



**Basic Financial Statements
And Supplementary Information**

**As of and for the year ended June 30, 2023
Prepared by:**

Finance Department

CITY OF CENTRAL FALLS

CONTENTS

	EXHIBIT	PAGE
Independent Auditors' Report		1-3
Required Supplementary Information:		
Management's Discussion and Analysis		4-10
FINANCIAL SECTION		
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	11-12
Statement of Activities	A-2	13
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	14
Statement of Revenues, Other Financing Sources, Expenditures, Other Financing Uses, and Changes in Fund Balances	B-2	15
Reconciliation of the Statement of Revenues, Other Financing Sources, Expenditures, Other Financing Uses and Changes in Fund Balances of the Governmental Funds (B-2) to the Statement of Activities (A-2).....	B-3	16
Fiduciary Funds:		
Statement of Fiduciary Net Position.....	C-1	17
Statement of Changes in Fiduciary Net Position	C-2	18
Notes to Financial Statements		19-61
Required Supplementary Information:		
Schedule of Revenues and Expenditures – Budget and Actual “Budgetary Basis”.....	D-1	62-71
Budgetary and Legal Compliance	D-2	72
Schedule of Changes in the Net Pension Liability and Related Ratios – MERS - 3004.....	D-3	73
Schedule of Changes in the Net Pension Liability and Related Ratios – MERS - 1054.....	D-4	74
Schedule of Changes in the Net Pension Liability and Related Ratios – MERS - 1055.....	D-5	75
Schedule of Contributions – MERS - 3004	D-6	76
Schedule of Contributions – MERS - 1054	D-7	77
Schedule of Contributions – MERS - 1055	D-8	78
Schedule of Changes in the Net OPEB Liability and Related Ratios	D-9	79
Schedule of Contributions – OPEB Plan	D-10	80
Notes to Required Supplementary Information		81-83
Supplementary Information:		
Combining Balance Sheet – Non-Major Governmental Funds	E-1	84-88
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	E-2	89-93
Tax Collector's Annual Report.....	F-1	94
Annual Supplemental Transparency Report (MTP2)		95-97
Combining Schedule of Reportable Government Services with Reconciliation to MTP2: Municipal.....		98
Notes to Supplementary Information – Annual Supplemental Transparency Report.....		99-100

CITY OF CENTRAL FALLS

CONTENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	101-102
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	103-105
Schedule of Expenditures of Federal Awards.....	106
Notes to Schedule of Expenditures of Federal Awards	107
Schedule of Findings and Questioned Costs.....	108-109
Summary Schedule of Prior Year Audit Findings	110



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor Maria Riveria
and Members of the Central Falls City Council
City of Central Falls, RI

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Central Falls, Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Central Falls, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Central Falls, Rhode Island, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of

Central Falls, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Central Falls, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Central Falls, Rhode Island's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion, Analysis and Budgetary Comparison Information, Schedule of Changes in City's Net Pension Liability and Related Ratios, Schedule of City's Contributions and Investment Returns, Schedule of Changes in City's OPEB Liability and Related Ratios, Schedule of City's Contributions and accompanying notes on Pages 4 through 10, and Pages 62 through 83, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Central Falls, Rhode Island's basic financial statements. The combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, the schedule of property taxes receivable, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, the schedule of property taxes receivable, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the City of Central Falls, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Central Falls, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Central Falls, Rhode Island's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
December 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CENTRAL FALLS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023



Management’s Discussion and Analysis

This discussion and analysis of the City of Central Falls financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2023. This is the City’s nineteenth (19th) year reporting in accordance with the provisions of GASB Statement No. 34. Please read this document in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The auditors’ report for 2023 expresses an unmodified (i.e. “clean”) opinion on the financial statements of the City of Central Falls. The City’s basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of the City and the notes to the financial statements.

The Government-Wide Statement of Net Position indicates that the City’s total net position increased this year to a positive \$13,735,404, reflecting an increase of \$15,254,665 over FY2022.

The Government-Wide Statement of Activities indicates that the City’s total general revenues of \$18,744,106 combined with additional program revenues of \$17,574,192, less program expenses of \$21,063,633, resulted in an increase of \$15,254,665 in total net position from a year ago.

The Governmental Fund Financial Statements indicate that the ending fund balance for the City’s general fund was \$2,337,319, reflecting an increase of \$359,507 (after other financing sources and uses) compared to the FY2022 fund balance of \$1,877,812.

The Financial Statements

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

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

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

CITY OF CENTRAL FALLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

Overview of the Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City of Central Falls as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most companies in the private-sector. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position is an indicator of whether the City's financial health is improving or deteriorating.

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

Governmental Activities

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

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to Financial Statements

CITY OF CENTRAL FALLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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

Other Information

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

The combining statements in connection with non-major governmental funds, the annual tax collector's report, annual supplemental transparency report, the schedule of federal expenditures and the schedule of questioned costs are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

In this, the nineteenth (19th) year of implementation of the provisions of GASB Statement No. 34, the City continues to provide certain disclosures and compares them to the prior year financial statements. In the sections that follow, a comparative analysis is provided between current year and prior year information.

As noted earlier, the total net position for the City of Central Falls has increased by \$15,254,665 over the prior year's negative balance of \$1,519,261. This is first identified in the change in net position as recorded in the Statement of Activities and then flows through the Statement of Net Position. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses and total assets are presented in the Statement of Activities and Changes in Net Assets.

CITY OF CENTRAL FALLS' SUMMARY OF NET POSITION (DEFICIT)
For the year ended June 30,

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 17,572,043	\$ 12,409,219
Capital assets	<u>41,437,729</u>	<u>28,444,813</u>
Total Assets	<u>59,009,772</u>	<u>40,854,032</u>
Deferred Outflow	6,956,551	6,355,122
Current liabilities	13,662,846	9,327,715
Long-term liabilities	<u>33,343,624</u>	<u>33,625,292</u>
Total Liabilities	<u>47,006,470</u>	<u>42,953,007</u>
Deferred Inflow	<u>5,224,449</u>	<u>5,775,408</u>
Net Position (Deficit):	13,735,404	(1,519,261)
Net investment in		
Capital assets	36,152,168	22,368,899
Restricted	970,912	815,655
Unrestricted	<u>(23,387,676)</u>	<u>(24,703,815)</u>
Total Net Position (Deficit):	<u>\$ 13,735,404</u>	<u>\$ (1,519,261)</u>

CITY OF CENTRAL FALLS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2023

Government-Wide Financial Analysis (Continued)

This year the City of Central Falls continues to report positive balances in two (2) areas of net position. All areas of net position showed improvement from the previous year. The improvement was seen primarily in capital assets that primarily reflects our investment in school construction.

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

For the year ended June 30,

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
Revenues		
Program Revenues:		
Charges for service	\$ 1,935,092	\$ 1,734,222
Operating grants & contributions	762,579	1,221,079
Capital grants & contributions	14,876,521	6,501,895
General Revenues		
Property taxes	15,077,895	14,656,181
Grants & contributions (not restricted)	2,970,317	2,204,887
Other revenue	593,428	862,051
Earnings on investments	102,466	9,429
Total revenue	36,318,298	27,189,744
Expenses		
General government	5,696,601	4,922,077
Public safety	7,144,020	6,912,471
Planning	--	4,092
Public works	2,821,335	2,534,515
Public education	727,416	723,041
Public recreation	995,619	1,114,662
Other city government	958,744	523,563
Retirement	2,532,412	2,680,543
Interest on debt	187,486	298,432
Total expenses	21,063,633	19,713,396
Increase in net position	15,254,665	7,476,348
Net deficit, July 1	(1,519,261)	(8,995,609)
Net position (deficit), June 30	<u>\$ 13,735,404</u>	<u>\$ (1,519,261)</u>

CITY OF CENTRAL FALLS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Government-Wide Financial Analysis (Continued)

Total revenues in 2023 were \$36,318,298, which reflects an increase of \$9,128,554 as compared to the revenue in 2022. This change is primarily seen within program revenues and represents increased funding for school construction.

Total expenses in 2023 were \$21,063,633, which reflects an increase of \$1,350,237 as compared to expenses in 2022. This increase is primarily due to activity within the pension fund.

Transfers

Inter-fund transfers for the year ended June 30, 2023, totaled \$41,739 for the year.

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

	Fund Balance <u>June 30, 2023</u>	Fund Balance <u>June 30, 2022</u>	Increase <u>(Decrease)</u>
General Fund	\$ 2,237,319	\$ 1,877,812	\$ 359,507
Other Governmental	<u>994,530</u>	<u>532,559</u>	<u>461,971</u>
Total	<u>\$ 3,231,849</u>	<u>\$ 2,410,371</u>	<u>\$ 821,478</u>

The fund balance for the City of Central Falls general fund is \$2,237,319 as of June 30, 2023. This represents an increase of \$359,507 as compared to 2022 and reflects 11.53% of budgeted revenue.

General Fund Revenues	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>Percentage Change</u>
General property taxes	\$ 15,211,393	\$ 15,217,578	\$ (6,185)	-0.04%
Intergovernmental	2,970,317	2,204,887	765,430	34.72%
Fees / Non-tax income	1,935,092	1,734,222	200,870	11.58%
Other revenues	<u>336,813</u>	<u>729,812</u>	<u>(392,999)</u>	<u>-53.85%</u>
Total	<u>\$ 20,453,615</u>	<u>\$ 19,886,499</u>	<u>\$ 567,116</u>	<u>2.85%</u>

General Fund revenues increased \$567,116 or 2.85%, as compared to 2022. The increase in intergovernmental is due to 100% of motor vehicle phase out being reported in the category. The increase in fees is due to increased red light camera revenue. And the decrease in other revenues is due to less FEMA covid reimbursement.

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

CITY OF CENTRAL FALLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

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

General Fund Budgetary Comparison Schedule – June 30, 2023

Revenue Analysis	Adopted Budget FY23	Final Budget FY23	Actual FY23	Variance FY23
Tax revenue	\$ 15,652,832	\$ 15,652,832	\$ 15,211,393	\$ (441,439)
Fees/Non-tax revenue	1,650,827	1,650,827	1,935,092	284,265
Intergovernmental/State	2,058,840	2,058,840	2,970,317	911,477
Other Income	50,000	50,000	190,156	140,156
Total	<u>\$ 19,412,499</u>	<u>\$ 19,412,499</u>	<u>\$ 20,306,958</u>	<u>\$ 894,459</u>
Expenditure Analysis				
General Government	\$ 3,323,971	\$ 3,323,971	\$ 3,517,345	\$ (193,374)
Public safety	8,881,969	8,881,969	8,810,983	70,986
Public works	2,157,660	2,157,660	2,299,972	(142,312)
Public Library	150,727	150,727	155,470	(4,743)
Public recreation/Planning	669,146	669,146	648,609	20,537
Municipal debt service	1,014,254	1,014,254	1,034,456	(20,202)
Other city government	450,838	450,838	958,744	(507,906)
Retirement	2,763,934	2,763,934	2,532,412	231,522
Total	<u>\$ 19,412,499</u>	<u>\$ 19,412,499</u>	<u>\$ 19,957,991</u>	<u>\$ (545,492)</u>

The unfavorable variance to budget in tax revenue and the favorable variance to budget in intergovernmental revenue is simply due to motor vehicle phaseout. The state completed the phaseout the FY23, but the city budgeted the last year of the phaseout in tax revenue. The favorable variance in fees is due a more than anticipated increase in red light camera revenue. Lastly, the favorable variance in other income is due to our last FEMA reimbursement amounts. The unfavorable variance in expenditures is primarily due to capital spending. Specifically, the variance for school construction was unfavorable \$486,491.

