Grants and Contributions	-	-	6,113,592	-	2,462,200	2,755,615	2,603,782	-	2,483,891	2,420,657
Capital Grants and Contributions	-	-	-	-	-	-	177,000	2,668,371	-	-
Total Business-Type Activities	27,985,946	27,085,344	29,397,880	28,811,794	28,478,373	29,190,112	29,104,647	29,425,195	28,285,282	27,894,692
Program Revenues	27,985,946	27,085,344	29,397,880	28,811,794	28,478,373	29,190,112	29,104,647	29,425,195	28,285,282	27,894,692
Total City Revenues	175,856,595	231,084,503	211,343,078	203,132,570	133,613,544	134,401,965	130,643,074	157,296,150	150,567,560	146,775,897
NET (EXPENSES) REVENUES:										
Governmental Activities	(202,303,568)	(204,420,848)	(158,760,922)	(212,655,133)	(218,163,970)	(233,055,720)	(197,802,777)	(230,599,728)	(198,981,612)	(178,910,141)
Business-Type Activities	11,034,312	4,115,716	716,581	1,045,071	1,816,847	1,974,778	2,788,545	4,184,099	2,661,229	2,386,550
Total City Net Expense	(191,269,256)	(200,305,132)	(158,044,341)	(211,610,062)	(216,347,123)	(231,080,942)	(195,014,232)	(226,415,629)	(196,320,383)	(176,523,591)
GENERAL REVENUES AND OTHER										
CHANGES IN NET ASSETS										
Governmental Activities:										
General Revenues:										
Property Taxes and Other	210,283,222	205,290,496	199,285,734	186,610,566	187,925,014	187,181,594	190,112,694	186,383,002	186,026,404	184,125,495
Grants and Contributions Not	-	-	-	-	-	-	-	-	-	-
Restricted to Specific Programs	-	-	-	-	-	-	-	-	-	-
American Rescue Plan Act	-	20,126,412	7,871,661	-	-	-	-	-	-	-
State Special Funding for Pension	-	-	-	10,855,740	11,791,818	10,381,405	10,838,378	7,816,659	10,167,762	5,169,920
Unrestricted Investment Earnings	4,041,530	2,745,300	426,420	572,720	1,424,974	1,198,487	824,602	772,132	491,493	552,058
Transfers	-	-	-	(1,330,892)	-	-	-	(18,900)	(17,889)	(25,662)
Miscellaneous	5,831,489	2,672,798	3,526,815	4,274,173	3,101,138	2,970,801	2,912,777	3,862,424	2,538,972	3,006,381
Motor Vehicle Phase-Out Taxes	-	-	-	4,204,052	10,089,725	5,915,970	3,463,187	-	-	-
Total Governmental Activities	220,156,241	230,835,006	211,110,630	205,186,359	214,332,669	207,648,257	208,151,638	198,815,317	199,206,742	192,828,192
Business-Type Activities:										
State Special Funding for Pension	-	-	-	142,028	155,775	137,640	133,349	105,988	133,040	-
Unrestricted Investment Earnings	1,834,354	961,972	395,636	446,475	463,510	632,767	432,142	456,385	488,905	257,825
Transfers	-	-	-	1,330,892	-	-	-	18,900	17,889	25,662
Miscellaneous	-	-	665,945	-	332,415	-	-	-	-	72,748
Total Business-Type Activities	1,834,354	961,972	1,061,581	1,919,395	951,700	770,407	565,491	581,273	639,834	356,235
Total City	221,990,595	231,796,978	212,172,211	207,105,754	215,284,369	208,418,664	208,717,129	199,396,590	199,846,576	193,184,427

**CITY OF CRANSTON, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017 (As Restated)	2016	2015 (As Restated)
CHANGE IN NET ASSETS										
Governmental Activities	\$ 17,852,673	\$ 26,414,158	\$ 52,349,708	\$ (7,468,774)	\$ (3,831,301)	\$ (25,407,463)	\$ 10,348,861	\$ (31,784,411)	\$ 225,130	\$ 13,918,051
Business-Type Activities	12,868,666	5,077,688	1,778,162	2,964,466	2,768,547	2,745,185	3,354,036	4,765,372	3,301,063	2,742,785
TOTAL CITY CHANGE IN NET POSITION	<u>\$ 30,721,339</u>	<u>\$ 31,491,846</u>	<u>\$ 54,127,870</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>