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

Debt Administration

At year end the total long-term debt for the City of Central Falls was \$34.07 million. The breakdown is as follows:

	<u>FY2023 Amount</u>	<u>Percent</u>	<u>FY2022 Amount</u>	<u>Percent</u>
General Obligation Municipal Bonds	\$ 3,485,000	10%	\$ 4,170,000	12%
RIHEBC Revenue Bonds	405,000	1%	490,000	1%
R.I. Infrastructure Bank	1,305,000	4%	1,371,000	4%
Net Pension Liability (NPL)	26,819,550	79%	25,613,012	74%
Net OPEB Liability (NOL)	1,670,299	5%	2,539,376	7%
Compensated Absences	387,851	1%	309,893	1%
Total	<u>\$ 34,072,700</u>	100%	<u>\$ 34,493,281</u>	100%

CITY OF CENTRAL FALLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Debt Administration (Continued)

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

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

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

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

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

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

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

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

Capital Assets

The City of Central Falls has \$41,347,168 invested in capital assets, net of depreciation. Only capitalized assets with an original cost of \$5,000 or greater are included. The straight-line/unrecovered cost method was used to calculate annual depreciation.

Independent Audit

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Marcum LLP provided this service for the purpose of issuing basic financial statements and supplementary information for the year ended June 30, 2023.

Acknowledgements

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

Respectfully submitted,

Mary Signer
Finance Director

FINANCIAL SECTION

CITY OF CENTRAL FALLS

A-1

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities
Assets	
Current Assets	
Cash and cash equivalents	\$ 7,668,012
Due from federal and state governments	7,688,027
Property taxes receivable, net	1,543,640
Other receivables, net	131,659
Cash held in escrow - Rhode Island Infrastructure Bank	27,736
Total Current Assets	17,059,074
Noncurrent Assets	
Net pension asset	90,561
Right-to-use subscription assets, net	345,628
Capital assets (non-depreciable)	18,444,566
Capital assets (net of accumulated depreciation)	22,902,602
Total Noncurrent Assets	41,783,357
Total Assets	58,842,431
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	113,942
Deferred outflows of resources related to pensions	6,842,609
Total Deferred Outflows of Resources	6,956,551
Total Assets and Deferred Outflows of Resources	\$ 65,798,982

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

CITY OF CENTRAL FALLS

A-1

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

	Governmental Activities
Current Liabilities	
Accounts payable	\$ 4,304,243
Accrued interest payable	65,224
Accrued expenses	97,181
Unearned revenue	7,943,983
Current portion of subscription liabilities	184,089
Current portion of long-term liabilities	900,785
Total Current Liabilities	13,495,505
Noncurrent Liabilities	
Net pension liability	26,819,550
Net OPEB liability	1,670,299
Subscription liabilities, net of current portion	171,709
Long-term liabilities, net of current portion	4,682,066
Total Noncurrent Liabilities	33,343,624
Total Liabilities	46,839,129
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	2,192,945
Deferred inflows of resources related to pensions	3,031,504
Total Deferred Inflows of Resources	5,224,449
Total Liabilities and Deferred Inflows of Resources	52,063,578
Net Position (Deficit)	
Net investment in capital assets	36,152,168
Restricted:	
Capital projects	181,337
Special revenue/grantors	788,575
Unrestricted	(23,386,676)
Total Net Position (Deficit)	\$ 13,735,404

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

CITY OF CENTRAL FALLS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 5,696,601	\$ 1,935,092	\$ 574,034	\$ 14,915,476	\$ 11,728,001
Public safety	7,144,020	--	104,133	--	(7,039,887)
Public works	2,821,335	--	--	--	(2,821,335)
Public education	727,416	--	--	--	(727,416)
Public recreation	995,619	--	45,457	--	(950,162)
Other city government	958,744	--	--	--	(958,744)
Retirement	2,532,412	--	--	--	(2,532,412)
Debt service interest	187,486	--	--	--	(187,486)
Totals	\$ 21,063,633	\$ 1,935,092	\$ 723,624	\$ 14,915,476	(3,489,441)
General Revenues:					
Property taxes					15,077,895
Grants and contributions not restricted to specific programs					2,970,317
Investment earnings					102,466
Miscellaneous					593,428
					Total General Revenues
					18,744,106
					Change in Net Position
					15,254,665
					Net Position (Deficit) - Beginning, as restated
					(1,519,261)
					Net Position - Ending
					\$ 13,735,404

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

CITY OF CENTRAL FALLS

B-1

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	CDBG 2021	School Bldg Capital	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,538,588	\$ --	\$ --	\$ 3,774,328	\$ 355,096	\$ 7,668,012
Due from federal and state governments	3,133,510	3,503,476	--	--	1,051,041	7,688,027
Property taxes receivable, net	1,543,640	--	--	--	--	1,543,640
Other receivables, net	131,659	--	--	--	--	131,659
Cash held in escrow - Rhode Island Infrastructure Bank	--	--	--	--	27,736	27,736
Due from other funds	3,710,133	--	100,334	1,000	879,081	4,690,548
Total Assets	<u>12,057,530</u>	<u>3,503,476</u>	<u>100,334</u>	<u>3,775,328</u>	<u>2,312,954</u>	<u>21,749,622</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	4,304,243	--	--	--	--	4,304,243
Accrued expenses	--	--	--	--	97,181	97,181
Due to other funds	4,034,150	--	--	383,493	272,905	4,690,548
Unearned revenue	--	3,503,476	--	3,390,835	1,049,672	7,943,983
Total Liabilities	<u>8,338,393</u>	<u>3,503,476</u>	<u>--</u>	<u>3,774,328</u>	<u>1,419,758</u>	<u>17,035,955</u>
Deferred Inflows of Resources						
Advance tax collections	380,050	--	--	--	--	380,050
Unavailable revenue - taxes	1,101,768	--	--	--	--	1,101,768
Total Deferred Inflows of Resources	<u>1,481,818</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,481,818</u>
Fund Balance						
Nonspendable	--	--	--	--	10,380	10,380
Restricted	--	--	100,334	1,000	959,532	1,060,866
Committed	1,651,009	--	--	--	--	1,651,009
Unassigned	586,310	--	--	--	(76,716)	509,594
Total Fund Balances	<u>2,237,319</u>	<u>--</u>	<u>100,334</u>	<u>1,000</u>	<u>893,196</u>	<u>3,231,849</u>
Total Liabilities and Fund Balances	<u>\$ 12,057,530</u>	<u>\$ 3,503,476</u>	<u>\$ 100,334</u>	<u>\$ 3,775,328</u>	<u>\$ 2,312,954</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,347,168
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the funds.	(34,072,700)
Right-to-use subscription assets on the Statement of Net Position.	345,628
Subscription liabilities on the Statement of Net Position.	(355,798)
Unearned revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position.	1,481,818
Net pension asset on the Statement of Net Position.	90,561
Pension related deferred outflows less pension related deferred inflows on the Statement of Net Position.	1,732,102
Accrued interest on long-term liabilities have been included in the governmental activities in the Statement of Net Position.	(65,224)

Net Position of Governmental Activities (A-1)

\$ 13,735,404

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

CITY OF CENTRAL FALLS

B-2

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

FOR THE YEAR ENDEND JUNE 30, 2023

	General Fund	CDBG 2021	School Bldg Capital	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Revenues						
General property taxes	\$ 15,211,393	\$ --	\$ --	\$ --	\$ --	\$ 15,211,393
Interest and investment income	25,640	--	--	--	76,826	102,466
Intergovernmental	2,970,317	87,024	11,767,963	1,733,932	2,050,181	18,609,417
Fees/non-tax income	1,935,092	--	--	--	--	1,935,092
Other revenues	311,173	--	--	--	282,255	593,428
Total Revenues	<u>20,453,615</u>	<u>87,024</u>	<u>11,767,963</u>	<u>1,733,932</u>	<u>2,409,262</u>	<u>36,451,796</u>
Expenditures						
Current:						
General government	3,586,654	83,714	--	50,591	815,888	4,536,847
Public safety	8,810,983	--	--	--	--	8,810,983
Public works	2,299,972	--	--	--	--	2,299,972
Public education	155,470	--	--	--	--	155,470
Public recreation	676,498	--	--	--	--	676,498
Other city government	958,744	--	--	--	--	958,744
Retirement	2,532,412	--	--	--	--	2,532,412
Debt Service:						
Principal and interest	1,034,456	--	--	--	--	1,034,456
Capital:						
Capital expenditures	--	3,310	11,767,961	1,694,977	1,158,688	14,624,936
Total Expenditures	<u>20,055,189</u>	<u>87,024</u>	<u>11,767,961</u>	<u>1,745,568</u>	<u>1,974,576</u>	<u>35,630,318</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	<u>398,426</u>	<u>--</u>	<u>2</u>	<u>(11,636)</u>	<u>434,686</u>	<u>821,478</u>
Other Financing Sources (Uses)						
Transfers in	2,820	--	--	11,636	27,283	41,739
Transfers out	(41,739)	--	--	--	--	(41,739)
Net Other Financing Sources (Uses)	<u>(38,919)</u>	<u>--</u>	<u>--</u>	<u>11,636</u>	<u>27,283</u>	<u>--</u>
Excess of Revenues and Other Sources Over Expenditures and Other Financing (Uses)	359,507	--	2	--	461,969	821,478
Fund Balance - Beginning of Year	<u>1,877,812</u>	<u>--</u>	<u>100,332</u>	<u>1,000</u>	<u>431,227</u>	<u>2,410,371</u>
Fund Balance - End of Year	<u>\$ 2,237,319</u>	<u>\$ --</u>	<u>\$ 100,334</u>	<u>\$ 1,000</u>	<u>\$ 893,196</u>	<u>\$ 3,231,849</u>

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

CITY OF CENTRAL FALLS

B-3

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

FOR THE YEAR ENDEND JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds (B-2) \$ 821,478

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 loss on disposals in the current period. 12,947,269

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences. 466,228

Subscription expense recognized in accordance with GASB 96. (10,170)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. 1,152,388

Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (122,528)

Change in Net Position of Governmental Activities in the Statement of Activities (A-2) \$ 15,254,665

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

CITY OF CENTRAL FALLS

C-1

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds	Total
Assets			
Cash and cash equivalents	\$ --	\$ 63,066	\$ 63,066
Investments	<u>923,481</u>	<u>--</u>	<u>923,481</u>
Total Assets	<u>923,481</u>	<u>63,066</u>	<u>986,547</u>
Net Position			
Restricted for post-employment benefits and other purposes	<u>\$ 923,481</u>	<u>\$ 63,066</u>	<u>\$ 986,547</u>

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

CITY OF CENTRAL FALLS

C-2

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

FOR THE YEAR ENDED JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds	Total
Additions			
Contributions	\$ 60,000	\$ --	\$ 60,000
Retiree premiums	66,934	--	66,934
Investment income	83,123	18,821	101,944
Total Additions	210,057	18,821	228,878
 Deductions			
Retiree expenses	66,934	--	66,934
Other expenses	2,547	--	2,547
Total Deductions	69,481	--	69,481
 Change in Net Position	 140,576	 18,821	 159,397
 Net Position, Restricted for Post-Employment Benefits and Other Purposes - Beginning	 782,905	 44,245	 827,150
 Net Position, Restricted for Post-Employment Benefits and Other Purposes - Ending	 \$ 923,481	 \$ 63,066	 \$ 986,547

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, see notes 14 and 15 for impact on these financial statements.

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

- GASB Statement No. 100 - *Accounting Changes and Error Corrections*, effective for the fiscal year ending June 30, 2024.
- GASB Statement No. 101 - *Compensated Absences*, effective for the fiscal year ending June 30, 2025.

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY

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

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

The following entities were considered for classification as component units for fiscal year 2023:

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

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

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

The governmental funds of the City are described below:

General Fund

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND FINANCIAL STATEMENTS (CONTINUED)

Special Revenue Funds

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

Capital Project Funds

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

Custodial Funds

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

OPEB Trust Funds

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Budgets

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

Encumbrances represent commitments related to unperformed contracts for goods or services. Open encumbrances are reported within fund balance, committed or assigned fund balance, and should not result in separate display of the encumbered amount within those classifications. Encumbrances outstanding at year end do not constitute expenditures or liabilities under GAAP because the commitments will be honored during the subsequent years. There are no encumbrances as of June 30, 2023.

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Use of Estimates

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

Cash Equivalents

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

Investments

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

Accounts Receivable

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible property taxes amounted to \$866,461 at June 30, 2023. Receivable balances for the governmental activities include property taxes of \$1,543,640 and other receivables of \$131,659.

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Accounts Payable

Accounts payable balances consist primarily of payables to vendors.

Property Taxes

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

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and/or balance sheet can report deferred outflows of resources. Deferred outflow of resources represents a consumption of net position, that apply to a future period which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2023, the City reports deferred outflows related to pension and other post-employment benefits (OPEB) in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) and OPEB plan.

In addition to liabilities, the statement of net position and/or balance sheet can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023, the City had two items qualifying as a deferred inflow of resources. In the governmental funds balance sheet, the City reports unavailable tax revenue and advance tax collections.

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Deferred Inflows/Outflows of Resources (Continued)

This amount is deferred and will be recognized as an inflow of resources in the years in which the amounts become available. The City also reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and include in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees) and OPEB plan.

Capital Assets

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

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

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

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

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Interfund Transactions

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

- Reciprocal interfund activities:
 - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds (due from other funds / due to other funds).
 - Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

- Non-reciprocal interfund activities:
 - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.
 - Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Interfund transfers totaled \$41,739 for the year ended June 30, 2023.

Net Position/Fund Balance

Government-Wide Statements

Net position is displayed in three categories:

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Net Position/Fund Balance (Continued)

Government-Wide Statements (Continued)

- (b) Restricted net position - Consists of net position restricted to specific purposes due to constraints placed on the use of those resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

- (c) Unrestricted net position - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Financial Statements

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

- Non-spendable Fund Balance – includes the amount of fund balance that cannot be spent because it is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash.

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

- Committed Fund Balance – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City Council currently has the highest level of decision-making authority for the City of Central Falls.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Net Position/Fund Balance (Continued)

Fund Financial Statements (Continued)

- Committed Fund Balance (Continued) – The City currently has two separate ordinances for committing fund balance. The City must reserve not less than five percent, with a goal of ten percent, of the previous fiscal year’s total budget of general revenues. The City will have a minimum target balance of \$250,000 reserved for capital improvements.
- Assigned Fund Balance – includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The City does not presently have a spending policy that has delegated this authority.
- Unassigned Fund Balance – is the residual amount not allocated to any other fund balance category in the General Fund, and any residual deficit balance of any other governmental fund.

Application of Funds

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

Compensated Absences

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

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$34,072,700) difference are as follows:

Bonds payable	\$ (5,195,000)
Pension liability	(26,819,550)
Net other post-employment benefit obligation	(1,670,299)
Compensated absences	<u>(387,851)</u>
Total Differences	<u>\$ (34,072,700)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$12,947,269 difference are as follows:

Capital outlays (net of disposals)	\$ 15,137,438
Depreciation expense	<u>(2,190,169)</u>
Net difference	<u>\$ 12,947,269</u>

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Another element of that reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$466,228 difference are as follows:

Increase in compensated absences	\$ (77,958)
Decrease in OPEB liability	869,077
Increase in MERS pension asset	45,647
Increase in MERS pension liability	(1,206,538)
Debt repayments	<u>836,000</u>
Net difference	<u>\$ 466,228</u>

Another element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.” The details of this \$1,152,388 difference are as follows:

Changes in deferred outflows	\$ 601,429
Changes in deferred inflows	<u>550,959</u>
Net difference	<u>\$ 1,152,388</u>

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - BUDGETARY AND LEGAL COMPLIANCE

BUDGETS

All agencies of the City submit requests for appropriation to the City's finance director (currently to the Administrative and Finance Officer). These requests include information on the past years, current year's estimates and requested appropriations for the next fiscal year. In accordance with the City's Fourth Amended Plan, dated July 27, 2012, the City's elected officials, and any fiduciary acting with the powers of elected officials, shall keep the City's budget in balance through June 30, 2023, the term of the Plan.

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

NOTE 3 - DEPOSITS AND INVESTMENTS

DEPOSITS

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

At June 30, 2023, the carrying amount of the City's deposits was \$7,731,078 and the bank balance was \$7,860,216 of which \$500,000 was covered by federal depository insurance and the remaining bank balance of \$7,360,216 was collateralized by the financial institutions and/or third parties in the name of the City.

INVESTMENTS

At June 30, 2023 the City's investments totaled \$923,481 (all of which are held in its Fiduciary Funds) and consisted of the following:

Description	Fair Value	Interest Rate	Maturity	Credit Rating
Mutual Funds	\$ 923,481	n/a	n/a	n/a
Total	<u>\$ 923,481</u>			

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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

INTEREST RATE RISK

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

CREDIT RISK

The City has no investment policy that would limit its investment choices due to credit risk other than the State Statutes governing investments in obligations of any State or political subdivision or in obligations to the State of Rhode Island or political subdivision. At June 30, 2023, the City's portfolio consisted of mutual funds. The mutual funds consist of investments in a wide range of companies and various industries enabling the City to minimize its risk.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of financial institution failure, the City's deposits and/or investments may not be returned. The City does not believe that it has a significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. The City also ensures that all deposits be placed in financial institutions that are Federal Deposit Insurance Company ("FDIC") insured. Any deposits in excess of FDIC insurance are fully collateralized by the financial institutions and/or third parties in the name of the City.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available, of how the market would price the asset or liability. The fair value hierarchy is categorized into three levels based on the inputs as follows:

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in valuation methodology used in 2023.

Description	in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
June 30, 2023:				
Vanguard Mutual Funds	\$ 923,481	\$ --	\$ --	\$ 923,481
Investments at fair value	<u>\$ 923,481</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 923,481</u>

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

There were no transfers between any levels during the year ended June 30, 2023.

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Activity for governmental activity capital assets is summarized below:

	<u>Balances</u> <u>July 1, 2022</u>	<u>Total</u> <u>Additions</u>	<u>Total</u> <u>Deductions</u>	<u>Balances</u> <u>June 30, 2023</u>
Capital Assets:				
Land (not being depreciated)	\$ 1,024,008	\$ 65,865	\$ --	\$ 1,089,873
Construction in progress (not depreciated)	<u>4,567,429</u>	<u>12,787,264</u>	<u>--</u>	<u>17,354,693</u>
	5,591,437	12,853,129	--	18,444,566
Buildings and land improvements	52,989,564	1,624,275	--	54,613,839
Motor vehicles	5,499,772	229,342	50,994	5,678,120
Equipment	3,630,092	366,192	--	3,996,284
Infrastructure	<u>17,079,943</u>	<u>64,500</u>	<u>--</u>	<u>17,144,443</u>
Total Capital Assets	<u>84,790,808</u>	<u>15,137,438</u>	<u>50,994</u>	<u>99,877,252</u>
Less: Accumulated Depreciation				
Buildings and land improvements	(36,284,052)	(1,455,140)	--	(37,739,192)
Motor vehicles	(4,195,208)	(318,020)	(50,994)	(4,462,234)
Equipment	(3,284,702)	(109,553)	--	(3,394,255)
Infrastructure	<u>(12,626,947)</u>	<u>(307,456)</u>	<u>--</u>	<u>(12,934,403)</u>
Total Accumulated Depreciation	<u>(56,390,909)</u>	<u>(2,190,169)</u>	<u>(50,994)</u>	<u>(58,530,084)</u>
Net Capital Assets	<u>\$ 28,399,899</u>	<u>\$ 12,947,269</u>	<u>\$ --</u>	<u>\$ 41,347,168</u>

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

Governmental activities:	
General government	\$ 442,635
Public safety	335,104
Public works	521,363
Public recreation	319,121
Public education	<u>571,946</u>
Total	<u>\$ 2,190,169</u>

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - UNEARNED REVENUE/UNAVAILABLE REVENUE

Governmental funds report deferred inflow of resources from unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At June 30, 2023, the various components of unearned revenue and unavailable revenue reported in the governmental funds and governmental activities were as follows:

General Fund

Unavailable tax revenue	\$ 1,101,768
Advance tax collections	\$ 380,050

Other Governmental Funds

Unearned revenue grants	\$ 7,943,983
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NOTE 6 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND OTHER DEBT

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

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

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

	Amount	Percent
General obligation municipal bonds	\$ 3,485,000	10%
R.I. Health & Education Building Corporation (RIHEBC) revenue bonds	405,000	1%
R.I. Infrastructure Bank bond	1,305,000	4%
Total long-term bonds	5,195,000	
Net pension liability	26,819,550	79%
Net OPEB obligation	1,670,299	5%
Compensated absences	387,851	1%
Total long-term debt	\$ 34,072,700	100%

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Schedule of long-term bond requirements:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 862,000	\$ 206,442	\$ 1,068,442
2025	894,000	151,213	1,045,213
2026	835,000	123,381	958,381
2027	872,000	95,447	967,447
2028	779,000	67,847	846,847
Thereafter	<u>953,000</u>	<u>162,703</u>	<u>1,115,703</u>
Total	<u>\$ 5,195,000</u>	<u>\$ 807,033</u>	<u>\$ 6,002,033</u>

MAXIMUM AGGREGATE INDEBTEDNESS

The City's legal debt limit as set forth by Rhode Island General Law 45-12-2 is limited to three percent of total assessed property value. As of June 30, 2023, the City was in compliance with the limit of \$26,492,013.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

	Date of Issue	Maturity Date	Amount of Issue	Interest Rate	Outstanding July 1, 2022	Additions	Deductions	Outstanding June 30, 2023	Current Portion
General obligation municipal bonds	7/25/2017	7/25/2027	\$5,435,000	3.04%	\$ 4,170,000	\$ --	\$ 685,000	\$ 3,485,000	\$ 705,000
RIHEBC revenue bonds	8/15/2007	4/1/2027	\$ 1,300,000	4.25%-5.00%	490,000	--	85,000	405,000	90,000
Rhode Island Infrastructure Bank	5/2/2019	9/1/2038	\$ 1,500,000	1.37%-2.62%	<u>1,371,000</u>	<u>--</u>	<u>66,000</u>	<u>1,305,000</u>	<u>67,000</u>
Total bonds and leases					<u>6,031,000</u>	<u>--</u>	<u>836,000</u>	<u>5,195,000</u>	<u>862,000</u>
Accrued compensated absences					309,893	77,958	--	387,851	38,785
Net pension liability									
Municipal employees' retirement system- City of Central Falls					1,446,463	360,574	--	1,807,037	--
Municipal employees' retirement system- Police and Fire (Legacy)					24,166,549	845,964	--	25,012,513	--
Net OPEB liability					<u>2,539,376</u>	<u>--</u>	<u>869,077</u>	<u>1,670,299</u>	<u>--</u>
Total long-term debt					<u>\$ 34,493,281</u>	<u>\$ 1,284,496</u>	<u>\$ 1,705,077</u>	<u>\$ 34,072,700</u>	<u>\$ 900,785</u>