TABLE 3

CITY OF CRANSTON, RHODE ISLAND
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

	Fiscal Year									
	2024	2023	2022	2021	2020 (As Restated)	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 207,000	\$ 207,000	\$ 207,000	\$ 3,910,193	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000	\$ 207,000
Restricted	300,654	-	424,890	281,992	249,484	353,193	482,879	468,363	275,374	279,040
Committed	1,505,854	695,771	53,073	5,992	4,797	44,030	44,030	44,025	42,892	2,115,631
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	19,072,378	18,607,491	14,236,584	10,280,468	13,343,808	18,335,668	20,225,654	20,149,590	20,220,712	20,452,035
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>21,085,886</u>	<u>19,510,262</u>	<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>
All Other Governmental Funds:										
Nonspendable	267,024	4,217,959	3,429,149	190,621	149,524	135,219	120,484	116,183	147,689	3,900,353
Restricted	21,817,197	14,426,543	18,904,412	14,979,685	17,165,999	16,519,432	11,677,153	11,222,461	16,219,384	9,344,674
Committed	191,142	53,891	62,516	416,611	769,991	835,894	819,031	1,291,734	1,900,091	634,041
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(75,375,137)	(57,874,181)	(15,555,189)	(1,623,686)	(102,210)	(2,593,433)	1,333,558	(650,642)	(171,829)	(152,166)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, Designated - School	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>(53,099,774)</u>	<u>(39,175,788)</u>	<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>
Grand Total	<u>\$ (32,013,888)</u>	<u>\$ (19,665,526)</u>	<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>

The General Fund fund balance increased \$1.6 million or 8.2% for FY24. The increase was due primarily to investment income from unspent America Rescue Plan Act funds.

All Other Governmental Funds decreased \$13.90 million or (35.57)% for FY24. This was due to primarily to the School Department's construction notes for a new elementary schools.