Total interest paid on general long-term debt for the year ended June 30, 2023 was \$187,486.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

Interfund receivables and payables at June 30, 2023 were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 3,710,133	\$ 4,417,644
School Bldg Capital	100,334	--
Other Governmental Funds	880,082	272,905
	\$ 4,690,549	\$ 4,690,549

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

The following funds had operational and/or fund deficits:

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

	Operational	Fund Deficit
Fire Department Grants	\$ 2,929	\$ 3,260
Police Department Grants	\$ --	\$ 1,980
City Clerk Department Grants	\$ 21,240	\$ --
Community Garden	\$ 33,219	\$ --
Recreation Food Program	\$ 914	\$ --
River Island Park	\$ 10,964	\$ 10,964
Yip Soccer Field Improvement	\$ 3,288	\$ 3,288
American Rescue Plan	\$ 11,636	\$ --
Participatory Budgeting	\$ 43,888	\$ --
Police Federal Forfeiture	\$ 5,401	\$ 6,669
Police State Forfeiture	\$ --	\$ 29,652
JAG Grant	\$ 37	\$ 903
Rhode Island Infrastructure Bank 2019	\$ 19,216	\$ --
Med Pods	\$ 1,156	\$ --
Osram Vision Plan	\$ --	\$ 20,000
Bridging the Digital Divide	\$ 12,480	\$ --

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - FUND BALANCES

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

At June 30, 2023, *Nonspendable Fund Balance* consisted of the following:

	General Fund	CDBG 2021	School Bldg Capital	Other Government Funds	Total
Cash held in escrow -					
Rhode Island Infrastructure Bank	\$ --	\$ --	\$ --	\$ 10,380	\$ 10,380
Total Nonspendable Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,380</u>	<u>\$ 10,380</u>

At June 30, 2023, *Restricted Fund Balance* consisted of the following:

	General Fund	CDBG 2021	School Bldg Capital	Other Government Funds	Total
Cogswell Tower	\$ --	\$ --	\$ --	\$ 3,660	\$ 3,660
CDBG Revolving	--	--	--	7,500	7,500
City Clerk Department Grants	--	--	--	7,792	7,792
City Clerk Historical Trust	--	--	--	86,905	86,905
Rhode Island Department of Health	--	--	--	73,245	73,245
Health Department Funding	--	--	--	96,663	96,663
Community Garden	--	--	--	24,281	24,281
Senior Home Deliveries Program	--	--	--	26	26
Sustainability Officer	--	--	--	17,414	17,414
Arbor Day Green Space	--	--	--	10	10
Sacred Heart Tennis Courts	--	--	--	33,000	33,000
El Centro	--	--	--	123,569	123,569
Macomber Stadium	--	--	--	9,728	9,728
American Rescue Plan	--	--	--	1,000	1,000
Mayors Office	--	--	--	5,500	5,500
RI Housing Leadsafe	--	--	--	50,000	50,000
Target Police Justice Grant	--	--	--	13,708	13,708
Police Seizures Escrow	--	--	--	3,459	3,459
The Landing	--	--	--	4,707	4,707
School Building Capital	--	--	100,334	--	100,334
Emergency Equipment Replacement	--	--	--	590	590
Property Development	--	--	--	155,925	155,925
Redevelopment Agency	--	--	--	207,901	207,901
Med Pods	--	--	--	33,949	33,949
Total Restricted Fund Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 100,334</u>	<u>\$ 960,532</u>	<u>\$ 1,060,866</u>

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - FUND BALANCES (CONTINUED)

At June 30, 2023, *Committed Fund Balance* consisted of the following:

	General Fund	CDBG 2021	School Bldg Capital	Other Government Funds	Total
Capital reserves based on ordinance	\$ 1,215,457	\$ --	\$ --	\$ --	\$ 1,215,457
Sixty-day property tax collections budgeted in subsequent fiscal year	<u>435,552</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>435,552</u>
Total Committed Fund Balance	<u>\$ 1,651,009</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,651,009</u>

At June 30, 2023, *Unassigned Fund Balance* consisted of the following:

	General Fund	CDBG 2021	School Bldg Capital	Other Government Funds	Total
General Fund	<u>\$ 586,311</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (76,716)</u>	<u>\$ 509,595</u>
Total Unassigned Fund Balance	<u>\$ 586,311</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (76,716)</u>	<u>\$ 509,595</u>

NOTE 9 - PENSION PLANS

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

PLAN DESCRIPTION

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

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

BENEFITS PROVIDED

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

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

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

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

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

GENERAL EMPLOYEES

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

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

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

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

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

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

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

GENERAL EMPLOYEES (CONTINUED)

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

POLICE AND FIRE EMPLOYEES

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

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

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

RETIREMENT BENEFITS

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

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

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

RETIREMENT BENEFITS (CONTINUED)

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

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

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

OTHER BENEFIT PROVISIONS

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

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

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

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

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

OTHER BENEFIT PROVISIONS (CONTINUED)

- b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.
- c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, \$26,098 for 2017.

EMPLOYEES COVERED BY BENEFIT TERMS

At the June 30, 2022 valuation date, membership consisted of the following:

	(Legacy)		
	<u>Municipal</u>	<u>Police and Fire</u>	<u>Police and Fire</u>
Retirees and Beneficiaries	33	109	--
Inactive, Nonretired Members	89	9	1
Active Members	<u>46</u>	<u>69</u>	<u>12</u>
Total	<u>168</u>	<u>187</u>	<u>13</u>

CONTRIBUTIONS

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The City of Central Falls contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City of Central Falls contributed \$357,899, \$87,723 and \$2,961,184 in the year ended June 30, 2022 which was 14.42%, 10.66% and 64.75% of annual covered payroll for the general, police and fire and police and fire legacy plans, respectively.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

NET PENSION LIABILITY (ASSET)

The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions:	
Investment rate of return	7.00%
Inflation	2.50%
Projected salary increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity		
US Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<i>Sub-total</i>	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<i>Sub-total</i>	12.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<i>Sub-total</i>	15.00%	
Total	100.00%	

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

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

DISCOUNT RATE

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

CHANGES IN THE NET POSITION LIABILITY (ASSET)

Municipal Employees' Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2021	\$ 8,074,935	\$ 6,628,472	\$ 1,446,463
Service Cost	149,166	--	149,166
Interest on the total pension liability	552,136	--	552,136
Difference between expected and actual experience	(130,708)	--	(130,708)
Employer contributions	--	357,899	(357,899)
Employee contributions	--	35,076	(35,076)
Net investment income (loss)	--	(176,820)	176,820
Other changes	--	(107)	107
Administrative expense	--	(6,028)	6,028
Benefit payments, including employee refunds	(523,722)	(523,722)	--
Net Changes	<u>46,872</u>	<u>(313,702)</u>	<u>360,574</u>
Balance as of June 30, 2022	<u>\$ 8,121,807</u>	<u>\$ 6,314,770</u>	<u>\$ 1,807,037</u>

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

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

Municipal Employees' Retirement System - Police and Fire (Legacy)			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of June 30, 2021	\$ 42,375,352	\$ 18,208,803	\$ 24,166,549
Service Cost	912,868	--	912,868
Interest on the total pension liability	2,902,788	--	2,902,788
Difference between expected and actual experience	(63,721)	--	(63,721)
Employer contributions	--	2,961,184	(2,961,184)
Employee contributions	--	535,097	(535,097)
Net investment income (loss)	--	(514,885)	514,885
Other changes	--	(57,873)	57,873
Administrative expense	--	(17,552)	17,552
Benefit payments, including employee refunds	(2,726,766)	(2,726,766)	--
Net Changes	1,025,169	179,205	845,964
Balance as of June 30, 2022	\$ 43,400,521	\$ 18,388,008	\$ 25,012,513

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

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

Municipal Employees' Retirement System - Police and Fire			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance as of June 30, 2021	\$ 157,552	\$ 202,466	\$ (44,914)
Service Cost	151,498	--	151,498
Interest on the total pension liability	16,331	--	16,331
Difference between expected and actual experience	(18,930)	--	(18,930)
Employer contributions	--	87,723	(87,723)
Employee contributions	--	82,291	(82,291)
Net investment income (loss)	--	(11,117)	11,117
Other changes	--	36,028	(36,028)
Administrative expense	--	(379)	379
Net Changes	148,899	194,546	(45,647)
Balance as of June 30, 2022	\$ 306,451	\$ 397,012	\$ (90,561)

SENSITIVITY OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
General Employees	\$ 2,587,741	\$ 1,807,037	\$ 1,097,720
Police and Fire (Legacy)	29,177,923	25,012,513	21,228,061
Police and Fire	(62,289)	(90,561)	(116,180)

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

PENSION PLAN FIDUCIARY NET POSITION

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

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

For the year ended June 30, 2023, the employer recognized pension expense of \$2,610,612. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Municipal	Legacy Police and Fire	Police and Fire	Total
Deferred outflow of resources:				
Difference in Experience	\$ 26,671	\$ 587,431	\$ 38	\$ 614,140
Assumptions Changes	--	627,824	--	627,824
Excess Investment Returns	581,172	1,451,035	25,990	2,058,197
Contributions subsequent to the measurement date	<u>407,882</u>	<u>2,926,577</u>	<u>207,989</u>	<u>3,542,448</u>
Total Deferred Outflow of Resources	<u>\$ 1,015,725</u>	<u>\$ 5,592,867</u>	<u>\$ 234,017</u>	<u>\$ 6,842,609</u>
Deferred inflow of resources:				
Difference in Experience	\$ (153,493)	\$ (207,440)	\$ (17,813)	\$ (378,746)
Differences in Assumptions	(9,355)	--	--	(9,355)
Deficit Investment Returns	<u>(641,184)</u>	<u>(1,980,031)</u>	<u>(22,188)</u>	<u>(2,643,403)</u>
Total Deferred Inflow of Resources	<u>\$ (804,032)</u>	<u>\$ (2,187,471)</u>	<u>\$ (40,001)</u>	<u>\$ (3,031,504)</u>

\$3,542,448 reported as deferred outflows of resources related to pensions resulting from the City of Central Fall's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - PENSION PLANS (CONTINUED)

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

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

Year Ending June 30	Municipal	Legacy Police and Fire	Police and Fire	Total
2024	\$ 3,440,884	\$ 293,477	\$ (2,020)	\$ 3,732,341
2025	(106,433)	89,612	(2,021)	(18,842)
2026	(113,894)	(240,923)	(1,998)	(356,815)
2027	127,206	353,354	5,381	485,941
2028	--	(9,404)	(1,115)	(10,519)
Thereafter	<u>--</u>	<u>(7,297)</u>	<u>(12,200)</u>	<u>(19,497)</u>
Total	<u>\$ 3,347,763</u>	<u>\$ 478,819</u>	<u>\$ (13,973)</u>	<u>\$ 3,812,609</u>

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

DEFINED CONTRIBUTION PLAN DESCRIPTION

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

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

The City of Central Falls recognized pension expense of \$57,967, for the fiscal year ended June 30, 2023.