TABLE 4

CITY OF CRANSTON, RHODE ISLAND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(As Restated)					
REVENUES										
Property Taxes	\$ 188,234,513	\$ 183,736,149	\$ 186,332,779	\$ 187,636,959	\$ 188,836,127	\$ 188,054,377	\$ 189,995,439	\$ 187,047,423	\$ 184,814,710	\$ 181,540,560
Intergovernmental Revenue	141,195,634	123,916,436	125,342,237	112,354,325	94,399,690	91,511,062	86,244,057	79,375,874	76,241,305	74,551,512
Charges for Services	21,360,039	21,980,581	22,024,060	18,507,840	20,036,546	19,616,761	18,757,557	17,364,637	16,496,783	16,074,252
American Rescue Plan Act	-	20,126,412	-	-	-	-	-	-	-	-
School Department Emergency Relief	-	15,386,985	-	-	-	-	-	-	-	-
Interest on Investments	3,766,511	2,688,654	426,008	572,306	1,423,923	1,197,216	824,527	772,089	491,455	550,694
Departmental										
State Fiscal Stabilization Funds	-	-	-	-	-	-	-	-	-	-
State On-Behalf Pension Contributions	11,182,927	9,960,856	9,425,543	9,052,298	8,671,562	8,057,883	7,725,441	7,639,642	6,859,907	6,746,731
Other Revenues	5,895,117	2,662,486	5,591,756	4,274,173	3,789,091	2,970,801	2,912,778	3,787,970	2,448,080	2,922,776
Total Revenues	371,634,741	380,458,559	349,142,383	332,397,901	317,156,939	311,408,100	306,459,799	295,987,635	287,352,240	282,386,525
EXPENDITURES										
Current:										
General Government	12,911,382	16,044,451	12,888,268	13,396,042	11,813,733	11,461,754	11,401,804	10,728,233	9,932,588	9,670,263
Public Safety	97,751,633	100,946,293	92,872,963	88,693,446	89,799,341	87,822,776	86,151,898	82,402,327	80,899,232	78,150,559
Public Works	18,446,985	18,149,713	17,519,318	17,715,604	15,946,202	15,673,496	16,300,942	14,574,335	15,555,096	15,267,760
Education	209,076,693	216,560,966	200,360,892	187,221,859	180,001,109	176,154,252	170,688,047	168,040,851	160,498,034	155,280,225
Parks and Recreation	3,241,633	3,261,808	2,970,953	2,740,825	3,598,463	3,759,835	3,510,882	3,318,164	3,486,804	3,034,746
Public Libraries	4,150,282	4,265,386	3,973,829	3,843,924	3,751,174	3,824,435	3,527,320	3,864,354	3,273,998	3,270,495
Senior Services	2,414,229	2,974,532	3,137,297	2,943,896	3,048,291	3,297,648	3,103,654	3,045,115	2,908,045	3,119,557
Community Development	1,623,433	1,951,099	1,886,617	1,071,517	1,051,204	1,428,317	1,347,154	1,144,284	1,724,439	1,487,068
Other	155,840	197,582	194,337	216,216	204,464	220,217	157,174	179,589	184,049	178,112
Capital Outlay	24,684,390	45,971,694	18,987,185	7,872,761	14,841,347	17,379,624	13,695,602	10,211,687	12,091,531	4,455,146
Debt Service:										
Principal	10,207,053	7,694,000	7,267,000	6,891,000	6,805,500	7,694,000	7,344,000	7,035,000	7,020,000	7,355,000
Interest	5,772,659	4,064,858	3,905,540	4,175,940	4,263,444	4,075,898	3,100,352	2,857,393	3,445,373	3,348,140
Total Expenditures	390,436,212	422,082,382	365,964,199	336,783,030	335,124,272	332,792,252	320,328,829	307,401,332	301,019,189	284,617,071
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(18,801,471)	(41,623,823)	(16,821,816)	(4,385,129)	(17,967,333)	(21,384,152)	(13,869,030)	(11,413,697)	(13,666,949)	(2,230,546)
OTHER FINANCING SOURCES (USES)										
Issuance of Debt	5,600,000	-	8,055,000	8,890,000	13,410,000	16,405,000	15,840,000	5,440,000	37,035,000	-
Issuance of Financed Purchases	355,545	-	-	-	-	-	-	-	-	-
Bond Premium	406,355	-	2,029,519	-	2,430,699	3,906,379	590,103	-	2,573,150	-
Other Sources	91,213	650,756	57,856	-	78,010	-	-	-	-	-
Transfers In	103,990,600	98,511,879	97,796,819	96,011,879	95,726,739	94,084,926	93,369,185	93,155,894	91,682,652	93,693,519
Repayment of Debt to Escrow Agent	-	-	-	(8,763,038)	-	-	-	-	(23,862,607)	-
Transfers Out	(103,990,600)	(98,966,773)	(97,796,819)	(96,011,879)	(95,726,739)	(94,084,926)	(93,369,185)	(93,174,794)	(91,700,541)	(93,719,181)
Net Other Financing Sources (Uses)	6,453,113	195,862	10,142,375	126,962	15,918,709	20,311,379	16,430,103	5,421,100	15,727,654	(25,662)
NET CHANGE IN FUND BALANCES	<u>\$ (12,348,358)</u>	<u>\$ (41,427,961)</u>	<u>\$ (6,679,441)</u>	<u>\$ (4,258,167)</u>	<u>\$ (2,048,624)</u>	<u>\$ (1,072,773)</u>	<u>\$ 2,561,073</u>	<u>\$ (5,992,597)</u>	<u>\$ 2,060,705</u>	<u>\$ (2,256,208)</u>
Debt Service as a Percentage of Noncapital Expenditures	4.5 %	3.2 %	3.3 %	3.4 %	3.5 %	3.8 %	3.4 %	3.3 %	3.7 %	3.8 %

(1) This schedule includes expenditures of the General Fund, School Department, Special Revenue Funds and Capital Project Funds.

TABLE 5

CITY OF CRANSTON, RHODE ISLAND
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	Tax Rate Motor Vehicle	Direct Tax Rate Inventory	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
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
2023	7,139,795,820	19	1,666,145,505	28	8,805,941,325	371,924,904	28	-	N/A	371,924,904	9,177,866,229	9,177,866,229	1.000
2024	7,168,473,980	19	1,672,378,255	28	8,840,852,235	394,313,560	28	-	N/A	394,313,560	9,235,165,795	9,235,165,795	1.000

(1) Gross amount is reflected without deduction for exemptions.