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 www.ersri.org.

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - POST RETIREMENT BENEFITS

PLAN DESCRIPTION

The City's Post-Employment Medical Benefit Plan is a single-employer defined benefit post-retirement health insurance program. The City provides health care to retired police and firefighter employees and their spouses until the retiree reaches the age of 65. Retired employees are covered by the same plan as active employees and are subject to the same 20% co-share as actives. The trust is accounted for as an OPEB trust fund in the City's financial statements. As of June 30, 2023, there are no separate financial statements available for the Plan.

CLASSES OF EMPLOYEES COVERED

As of July 1, 2023 (the date of the last actuarial valuation), the membership data was as follows:

Retired and spouses	12
Active plan members	<u>117</u>
Total	<u><u>129</u></u>

BASIS OF ACCOUNTING

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

VALUATION OF INVESTMENTS

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

RATE OF RETURN

For the year ended June 30, 2023, the annual money-weighted rate of return on plan investments, net of investment expense was 10.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts of actually invested.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)

FUNDING POLICY

The City’s funding policy provides for actuarially determined periodic contributions to the plans at rates that increase gradually over time so that sufficient assets will be available to pay benefits when due. Municipal retirees are required to contribute 20% of the health care cost between ages 62 to 65, and 100% of the premium prior to age 62. Retired police officers and firefighters may elect to be covered by the City’s medical plan until age 65 and must pay 20% co-shares. Coverage reverts to COBRA for 36 months upon death of the member, or until the spouse reaches age 65, whichever occurs first. The annual OPEB cost was estimated from the July 1, 2023 actuarial valuation using the projected unit credit funding method. The actuarial assumptions included a 4.0% unfunded discount rate and the SOA RP-2014 Blue Collar Mortality with Scale MP-2016 Improvements and RP 2000 Disabled Mortality Table.

NET OPEB LIABILITY

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

The components of the net OPEB liability of the City as of June 30, 2023 were as follows:

	OPEB Liability (a)	Increase (Decrease) Net Position Restricted for OPEB (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2022	\$ 3,322,282	\$ 782,905	\$ 2,539,377
Service cost	91,150	--	91,150
Interest	252,418	--	252,418
Employer contributions	--	157,480	(157,480)
Experience gain	(974,590)	--	(974,590)
Expenses	--	(2,547)	2,547
Benefit payments	(97,480)	(97,480)	--
Net investment income (loss)	--	83,123	(83,123)
Net Changes	<u>(728,502)</u>	<u>140,576</u>	<u>(869,078)</u>
Balance as of June 30, 2023	<u>\$ 2,593,780</u>	<u>\$ 923,481</u>	<u>\$ 1,670,299</u>
Plan fiduciary net position as percentage of total OPEB liability			35.60%

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized OPEB expense of (\$49,778). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Difference in Experience	\$ --	\$ 2,119,484
Net difference between project and actual earning on OPEB plan investments	113,942	73,461
Total	\$ 113,942	\$ 2,192,945

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

Year Ending June 30,	
2024	\$ (332,493)
2025	(335,786)
2026	(307,970)
2027	(344,854)
2028	(311,908)
Thereafter	(445,992)
	\$ (2,079,003)

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Interest	Full Prefunding: 7.5%, net of investment expenses
Actuarial Cost Method	Entry Age Normal
Medical Care Inflation	Year Inflation Rate 2023+ 4.5%
Participation	70% of future retirees are assumed to participate in the retiree medical plan.
Marital Status	85% of male employees and 65% of female employees are assumed to have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.
Termination Benefit	No benefits will be payable for terminations prior to retirement eligibility.
Medical Plan Costs	The City is treated as community rated and therefore, the expected claims costs does not include the implicit subsidy. It is assumed that future retirees participate in the same manner as current retirees. Employee cost sharing is based on 20% of current unadjusted rates. Future cost sharing is based on the weighted average of the current cost sharing of retirees and beneficiaries.
Pre-Age 65 Retirees	Current retirees who are under age 65 are assumed to remain in their current medical plan until age 65. Current active employees who are assumed to retire prior to age 65 are valued with a weighted-average premium. This weighted-average premium is based on the medical plan coverage of current retirees under age 65.
Post-Age 65 Retirees	Current retirees over age 65 remain in their current medical plan until death for purposes of measuring their contributions. It is assumed that all current retirees under 65 will participate in the same proportion as current retirees over 65. Per capital costs were developed from the City developed monthly costs. Amounts to be received in the future for Medicare Part D Retiree Drug Subsidy are not reflected in the valuation.
Mortality	It is assumed that both pre-retirement and post-retirement mortality are represented by the SOA RP-2014 Blue Collar Mortality with Scale MP-2016 improvements, fully generational, for males and females. Mortality for disabled members is represented by the RP-2000 Disabled Mortality Table.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - POST RETIREMENT BENEFITS (CONTINUED)

DISCOUNT RATE

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

The discount rate was selected based on a projection of employer and employee contributions, benefit payments, expenses, and the long-term expected rate of return on trust assets. Based on these laws and above assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

SENSITIVITY OF NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current discount rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total OPEB Liability	\$ 2,926,799	\$ 2,593,780	\$ 2,315,982
Plan Fiduciary Net Position	923,481	923,481	923,481
Net OPEB Liability	\$ 2,003,318	\$ 1,670,299	\$ 1,392,501

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

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

	1% Decrease 3.50%	Current Trend Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 2,279,408	\$ 2,593,780	\$ 2,971,714
Plan Fiduciary Net Position	923,481	923,481	923,481
Net OPEB Liability	\$ 1,355,927	\$ 1,670,299	\$ 2,048,233

CITY OF CENTRAL FALLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT

The City of Central Falls is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement which outlines the rights and responsibilities of both the Trust and the City. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members. Under the participation agreement, the City is insured for a maximum of \$2,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust Coverage in any of the past three fiscal years. There have been no reductions in insurance coverage during the years ended June 30, 2023, 2022, and 2021.

NOTE 12 - COMMITMENTS

On July 11, 2019, the City entered into a contract to purchase Net Metering Credits at a discounted rate as described in the contract terms from the seller on a monthly basis for a twenty-five year term at the commencement of operations of a renewable energy facility built and operated by the seller. Net Metering Credits represent credits on electricity bills for production of electricity from an eligible renewable energy resource and users may benefit through reduction of amounts owed from electricity purchased. The contract has options to renew for three successive five-year terms.

NOTE 13 - TAX ABATEMENTS

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

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

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

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - TAX ABATEMENTS (CONTINUED)

For the fiscal year ended June 30, 2023, the City abated \$106,338 under this program, including the following tax abatements:

- A ten-year property tax abatement was entered into in 2016 for the removal of an old run-down building and the building of a new retail establishment in the City. The abatement amounted to \$4,780 during FY2023.
- A ten-year property tax abatement was entered into in 2016 to increase the number of jobs in the City and to completely renovate a rundown building in a high traffic area of the City. The abatement amounted to \$4,167 during FY2023.
- A ten-year property tax abatement was entered into in 2017 for the renovation of a historic building and to expand the number of apartments in the City. The abatement is for a declining stabilization rate and amounted to \$48,949 during FY2023.
- A twelve-year property tax abatement was entered into in 2019 to increase the number of jobs in the City. The abatement amounted to \$13,334 during FY2023.
- A twelve-year property tax abatement was entered into in 2019 to increase the number of jobs in the City. The abatement amounted to \$8,472 during FY2023.
- A twelve-year property tax abatement was entered into in 2021 for the renovation of a historic building and to expand the number of apartments in the City. The abatement amounted to \$26,636 during FY2023.

NOTE 14 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

On July 1, 2022, the City adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. A SBITA is defined as a contract that conveys control of the right-to-use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT Assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. On July 1, 2022 a right-to-use subscription asset and liability of \$509,946 was recognized resulting in no change to opening net position.

CITY OF CENTRAL FALLS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14 - SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

The City has entered into various SBITAs with terms expiring in 2024, however management has estimated that options to extend will be reasonably executed for at least 3 years resulting in terms expiring in 2025. The City has elected to use its incremental borrowing rate as the discount rate used to measure the total subscription liability. At June 30, 2023, the City has recognized a right-to-use asset of \$345,628 and a subscription liability of \$355,798. Future payments to amortize the subscription liability are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2024	\$ 171,020	\$ 13,070
2025	184,778	6,788
	<u>\$ 355,798</u>	<u>\$ 19,858</u>

NOTE 15 - RESTATEMENT

The net position of the Government-wide Funds has been restated to reflect the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*:

Net deficit, June 30, 2022, as previously reported	\$ (1,519,261)
Implementation of GASB 96	
Right-to-use subscription assets	509,649
Subscription liability	(509,649)
Net deficit, June 30, 2022, as restated	<u>\$ (1,519,261)</u>