TABLE 6

**CITY OF CRANSTON, RHODE ISLAND
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Name	Nature of Business	Grand List Year					
		2024			2015		
		Assessed Value	Rank	Percentage Net Taxable Grand List ⁽¹⁾	Assessed Value	Rank	Percentage Net Taxable Grand List ⁽²⁾
Carpionato Alfred	Real Estate Management	\$ 159,556,803	1	1.78 %	\$ 97,862,204	1	1.44 %
Garden City Owner LLC (formerly Gateway Woodside Inc.)	Real Estate Management	143,062,800	3	1.60	77,056,901	3	1.13
WFD Associates LP (formerly Picerne Properties)	Real Estate Management	86,380,800	4	0.96	54,929,058	4	0.81
RI Energy (formerly National Grid)	Utility	159,157,868	2	1.77	97,544,227	2	1.44
Paolino Properties	Real Estate Management	35,146,900	6	0.39	34,672,076	5	0.51
VA7 Terraces	Real Estate Management	44,280,491	5	0.49			
Cox Communications Inc.	Cable Communications	6,725,005	12	0.08	15,050,129	11	0.22
Independence Way	Real Estate Management	28,709,475	8	0.32	15,934,272	8	0.23
Stop & Shop (Calvi Realty Co, Inc.)	Retail Grocery	26,038,239	10	0.29	15,163,137	10	0.22
Lowes	Retail Hardware	18,642,427	11	0.21	15,261,586	9	0.22
Tasca Auto Group	Car Dealership	27,264,067	9	0.30			
Cranston Addison	Real Estate Management				17,918,100	6	0.26
Swarovski American	Industrial Manufacturing				17,324,384	7	0.26
Top Golf	Recreation	32,310,190	7	0.36			
Total		<u>\$ 767,275,065</u>		8.56 %	<u>\$ 458,716,074</u>		6.76 %

Source: City Assessor's Department

(1) Based on a net taxable Grand List of \$8,966,668,008

(2) Based on a net taxable Grand List of \$6,789,734,897

TABLE 7

**CITY OF CRANSTON, RHODE ISLAND
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
2015	\$ 182,559,745	\$ 180,321,237	98.8 %	\$ 1,088,259	\$ 181,409,496	99.4 %	\$ -	- %
2016	185,998,132	183,674,083	98.8	1,801,342	185,475,425	99.7	546,969	0.3
2017	188,071,063	185,964,064	98.9	1,605,681	187,569,745	99.7	523,865	0.3
2018	190,460,481	188,585,112	99.0	1,403,048	189,988,160	99.8	501,378	0.3
2019	188,499,042	186,620,937	99.0	997,965	187,618,902	99.5	449,084	0.2
2020	188,850,131	187,650,679	99.4	779,993	188,430,672	99.8	380,930	0.2
2021	187,791,127	186,943,125	99.5	489,935	187,433,060	99.8	341,804	0.2
2022	186,867,012	185,943,900	99.5	427,771	186,371,671	99.7	324,447	0.2
2023	183,576,692	183,080,154	99.7	202,718	183,282,872	99.8	223,240	0.1
2024	188,810,603	188,163,588	99.7	-	188,163,588	99.7	957,066	0.5
Total							<u>\$ 4,248,783</u>	

Source: City's audit reports

(1) This represents the City's mill rate per \$1,000 of taxable property.

TABLE 8

CITY OF CRANSTON, RHODE ISLAND
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)

Year Ended June 30,	Governmental Activities					Business-Type Activities				Total	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Bond Premiums	Capital Leases	Certificates of Participation	Total	Bond Premiums	Certificates of Participation	RI Infrastructure Notes	Total	Total		
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	\$ 1,202
2016	78,270,000	3,451,770	-	-	81,721,770	-	-	21,525,000	21,525,000	103,246,770	N/A	1,274
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	1,187
2019	89,943,000	6,470,534	2,340,000	-	98,753,534	-	-	18,253,000	18,253,000	117,006,534	N/A	1,440
2020	96,218,000	8,184,903	1,890,000	-	106,292,903	-	-	17,140,000	17,140,000	123,432,903	N/A	1,515
2021	90,075,000	7,468,574	2,909,237	-	100,452,811	-	-	16,011,000	16,011,000	116,463,811	N/A	1,404
2022	90,725,000	8,266,945	1,956,118	-	100,948,063	-	-	14,864,000	14,864,000	115,812,063	N/A	1,403
2023	82,891,000	7,576,270	6,709,742	-	97,177,012	-	-	13,695,000	13,695,000	110,872,012	N/A	1,345
2024	80,483,000	7,250,434	5,822,149	-	93,555,583	-	-	12,504,000	12,504,000	106,059,583	N/A	1,283

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

TABLE 9

CITY OF CRANSTON, RHODE ISLAND
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 Premiums	Total		
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	1.15	1,282
2021	90,075,000	7,468,575	97,543,575	1.08	1,176
2022	90,725,000	8,266,945	98,991,945	0.94	1,199
2023	82,891,000	7,576,270	90,467,270	0.90	1,098
2024	80,483,000	7,270,434	87,753,434	0.87	1,062

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF CRANSTON, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2024
(UNAUDITED)**

Assessed Value	\$ 9,235,165,795
Less: Exemptions	<u>(268,497,787)</u>
Net Total Taxable Assessed Value	<u><u>\$ 8,966,668,008</u></u>
Debt Limit - 3% of Total Assessed Value	\$ 269,000,040
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	<u>-</u>
Legal Debt Margin	<u><u>\$ 269,000,040</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
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)

<u>Year Ended June 30,</u>	<u>Debt Limit</u>	<u>Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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	-	238,016,472
2022	275,317,113	-	275,317,113
2023	267,305,298	-	267,305,298
2024	269,000,040	-	269,000,040

**CITY OF CRANSTON, RHODE ISLAND
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30,	Population ⁽¹⁾	Median Income ⁽⁴⁾	Per Capita Income ⁽¹⁾	Median Age ⁽¹⁾	Education Level in Years of Schooling Level in Years - Bachelors Degree	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2015	80,972	\$ 64,282	\$ 29,218	41	N/A	10,271	7.5 %
2016	81,014	64,282	29,878	40	N/A	10,443	5.9
2017	81,034	64,282	30,553	41	N/A	10,417	5.0
2018	81,202	64,282	30,553	41	N/A	10,365	4.3
2019	81,274	64,282	31,607	41	31.40 %	10,324	4.0
2020	81,456	66,283	32,634	40	31.40	10,186	3.4
2021	82,934	72,017	33,974	40	33.20	10,439	9.5
2022	82,566	74,425	35,714	40	33.90	10,492	5.6
2023	82,421	77,145	41,572	40	34.00	9,816	3.1
2024	82,635	81,370	41,663	39	35.80	10,439	2.9

(1) Figures obtained from obtained from Data USA

(2) Cranston School Department

(3) Rhode Island Department of Labor and Training (as of June 30)

(4) U.S. Census Bureau

TABLE 13

**CITY OF CRANSTON, RHODE ISLAND
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment ⁽¹⁾	Employees	Rank	Percentage of Total City Employment ⁽²⁾
State of Rhode Island	5,500	1	12.93 %	5,500	1	15.50 %
City of Cranston	1,968	2	4.63	2,331	2	6.57
Citizens Bank				2,400	3	6.76
Tasca Motor Group	330	7	0.78	357	8	1.01
Walmart	298	9	0.70	300	10	0.85
Taco, Inc.	421	4	0.99	410	6	1.16
Thielsch Engineering	426	3	1.00	400	9	1.13
Swarovski Consumer Goods Ltd.	254	10	0.60			
The Stop & Shop Co., Inc.	352	6	0.83	448	5	1.26
Honeywell Safety Products				400	7	1.13
Access Point RI	300	8	0.71	550	4	1.55
Topgolf	400	5	0.94			
Total	<u>10,249</u>		24.09	<u>13,096</u>		36.90

SOURCE: State Department of Labor

(1) Based on June 30, 2024, total City employment of 42,547

(2) Based on June 30, 2015, total City employment of 35,486

TOTAL CITY EMPLOYMENT	2024	<u>42,547</u>	2015	<u>35,486</u>
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TABLE 14