NOTE 16 - SUBSEQUENT EVENTS

In August 2023, the City entered into a financing agreement to pay a portion of a bond for up to approximately \$2,900,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Tax Revenue				
Tax revenue (current year)	\$ 15,144,275	\$ 15,144,275	\$ 14,667,740	\$ (476,535)
Tax revenue (prior years)	660,000	660,000	543,653	(116,347)
Emergency Reserve Fund	<u>(151,443)</u>	<u>(151,443)</u>	<u>--</u>	<u>151,443</u>
Total Tax Revenue	<u>15,652,832</u>	<u>15,652,832</u>	<u>15,211,393</u>	<u>(441,439)</u>
Fees / Non-Tax Revenue				
Interest on taxes	280,000	280,000	211,772	(68,228)
City Clerk miscellaneous fees-				
Advertisement/All Other Services	12,000	12,000	8,189	(3,811)
Probate fees	11,000	11,000	10,297	(703)
Realty Stamps City	121,203	121,203	137,768	16,565
Real Estate Recordings	50,000	50,000	58,367	8,367
Licenses (other than marriage)/				
Alcoholic Beverage License	80,000	80,000	99,979	19,979
Certificates (vital records)	16,000	16,000	15,300	(700)
Marriage Licenses	1,100	1,100	1,120	20
Reports/copying fees	6,000	6,000	8,251	2,251
Certificates of occupancy	5,100	5,100	4,800	(300)
Code Court Fees	100	100	--	(100)
Property preservation revenue	100	100	--	(100)
Misc. departmental revenue	100,000	100,000	138,970	38,970
Parks & Recreation Revenue	15,000	15,000	2,095	(12,905)
Field Fees	5,000	5,000	17,245	12,245
Building permits	40,000	40,000	73,018	33,018
Plumbing & mechanical permits	17,000	17,000	23,256	6,256
Electrical permits	14,500	14,500	14,922	422
Municipal Court Fees/Traffic Fines/Other Fines	190,220	190,220	108,757	(81,463)
Municipal Camera Court Fines	--	--	181,578	181,578
VIN check fees	7,500	7,500	11,902	4,402
Administrative and Other Fees	35,000	35,000	27,205	(7,795)
Fire Detail- Admin Fee	--	--	365	365
Vehicle Fees for Road Details	100,000	100,000	109,560	9,560
Municipal Court/Other Fines	35,000	35,000	40,027	5,027
Fire code inspection fees/other fire permits	8,000	8,000	20,817	12,817
Alarm box fees & smoke detector certificates	40,000	40,000	33,690	(6,310)
Rescue runs	360,000	360,000	458,789	98,789
Hazardous material permits	1,004	1,004	--	(1,004)
Local Pilot Revenue	80,000	80,000	90,606	10,606
Public works	<u>20,000</u>	<u>20,000</u>	<u>26,447</u>	<u>6,447</u>
Total Fees / Non-Tax Revenue	<u>1,650,827</u>	<u>1,650,827</u>	<u>1,935,092</u>	<u>284,265</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
State Revenue				
MV Phase out	1,293,467	1,293,467	2,077,974	784,507
Distressed Communities Aid	235,462	235,462	235,462	--
Cannabis Revenue	--	--	33,804	33,804
Public Service Corporation Tax/Telephone tax	231,392	231,392	240,792	9,400
Hotel/meals & beverage tax	168,425	168,425	248,354	79,929
Direct payment-RIHBEC reimbursement	97,286	97,286	97,286	--
Miscellaneous state aid/grants (Library Aid)	32,808	32,808	36,645	3,837
Total State Revenue	<u>2,058,840</u>	<u>2,058,840</u>	<u>2,970,317</u>	<u>911,477</u>
Other Income				
Tax Sales/Miscellaneous Other Revenue	5,000	5,000	28,273	23,273
Miscellaneous	10,000	10,000	(2,940)	(12,940)
Other Revenue, Misc	15,000	15,000	46,935	31,935
Fema Funding	--	--	114,397	114,397
Nuisance Task Force Revenue	20,000	20,000	3,491	(16,509)
Total Other Income	<u>50,000</u>	<u>50,000</u>	<u>190,156</u>	<u>140,156</u>
TOTAL REVENUES	<u>19,412,499</u>	<u>19,412,499</u>	<u>20,306,958</u>	<u>894,459</u>
GENERAL GOVERNMENT				
City Executive Management				
Salaries-Executive	192,581	192,581	194,391	(1,810)
Social Security-Executive	11,940	11,940	11,745	195
Medicare-Executive	2,792	2,792	2,747	45
Municipal State Pension-Executive	28,618	28,618	28,886	(268)
TIAA-Cref - Executive	1,926	1,926	2,145	(219)
Medical Insurance-Executive	18,847	18,847	18,903	(56)
Dental Insurance-Executive	920	920	920	--
Other professional services-HR	42,000	42,000	46,091	(4,091)
Dues/Subscriptions - Executive	13,000	13,000	14,912	(1,912)
Supplies - Executive	1,000	1,000	606	394
Community Outreach	25,000	25,000	35,943	(10,943)
Professional Development & Training	6,000	6,000	4,699	1,301
Total City Executive Management	<u>344,624</u>	<u>344,624</u>	<u>361,988</u>	<u>(17,364)</u>
City Council				
Stipends	41,160	41,160	41,160	--
Total City Council	<u>41,160</u>	<u>41,160</u>	<u>41,160</u>	<u>--</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
City Boards				
Personnel board	675	675	1,069	(394)
Purchasing board	675	675	675	--
Appeals board	900	900	900	--
Planning board	1,125	1,125	956	169
Zoning board	1,750	1,750	1,625	125
Canvassers board	2,100	2,100	2,100	--
Housing authority board	2,500	2,500	2,375	125
Total City Boards	<u>9,725</u>	<u>9,725</u>	<u>9,700</u>	<u>25</u>
City Clerk				
Salaries-City Clerk	224,435	224,435	210,907	13,528
Longevity-City Clerk	2,500	2,500	2,500	--
Social Security-City Clerk	14,070	14,070	13,500	570
Medicare-City Clerk	3,291	3,291	3,157	134
Municipal State Pension-City Clerk	33,723	33,723	31,661	2,062
TIAA-Cref - Clerk	2,269	2,269	2,131	138
Medical Insurance-City Clerk	31,435	31,435	28,738	2,697
Dental Insurance-City Clerk	1,840	1,840	1,638	202
Dues/subscriptions-City Clerk	4,000	4,000	2,442	1,558
Non-capital equipment-City Clerk	3,000	3,000	1,699	1,301
Claims & Settlements	42,500	42,500	66,996	(24,496)
Education & Training-City Clerk	2,500	2,500	--	2,500
Education/Training - City Clerk/Reg	--	--	555	(555)
Total City Clerk	<u>365,563</u>	<u>365,563</u>	<u>365,924</u>	<u>(361)</u>
Board of Canvassers				
Elections and Election Workers	30,000	30,000	26,558	3,442
Total Board of Canvassers	<u>30,000</u>	<u>30,000</u>	<u>26,558</u>	<u>3,442</u>
Personnel				
Salaries-HR	73,544	73,544	52,016	21,528
Social Security-HR	4,560	4,560	3,528	1,032
Medicare-HR	1,066	1,066	825	241
Municipal State Pension-HR	10,929	10,929	7,730	3,199
TIAA-Cref - HR	735	735	520	215
Medical Insurance-HR	13,359	13,359	8,374	4,985
Dental Insurance-HR	692	692	374	318
Other professional services-HR	--	--	34,240	(34,240)
Education & training-HR	6,000	6,000	10,718	(4,718)
Recruitment	15,000	15,000	6,000	9,000
Employee Events/team building	6,000	6,000	--	6,000
Workers compensation-HR	100,000	100,000	104,120	(4,120)
Employee Relations/Events	3,000	3,000	1,000	2,000
Testing-HR	10,000	10,000	20,150	(10,150)
Total Personnel	<u>244,885</u>	<u>244,885</u>	<u>249,595</u>	<u>(4,710)</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Legal				
Salaries-Legal	54,000	54,000	41,539	12,461
Social Security-Legal	3,348	3,348	2,412	936
Medicare-Legal	783	783	564	219
Municipal State Pension-Legal	8,024	8,024	6,173	1,851
TIAA-Cref - Legal	540	540	415	125
Medical Insurance-Legal	13,359	13,359	10,049	3,310
Dental Insurance-Legal	692	692	518	174
Legal contingencies	32,000	32,000	155,342	(123,342)
Nuisance Task Force	40,800	40,800	35,876	4,924
Education and Training - Legal	1,000	1,000	--	1,000
Other professional services-Legal	143,811	143,811	164,509	(20,698)
Education/Training Legal	--	--	925	(925)
Total Legal	<u>298,357</u>	<u>298,357</u>	<u>418,322</u>	<u>(119,965)</u>
Tax Assessor				
Salaries-Tax Assessor	44,074	44,074	43,983	91
Longevity Pay-Tax Assessor	1,500	1,500	1,500	--
Social Security-Tax Assessor	2,826	2,826	2,614	212
Medicare-Tax Assessor	660	660	612	48
Municipal State Pension-Tax Assessor	6,772	6,772	6,748	24
TIAA-Cref - Tax Assessment	456	456	454	2
Medical Insurance-Tax Assessor	12,588	12,588	12,626	(38)
Dental Insurance-Tax Assessor	691	691	692	(1)
Dues/subscriptions-Tax Assessor	--	--	560	(560)
Other professional services-Tax Assessor	40,000	40,000	29,940	10,060
Technology Software & Advisory	17,000	17,000	9,822	7,178
Education & Training - Tax Assessor	500	500	300	200
Revaluation Services-Tax Assessor	6,000	6,000	11,449	(5,449)
Total Tax Assessor	<u>133,067</u>	<u>133,067</u>	<u>121,300</u>	<u>11,767</u>
Finance				
Salaries-Finance	412,316	412,316	393,847	18,469
Longevity Pay-Finance	4,500	4,500	5,000	(500)
Social Security-Finance	25,843	25,843	24,360	1,483
Medicare-Finance	6,044	6,044	5,697	347
Municipal State Pension-Finance	61,939	61,939	50,185	11,754
TIAA-Cref - Finance	4,168	4,168	3,377	791
Medical Insurance-Finance	40,690	40,690	28,499	12,191
Dental Insurance-Finance	1,604	1,604	2,079	(475)
Supplies - Finance	500	500	508	(8)
Postage	25,000	25,000	16,845	8,155
Non-Capital Equipment	500	500	181	319
Accounting/auditing	88,725	88,725	85,874	2,851
Other professional services-Finance	89,649	89,649	79,281	10,368
Bank Fees	4,471	4,471	3,789	682
Education & training-Finance	4,000	4,000	537	3,463
Total Finance	<u>769,949</u>	<u>769,949</u>	<u>700,059</u>	<u>69,890</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
City Property				
Office supplies	7,000	7,000	11,475	(4,475)
Other supplies	8,000	8,000	5,914	2,086
Janitorial Supplies	3,000	3,000	2,900	100
Dues/Subscriptions	8,000	8,000	385	7,615
Non-capital equipment	8,000	8,000	5,402	2,598
Advertising	14,000	14,000	24,962	(10,962)
IT Consulting services	75,900	75,900	69,044	6,856
R&M Contracts - City Buildings	170,000	170,000	176,137	(6,137)
General Liability Insurance	296,000	296,000	310,049	(14,049)
Heating Fuel-Other City Buildings	55,506	55,506	30,969	24,537
Telephone Other City Buildings	50,000	50,000	60,757	(10,757)
Repairs/Maint.-Other City Buildings	30,000	30,000	41,121	(11,121)
Water/Sewer-Other City Buildings	194,239	194,239	255,758	(61,519)
Electric-Other City Buildings	141,796	141,796	202,627	(60,831)
Street lights	25,200	25,200	25,239	(39)
Total City Property	<u>1,086,641</u>	<u>1,086,641</u>	<u>1,222,739</u>	<u>(136,098)</u>
TOTAL GENERAL GOVERNMENT	<u>3,323,971</u>	<u>3,323,971</u>	<u>3,517,345</u>	<u>(193,374)</u>
PUBLIC SAFETY				
Police Department				
Salaries	2,607,658	2,607,658	2,251,597	356,061
Police trainee wages	42,240	42,240	78,910	(36,670)
Overtime	170,000	170,000	400,381	(230,381)
Community Policing	7,500	7,500	10,185	(2,685)
Special Investigations Overtime	12,000	12,000	26,534	(14,534)
K-9 Expenses & Overtime	8,000	8,000	8,392	(392)
Holiday pay	162,979	162,979	149,700	13,279
Longevity pay	108,500	108,500	89,500	19,000
Sick Incentive Pay	5,000	5,000	4,162	838
Police Education Stipend	17,000	17,000	12,500	4,500
Clothing/tool allowances	45,000	45,000	47,401	(2,401)
Police Social Security (Mary Chace)	3,214	3,214	4,975	(1,761)
Police Medicare	44,107	44,107	50,284	(6,177)
TIAA-Cref - Police	19,498	19,498	14,890	4,608
Police Medical Insurance	325,639	325,639	324,311	1,328
Police Dental Insurance	19,357	19,357	11,594	7,763
Office supplies	4,000	4,000	3,474	526
Other supplies	5,000	5,000	4,866	134
Vehicle fuel	108,448	108,448	77,202	31,246
Dues/Subscriptions	600	600	1,300	(700)
Detective supplies	4,000	4,000	3,405	595
Non-capital equipment	9,400	9,400	17,102	(7,702)
General R & M	15,000	15,000	16,956	(1,956)
Vehicle R & M	24,000	24,000	65,859	(41,859)