CITY OF CRANSTON, RHODE ISLAND
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Mayor	7	7	7	6	6	6	6	6	6	6
Department of Personnel	2	2	2	2	2	2	2	-	-	-
City Clerk	6	6	6	6	6	6	6	6	6	6
Municipal Court	2	2	2	2	2	2	2	2	2	3
Board of Canvassers	4	4	4	3	3	3	3	3	3	3
City Planning	4	4	4	4	5	4	4	4	4	4
Economic Development	1	2	2	2	2	2	2	2	2	2
Finance	2	2	2	3	4	3	3	3	3	3
Division of Accounting & Control	5	5	5	5	5	5	5	5	5	5
Division of Assessment	5	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	3	4	5	5	6	6	6	6	6	6
Division of Treasury & Collection	6	6	6	6	7	7	7	6	6	6
Police:										
Officers	149	149	149	149	153	153	153	153	153	151
Civilians	26	27	27	26	26	27	27	27	26	26
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	191	195	195	190	195	194	194	194	194	193
Civilians	15	15	15	15	15	15	15	15	15	15
Inspections	11	12	12	11	13	11	11	11	10	12
Public Works:										
Administration	3	3	3	3	3	3	3	3	3	4
Engineering	3	3	3	4	4	4	4	4	4	4
Highway	34	39	39	39	41	40	40	39	39	38
Building	19	25	25	25	24	23	23	23	23	23
Fleet Management	9	10	10	10	10	10	10	10	10	10
Refuse Removal	1	1	1	1	1	1	1	1	1	1
Traffic Safety	1	1	1	1	1	1	1	1	1	-
Parks and Recreation	22	23	23	23	23	21	21	20	20	20
Public Libraries	31	31	31	31	32	32	32	32	32	32
Senior Services	21	23	25	25	25	25	25	24	24	24
Community Development	3	3	4	3	3	3	3	3	3	3
Other	7	6	7	4	7	9	9	9	9	8
Education	<u>1,368</u>	<u>1,547</u>	<u>1,481</u>	<u>1,515</u>	<u>1,548</u>	<u>1,530</u>	<u>1,534</u>	<u>1,527</u>	<u>1,462</u>	<u>1,442</u>
Total	<u>1,968</u>	<u>2,170</u>	<u>2,109</u>	<u>2,132</u>	<u>2,185</u>	<u>2,161</u>	<u>2,165</u>	<u>2,152</u>	<u>2,085</u>	<u>2,063</u>

Source: City Budget

CITY OF CRANSTON, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities:										
Public Safety:										
Fire:										
Total Incidents	17,822	17,788	17,440	16,455	15,349	16,629	15,572	15,311	14,203	7,497
Rescue/Medical Calls	13,690	11,386	11,163	10,283	11,596	10,712	10,247	10,048	9,349	5,466
Rescue/Nonmedical Calls	4,132	6,402	6,277	6,172	3,753	5,917	5,325	5,263	4,854	2,031
Fire Hydrants	1,945	1,945	1,945	1,945	1,947	1,947	1,923	1,923	1,923	1,923
Police:										
Number of Calls	74,949	70,587	70,314	73,923	33,676	91,258	83,970	81,239	78,896	65,422
Total 911 Calls Received	5,288	4,736	4,357	4,619	2,068	4,832	6,112	8,864	5,646	5,120
Formal Investigations	12,655	10,366	9,827	9,951	10,263	22,949	22,128	23,312	20,039	17,075
City Clerk:										
Number of Documents Recorded	11,527	12,958	18,690	20,889	16,632	13,690	15,226	15,267	15,036	14,513
Health and Welfare:										
Number of Food Service Facilities Inspections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Homes Built	40	32	49	58	40	40	33	49	64	20
Land Use:										
Total Subdivisions Approved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Commercial Applications Approved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building Permits	1,914	1,928	2,007	2,077	1,778	1,871	1,890	1,747	1,864	26
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	3,499	4,189	3,539	3,404	3,178	3,295	3,319	3,356	3,279	3,213
Middle School Grades 6-8	2,308	2,311	2,450	2,509	2,452	2,470	2,478	2,467	1,695	1,661
Elementary Schools Grades K-5	4,157	3,316	4,503	4,526	4,556	4,559	4,568	4,594	5,469	5,397
Total	<u>9,964</u>	<u>9,816</u>	<u>10,492</u>	<u>10,439</u>	<u>10,186</u>	<u>10,324</u>	<u>10,365</u>	<u>10,417</u>	<u>10,443</u>	<u>10,271</u>