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Police Department (Continued)				
Other professional services [Police]	65,000	65,000	65,214	(214)
Technology Software & Advisory	43,000	43,000	49,811	(6,811)
Education & training	20,000	20,000	20,770	(770)
Finger printing	2,300	2,300	740	1,560
College tuitions	60,000	60,000	34,550	25,450
Officer Wellness Program	5,000	5,000	2,000	3,000
Capital Expenditures	--	--	153,542	(153,542)
Salaries (Animal control)	41,995	41,995	41,995	--
Overtime (Animal control)	1,000	1,000	1,515	(515)
Animal Control Longevity Pay	2,000	2,000	2,000	--
Sick Incentive Pay (Animal control)	475	475	466	9
Clothing/tool allowance (Animal control)	350	350	350	--
Social Security (Animal control)	2,689	2,689	2,803	(114)
Medicare (Animal control)	650	650	656	(6)
Municipal State Pension (Animal control)	6,538	6,538	6,538	--
TIAA-Cref - Animal Control	440	440	440	--
Medical Insurance (Animal control)	6,037	6,037	5,187	850
Dental Insurance (Animal control)	228	228	228	--
Boarding of animals (Animal control)	560	560	534	26
Clerk & IT Salaries	95,455	95,455	95,085	370
Clerk & IT Overtime	1,000	1,000	670	330
Clerk & IT Longevity Pay	5,000	5,000	5,000	--
Clerk & IT Sick Incentive Pay	574	574	--	574
Clothing/tool allowances civilian	350	350	350	--
Clerk & IT Social Security	3,214	3,214	5,860	(2,646)
Clerk & IT Medicare	1,512	1,512	1,371	141
Municipal State Pension (Civilian Staff)	15,366	15,366	14,873	493
TIAA-Cref - Civilian	521	521	488	33
Clerk & IT Medical Insurance	25,176	25,176	25,252	(76)
Clerk & IT Dental Insurance	1,384	1,384	1,132	252
Dispatcher Salaries - Police	274,241	274,241	243,209	31,032
Dispatcher Overtime - Police	30,000	30,000	65,523	(35,523)
Dispatcher Holiday Pay - Police	17,140	17,140	13,758	3,382
Dispatcher Longevity Pay - Police	6,500	6,500	4,500	2,000
Dispatcher Sick Incentive Pay - Police	1,064	1,064	530	534
Dispatcher clothing/tool allowances - Police	2,100	2,100	2,450	(350)
Dispatcher Social Security - Police	18,665	18,665	19,056	(391)
Dispatcher Medicare - Police	4,365	4,365	4,626	(261)
Dispatcher Municipal State Pension - Police	42,954	42,954	38,715	4,239
Dispatcher TIAA-Cref - Police	2,979	2,979	2,605	374
Dispatcher & Clerk Medical Insurance - Police	40,690	40,690	26,105	14,585
Dispatcher & Clerk Dental Insurance - Police	2,068	2,068	1,311	757
Public Safety Dispatcher				
Shared Equip R&M - Police	1,000	1,000	486	514
Total Police Department	4,619,720	4,619,720	4,637,774	(18,054)

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Fire Department				
Salaries-Fire	2,546,126	2,546,126	2,366,512	179,614
Trainee Wages-Fire	54,900	54,900	35,238	19,662
Stipend	17,940	17,940	7,360	10,580
Detail Overtime	--	--	2,530	(2,530)
Overtime-Fire	200,000	200,000	285,060	(85,060)
Holiday pay-Fire	156,794	156,794	149,999	6,795
Longevity pay-Fire	75,000	75,000	69,000	6,000
Out of rank pay	20,000	20,000	18,243	1,757
Mechanic pay	--	--	7,280	(7,280)
Rescue- Fire	15,000	15,000	39,749	(24,749)
Sick incentive pay -Fire	6,000	6,000	1,374	4,626
Clothing/tool allowance-Fire	42,000	42,000	38,000	4,000
Social Security-Fire	4,000	4,000	3,733	267
Medicare-Fire	44,510	44,510	43,156	1,354
Municipal State Pension-Fire Clerk	6,582	6,582	5,993	589
TIAA-Cref - Fire Clerk	7,500	7,500	18,423	(10,923)
Medical Insurance-Fire	435,305	435,305	358,142	77,163
Dental Insurance-Fire	20,733	20,733	16,905	3,828
Other supplies-Fire	5,000	5,000	5,196	(196)
EMS Supplies	20,000	20,000	26,562	(6,562)
Vehicle fuel-Fire	32,000	32,000	43,630	(11,630)
Dues/subscriptions-Fire	2,000	2,000	1,521	479
Non-capital equipment-Fire	6,000	6,000	5,289	711
Fire Fighter Equipment	20,000	20,000	30,255	(10,255)
General R & M-Fire	17,000	17,000	18,174	(1,174)
Vehicle R & M-Fire	45,000	45,000	67,018	(22,018)
Technology Software & Advisory	--	--	825	(825)
Other professional services-Fire	28,000	28,000	48,649	(20,649)
Education & training-Fire	20,000	20,000	17,584	2,416
College tuitions-Fire	6,000	6,000	11,250	(5,250)
EMA service	25,000	25,000	25,000	--
Dispatcher Salaries-Fire PT	143,922	143,922	162,072	(18,150)
Dispatcher Social Security- Fire PT	8,923	8,923	9,114	(191)
Dispatchers Medicare-Fire PT	2,087	2,087	2,131	(44)
Total Fire Department	<u>4,033,322</u>	<u>4,033,322</u>	<u>3,940,967</u>	<u>92,355</u>
Office of Health				
Salaries/ wages- Office of Health	52,531	52,531	62,043	(9,512)
Social Security- Office of Health	3,257	3,257	3,617	(360)
Medicare- Office of Health	762	762	846	(84)
Municipal State Pension- Office of Health	7,806	7,806	9,220	(1,414)
TIAA-CREF- Office of Health	525	525	620	(95)
Medical Insurance- Office of Health	13,359	13,359	14,087	(728)
Dental Insurance- Office of Health	692	692	720	(28)
Other Supplies	2,500	2,500	1,124	1,376
Other Professional Services- Office of Health	9,996	9,996	8,561	1,435
Total Office of Health	<u>91,428</u>	<u>91,428</u>	<u>100,838</u>	<u>(9,410)</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Municipal Court				
Salaries	48,266	48,266	48,266	--
Overtime	2,000	2,000	--	2,000
Longevity Pay	3,000	3,000	3,000	--
Social Security	3,179	3,179	2,972	207
Medicare	743	743	695	48
Municipal State Pension	7,618	7,618	7,618	--
TIAA-Cref- Municipal Court	513	513	641	(128)
Medical Insurance	12,588	12,588	12,626	(38)
Dental Insurance	692	692	691	1
Office supplies	500	500	495	5
Probate Court Judge	12,000	12,000	12,000	--
Other Professional Services - Municipal Court	10,000	10,000	6,000	4,000
Housing Court Judge	12,000	12,000	12,000	--
Municipal Court Judge	14,000	14,000	14,000	--
Total Municipal Court	127,099	127,099	121,004	6,095
Inspection Officers				
Plumbing officer	5,200	5,200	5,200	--
Electrical inspector	5,200	5,200	5,200	--
Total Inspection Officers	10,400	10,400	10,400	--
TOTAL PUBLIC SAFETY	8,881,969	8,881,969	8,810,983	70,986
PUBLIC WORKS				
Highway Department				
Salaries-DPW/Code	624,365	624,365	611,080	13,285
Overtime-DPW/Code	45,000	45,000	34,360	10,640
Longevity pay-DPW/Code	16,000	16,000	17,500	(1,500)
Sick Incentive Pay-DPW/Code	--	--	598	(598)
Clothing/tool allowance-DPW/Code	2,800	2,800	2,800	--
Social Security-DPW/Code	39,876	39,876	42,174	(2,298)
Medicare-DPW/Code	9,326	9,326	9,863	(537)
Municipal State Pension-DPW/Code	95,158	95,158	97,055	(1,897)
TIAA-Cref- DPW/Code	6,404	6,404	6,540	(136)
Medical Insurance-DPW/Code	99,229	99,229	87,491	11,738
Dental Insurance-DPW/Code	5,299	5,299	5,166	133
Other supplies-DPW/Code	15,000	15,000	21,912	(6,912)
Vehicle Fuel-DPW/Code	30,000	30,000	25,057	4,943
Non-capital equipment-DPW/Code	3,000	3,000	568	2,432
Winter road supplies-DPW/Code	20,000	20,000	10,301	9,699
General R & M-DPW/Code	1,000	1,000	20,164	(19,164)
Vehicle R & M-DPW/Code	55,000	55,000	87,385	(32,385)
Other Professional Services-DPW/Code	18,000	18,000	30,033	(12,033)
Technology Software & Advisory	--	--	--	--
Road R & M-DPW/Code	30,000	30,000	69,981	(39,981)
Education & training-DPW/Code	4,000	4,000	4,397	(397)
Traffic Signal R & M-DPW/Code	6,000	6,000	--	6,000
Capital Expenditures-DPW/Code	--	--	54,134	(54,134)
Total Highway Department	1,125,457	1,125,457	1,238,559	(113,102)

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public Works				
Solid waste removal/disposal	294,000	294,000	350,570	(56,570)
Trash Removal/Recycling	738,203	738,203	710,843	27,360
Total Public Works	<u>1,032,203</u>	<u>1,032,203</u>	<u>1,061,413</u>	<u>(29,210)</u>
TOTAL PUBLIC WORKS	<u>2,157,660</u>	<u>2,157,660</u>	<u>2,299,972</u>	<u>(142,312)</u>
PUBLIC EDUCATION				
Library				
City Contribution	118,825	118,825	118,825	--
State Library Grant-In-Aid	31,902	31,902	36,645	(4,743)
TOTAL PUBLIC EDUCATION	<u>150,727</u>	<u>150,727</u>	<u>155,470</u>	<u>(4,743)</u>
PUBLIC RECREATION				
Parks, Recreation And Community Service				
Salaries	108,000	108,000	108,000	--
Temporary Employee Salaries	24,960	24,960	23,585	1,375
Street Beautification Workers	35,568	35,568	19,098	16,470
Social Security	10,449	10,449	10,888	(439)
Medicare	2,444	2,444	2,546	(102)
Municipal State Pension	16,049	16,049	18,908	(2,859)
TIAA-Cref - Parks/Recreation	1,080	1,080	1,272	(192)
Medical Insurance	5,488	5,488	5,505	(17)
Dental Insurance	228	228	228	--
Other supplies	5,000	5,000	6,383	(1,383)
General R & M	34,000	34,000	47,341	(13,341)
Other professional services [Parks]	--	--	29	(29)
Public events & activities	30,000	30,000	37,620	(7,620)
Education/Training	1,000	1,000	880	120
Afterschool Programing	--	--	566	(566)
Elderly Program- Parks & Recreation	15,000	15,000	16,604	(1,604)
Miscellaneous Recreation - Summer Food Help	46,800	46,800	26,360	20,440
Total Parks, Recreation and Community Service	<u>336,066</u>	<u>336,066</u>	<u>325,813</u>	<u>10,253</u>
Planning				
Salaries	233,972	233,972	215,903	18,069
Social Security	14,506	14,506	13,575	931
Medicare	3,393	3,393	3,175	218
Municipal State Pension	34,768	34,768	31,959	2,809
TIAA-Cref - Planning	2,340	2,340	2,151	189
Medical Insurance	26,718	26,718	19,942	6,776
Dental Insurance	1,383	1,383	919	464
Other Supplies - Planning	1,000	1,000	1,379	(379)
Other Professional Services [Planning]	10,000	10,000	33,749	(23,749)
Education/Training	5,000	5,000	44	4,956
Total Planning	<u>333,080</u>	<u>333,080</u>	<u>322,796</u>	<u>10,284</u>
TOTAL PUBLIC RECREATION	<u>669,146</u>	<u>669,146</u>	<u>648,609</u>	<u>20,537</u>