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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

Function/Program	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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	36	36	35	35	36	36	35
Walking Tracks	7	7	7	7	7	8	8	8	8	8
Basketball Courts	22	22	22	22	22	21	21	21	21	21
Tennis Courts	22	22	22	22	22	24	24	24	24	24
Baseball Fields	23	23	23	23	23	28	28	28	28	27
Softball Fields	14	14	14	14	14	12	12	11	11	11
Other Fields	22	22	22	22	22	22	22	22	22	22
Ice Rink	1	1	1	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	385	10	10	10	37	37	47	47	120	149
Fire Hydrants	1,945	1,945	1,945	1,945	1,947	1,947	1,923	1,923	1,923	1,923
Police Department:										
Stations	4	4	4	4	4	4	4	3	3	3
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	4	4	3	3
Number of Elementary Schools	15	15	15	15	15	16	16	16	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	15	18	27	24	16	18	22	34	24	28
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

APPENDIX B

Proposed Forms of Legal Opinions for the Bonds and the Notes



[Date of Delivery]

City of Cranston, Rhode Island
City Hall
869 Park Avenue
Cranston, Rhode Island 02910

Re: \$ _____ City of Cranston, Rhode Island, General Obligation
Bonds, 2025 Series A (the “Bonds”)

We have acted as bond counsel to the City of Cranston, Rhode Island (the “City”) in connection with the issuance by the City of the above-referenced Bonds. In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations and covenants of the City in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion under existing law, as follows:

1. The Bonds are valid general obligations of the City, and all taxable property in the City is subject to taxation without limitation as to rate or amount to pay the Bonds and the interest thereon.
2. Interest on the Bonds is excluded from the gross income of the owner of the Bonds for federal income tax purposes. In addition, interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Bonds will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the “Code”). In rendering the opinions set forth in this paragraph, we have assumed compliance by the City with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure by the City to

comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

3. Income from the Bonds is free from taxation by the State of Rhode Island or any political subdivision or other instrumentality of the State although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. We express no opinion regarding any other Rhode Island tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than Rhode Island.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,



[Date of Delivery]

City of Cranston, Rhode Island
City Hall
869 Park Avenue
Cranston, Rhode Island 02910

Re: \$_____ City of Cranston, Rhode Island, General Obligation
Bond Anticipation Notes, 2025 Series 1 (the “Notes”)

We have acted as bond counsel to the City of Cranston, Rhode Island (the “City”) in connection with the issuance by the City of the above-referenced Notes. In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations and covenants of the City in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion under existing law, as follows:

1. The Notes are valid general obligations of the City, and all taxable property in the City is subject to taxation without limitation as to rate or amount to pay the Notes and the interest thereon.
2. Interest on the Notes is excluded from the gross income of the owner of the Notes for federal income tax purposes. In addition, interest on the Notes will not be included in computing the alternative minimum taxable income of individuals. However, interest on the Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the “Code”). In rendering the opinions set forth in this paragraph, we have assumed compliance by the City with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure by the City to

comply with certain of such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. We express no opinion regarding any other federal tax consequences arising with respect to the Notes.

3. Income from the Notes is free from taxation by the State of Rhode Island or any political subdivision or other instrumentality of the State although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. We express no opinion regarding any other Rhode Island tax consequences arising with respect to the Notes or any tax consequences arising with respect to the Notes under the laws of any state other than Rhode Island.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Notes and the enforceability of the Notes may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX C

Proposed Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Cranston, Rhode Island (the “Issuer”) in connection with the execution and delivery of its \$_____ General Obligation Bonds, 2025 Series A (the “Bonds”) and \$_____ General Obligation Bond Anticipation Notes, 2025 Series 1 (the “Notes” and together with the Bonds, the “Obligations”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean the Director of Finance of the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access System of the MSRB, located at <http://emma.msrb.org>, or such other electronic format or successor as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Owners of the Obligations” shall mean the registered owners, including beneficial owners, of the Obligations.

“Participating Underwriter” shall mean the original underwriter or underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year (commencing with the fiscal year ended June 30, 2025) shall provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate

documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from, and at a later date than, the balance of the Annual Report if such audited financial statements are not available as of the date set forth above. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Prior to the date specified in subsection (a) for providing the Annual Report to EMMA, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer).

(c) If the Issuer at any time determines that an Annual Report has not been provided to EMMA by the date specified in subsection (a) for providing the Annual Report, the Issuer shall send, or cause the Dissemination Agent to send, a notice substantially in the form of Exhibit A irrespective of whether the Dissemination Agent has submitted such notice.

(d) The Dissemination Agent (if other than the Issuer) shall, to the extent such information is known to it, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The Annual Report submitted by the Issuer shall contain or incorporate by reference financial information and the operating data listed below:

a) Quantitative information for the preceding fiscal year of the type presented in the Official Statement dated _____, 2025, relating to the Obligations (the "Official Statement") regarding (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures; (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, and (vi) pension obligations and other post-employment benefit obligations of the Issuer, and

b) The audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles (except for the omission, if any, of a statement of fixed assets). If the Issuer's financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection 3(a), the Annual Report will include unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The Issuer shall clearly identify each such other document so incorporated by reference. The Dissemination Agent (if other than the Issuer) shall have no responsibility concerning the content of the Annual Report or whether the Annual Report complies with the Rule.

SECTION 5. Reporting of Listed Events.

(a) The Issuer shall give notice in accordance with subsection 5(b) below of the occurrence of any of the following events with respect to the Obligations:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (7) modifications to rights of the Owners of the Obligations, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Obligations, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;¹
- (13) the consummation of a merger, consolidation, or acquisition of the Issuer, the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

¹ For purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(14) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(15) incurrence of a financial obligation² of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Owners of the Obligations, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(b) The Issuer shall file, or cause the Dissemination Agent to file, with the MSRB in a timely manner, not in excess of ten (10) business days after the occurrence thereof, a notice of the occurrence of any of the events described in subsection 5(a) above. If the Dissemination Agent is to file a notice of the occurrence of any of the events described in subsection 5(a) above, the Issuer (if it is not the Dissemination Agent) shall provide the applicable notice to the Dissemination Agent at least two (2) business days prior to the filing deadline, and the Dissemination Agent shall file the notice with the MSRB as soon as practicable thereafter, but in no event later than two (2) business days after receipt thereof. The Dissemination Agent, if other than the Issuer, shall have no duty to file a notice of a Listed Event described hereunder unless it is directed to do so by the Issuer, and shall have no responsibility for verifying any of the information in any such notice or determining the materiality of the event described in such notice.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Information must be provided to the MSRB through EMMA.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Obligations or upon delivery to the Dissemination Agent of an opinion of counsel expert in federal securities laws selected by the Issuer and acceptable to the dissemination agent to the effect that compliance with this disclosure agreement no longer is required by the rule. If such termination occurs prior to the final maturity of the Obligations, the Issuer shall give notice of such termination in the same manner as for a Listed Event under subsection 5(a).

SECTION 8. Dissemination Agent. the Issuer may, from time to time, appoint or engage a third-party Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such third-party Dissemination Agent, with or without appointing a successor Dissemination Agent.

² The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is permitted by the Rule as it exists at the time of modification and does not, in the opinion of nationally recognized bond counsel, cause the Disclosure Certificate to violate the Rule. The Issuer shall within a reasonable time thereafter send to the MSRB via EMMA a description of such amendment or waiver.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Obligations may take such actions as may be necessary or appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Obligations, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Issuer) shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent (if other than the Issuer), its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (if other than the Issuer) shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by

the Dissemination Agent in the performance of its duties hereunder. The obligations of the Issuer under this section shall survive resignation or removal of the Dissemination Agent and payment of the Obligations.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Owners of the Obligations from time to time, and shall create no rights in any other person or entity.

Dated: August ____, 2025

CITY OF CRANSTON, RHODE ISLAND

By: _____
Director of Finance

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Cranston, Rhode Island

Name of Bond Issue: General Obligation Bonds, 2025 Series A
General Obligation Bond Anticipation Notes, 2025 Series 1

Date of Issuance: August ____, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds [and Notes] as required by the Continuing Disclosure Certificate of the Issuer dated August ____, 2025.

Dated: _____

CITY OF CRANSTON, RHODE ISLAND

By: _____