CITY OF CENTRAL FALLS

D-1

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

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
CITY DEBT SERVICE				
Stale Dated Checks	--	--	170	(170)
FEMA Expenses	--	--	19,175	(19,175)
Bond principal	836,000	836,000	836,000	--
Bond interest	171,564	171,564	171,421	143
Other debt fees	6,690	6,690	7,690	(1,000)
TOTAL CITY DEBT SERVICE	<u>1,014,254</u>	<u>1,014,254</u>	<u>1,034,456</u>	<u>(20,202)</u>
OTHER CITY GOVERNMENT				
Compensated absences	27,853	27,853	111,915	(84,062)
Unemployment compensation	15,000	15,000	7,412	7,588
HRA - Health Reimbursement	110,000	110,000	110,935	(935)
Group Life Insurance	11,000	11,000	15,057	(4,057)
OPEB	60,000	60,000	60,000	--
Medical insurance - Retirees	126,985	126,985	66,934	60,051
School Department - City Share (3-4%)	100,000	100,000	586,491	(486,491)
TOTAL OTHER CITY GOVERNMENT	<u>450,838</u>	<u>450,838</u>	<u>958,744</u>	<u>(507,906)</u>
RETIREMENT				
Pension MERS Police & Fire	2,763,934	2,763,934	2,532,412	231,522
TOTAL RETIREMENT	<u>2,763,934</u>	<u>2,763,934</u>	<u>2,532,412</u>	<u>231,522</u>
TOTAL EXPENDITURES	<u>19,412,499</u>	<u>19,412,499</u>	<u>19,957,991</u>	<u>(545,492)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES				
OTHER USES - BUDGETARY BASIS	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 348,967</u>	<u>\$ 348,967</u>

CITY OF CENTRAL FALLS
BUDGETARY AND LEGAL COMPLIANCE
FOR THE YEAR ENDED JUNE 30, 2023

D-2

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

Total budgetary expenditures and other financing uses	\$19,957,991
Transfer to other funds, not part of budget	<u>38,919</u>
Total GAAP expenditures and other financing uses	<u><u>\$19,996,910</u></u>

CITY OF CENTRAL FALLS

SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

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

FOR THE LAST NINE YEARS

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
A. Total pension liability									
1. Service Cost	\$ 149,166	\$ 134,000	\$ 129,484	\$ 125,414	\$ 137,303	\$ 127,458	\$ 116,360	\$ 105,194	\$ 112,984
2. Interest on the Total Pension Liability	552,136	547,267	531,866	530,401	540,961	505,170	500,546	514,938	510,493
3. Changes of benefit terms	--	--	--	--	--	--	--	(12,537)	--
4. Difference between expected and actual experience of the Total Pension Liability	(130,708)	(97,962)	101,452	(149,167)	(363,438)	491,539	(2,161)	(254,173)	--
5. Changes of assumptions	--	--	(35,587)	--	--	344,688	--	--	(24,723)
6. Benefit payments, including refunds of employee contributions	(523,722)	(518,938)	(499,970)	(475,542)	(443,944)	(518,780)	(598,500)	(503,299)	(567,898)
7. Net change in total pension liability	46,872	64,367	227,245	31,106	(129,118)	950,075	16,245	(149,877)	30,856
8. Total pension liability – beginning	<u>8,074,935</u>	<u>8,010,568</u>	<u>7,783,323</u>	<u>7,752,217</u>	<u>7,881,335</u>	<u>6,931,260</u>	<u>6,915,015</u>	<u>7,064,892</u>	<u>7,034,036</u>
9. Total pension liability – ending (a)	<u>\$ 8,121,807</u>	<u>\$ 8,074,935</u>	<u>\$ 8,010,568</u>	<u>\$ 7,783,323</u>	<u>\$ 7,752,217</u>	<u>\$ 7,881,335</u>	<u>\$ 6,931,260</u>	<u>\$ 6,915,015</u>	<u>\$ 7,064,892</u>
B. Plan fiduciary net position									
1. Contributions – employer	\$ 357,899	\$ 275,290	\$ 280,306	\$ 294,806	\$ 275,704	\$ 287,795	\$ 269,399	\$ 266,285	\$ 162,612
2. Contributions – employee	35,076	32,703	32,673	36,423	39,609	39,027	35,604	18,326	16,471
3. Net investment income	(176,820)	1,433,646	191,079	328,815	381,632	515,888	(1,594)	114,533	665,429
4. Benefit payments, including refunds of employee contributions	(523,722)	(518,938)	(499,970)	(475,542)	(443,944)	(518,780)	(598,500)	(503,299)	(567,898)
5. Pension Plan Administrative Expense	(6,028)	(5,462)	(5,265)	(5,140)	(5,080)	(53,622)	(4,288)	(4,621)	(4,167)
6. Other	(107)	177,325	(29,299)	(15,105)	(5,655)	(4,874)	4,596	(146)	(28,883)
7. Net change in plan fiduciary net position	(313,702)	1,394,564	(30,476)	164,257	242,266	265,434	(294,783)	(108,922)	243,564
8. Plan fiduciary net position – beginning	<u>6,628,472</u>	<u>5,233,908</u>	<u>5,264,384</u>	<u>5,100,127</u>	<u>4,857,861</u>	<u>4,592,427</u>	<u>4,887,210</u>	<u>4,996,132</u>	<u>4,752,568</u>
9. Plan fiduciary net position – ending (b)	<u>\$ 6,314,770</u>	<u>\$ 6,628,472</u>	<u>\$ 5,233,908</u>	<u>\$ 5,264,384</u>	<u>\$ 5,100,127</u>	<u>\$ 4,857,861</u>	<u>\$ 4,592,427</u>	<u>\$ 4,887,210</u>	<u>\$ 4,996,132</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 1,807,037</u>	<u>\$ 1,446,463</u>	<u>\$ 2,776,660</u>	<u>\$ 2,518,939</u>	<u>\$ 2,652,090</u>	<u>\$ 3,023,474</u>	<u>\$ 2,338,833</u>	<u>\$ 2,027,805</u>	<u>\$ 2,068,760</u>
D. Plan fiduciary net position as a percentage of the total pension liability	77.75%	82.09%	65.34%	67.64%	65.79%	61.64%	66.26%	70.68%	70.72%
E. Covered employee payroll	<u>\$ 2,481,967</u>	<u>\$ 2,144,007</u>	<u>\$ 2,133,185</u>	<u>\$ 2,055,974</u>	<u>\$ 2,189,847</u>	<u>\$ 2,134,978</u>	<u>\$ 1,972,211</u>	<u>\$ 1,832,653</u>	<u>\$ 1,647,003</u>
F. Net pension liability as a percentage of covered payroll	72.81%	67.47%	130.16%	122.52%	121.11%	141.62%	118.59%	110.65%	125.61%

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

CITY OF CENTRAL FALLS

D-4

SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

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

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
A. Total pension liability			
1. Service Cost	\$ 151,498	\$ 110,870	\$ 38,611
2. Interest on the Total Pension Liability	16,331	6,678	1,351
3. Difference between expected and actual experience of the Total Pension Liability	(18,930)	--	--
4. Changes of assumptions	<u>--</u>	<u>42</u>	<u>--</u>
5. Net change in total pension liability	148,899	117,590	39,962
6. Total pension liability – beginning	<u>157,552</u>	<u>39,962</u>	<u>--</u>
7. Total pension liability – ending (a)	<u>\$ 306,451</u>	<u>\$ 157,552</u>	<u>\$ 39,962</u>
B. Plan fiduciary net position			
1. Contributions – employer	\$ 87,723	\$ 62,368	\$ 18,895
2. Contributions – employee	82,291	58,507	17,725
3. Net investment income	(11,117)	43,791	1,386
4. Pension Plan Administrative Expense	(379)	(167)	(38)
5. Other	<u>36,028</u>	<u>--</u>	<u>(1)</u>
6. Net change in plan fiduciary net position	194,546	164,499	37,967
7. Plan fiduciary net position – beginning	<u>202,466</u>	<u>37,967</u>	<u>--</u>
8. Plan fiduciary net position – ending (b)	<u>\$ 397,012</u>	<u>\$ 202,466</u>	<u>\$ 37,967</u>
C. Net pension (asset) / liability - ending (a) - (b)	<u>\$ (90,561)</u>	<u>\$ (44,914)</u>	<u>\$ 1,995</u>
D. Plan fiduciary net position as a percentage of the total pension liability	129.55%	128.51%	95.01%
E. Covered employee payroll	<u>\$ 822,909</u>	<u>\$ 585,066</u>	<u>\$ 177,249</u>
F. Net pension (asset) / liability as a percentage of covered payroll	-11.00%	-7.68%	1.13%

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

CITY OF CENTRAL FALLS

D-5

SCHEDULE OF CHANGES IN CITY OF CENTRAL FALLS

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

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
A. Total pension liability			
1. Service Cost	\$ 912,868	\$ 916,818	\$ 856,801
2. Interest on the Total Pension Liability	2,902,788	2,828,026	2,749,832
3. Difference between expected and actual experience of the Total Pension Liability	(63,721)	--	1,610,790
4. Changes of assumptions	--	--	1,831,059
5. Benefit payments, including refunds of employee contributions	<u>(2,726,766)</u>	<u>(2,622,920)</u>	<u>(2,416,234)</u>
6. Net change in total pension liability	1,025,169	1,121,924	4,632,248
7. Total pension liability – beginning	<u>42,375,352</u>	<u>41,253,428</u>	<u>36,621,180</u>
8. Total pension liability – ending (a)	<u>\$ 43,400,521</u>	<u>\$ 42,375,352</u>	<u>\$ 41,253,428</u>
B. Plan fiduciary net position			
1. Contributions – employer	\$ 2,961,184	\$ 3,010,213	\$ 2,558,734
2. Contributions – employee	535,097	542,581	528,883
3. Net investment income	(514,885)	3,938,312	1,301,848
4. Benefit payments, including refunds of employee contributions	(2,726,766)	(2,622,920)	(2,416,234)
5. Pension Plan Administrative Expense	(17,552)	(15,006)	(74,411)
6. Other	<u>(57,873)</u>	<u>(2)</u>	<u>(17,995)</u>
7. Net change in plan fiduciary net position	179,205	4,853,178	1,880,825
8. Plan fiduciary net position – beginning	<u>18,208,803</u>	<u>13,355,625</u>	<u>11,474,800</u>
9. Plan fiduciary net position – ending (b)	<u>\$ 18,388,008</u>	<u>\$ 18,208,803</u>	<u>\$ 13,355,625</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 25,012,513</u>	<u>\$ 24,166,549</u>	<u>\$ 27,897,803</u>
D. Plan fiduciary net position as a percentage of the total pension liability	42.37%	42.97%	32.37%
E. Covered employee payroll	<u>\$ 4,573,485</u>	<u>\$ 4,637,419</u>	<u>\$ 4,333,844</u>
F. Net pension liability as a percentage of covered payroll	546.90%	521.12%	643.72%

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

CITY OF CENTRAL FALLS

SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS

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

	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Actuarially determined contribution	\$ 357,899	\$ 275,290	\$ 280,306	\$ 294,806	\$ 275,704	\$ 287,795	\$ 269,399	\$ 266,285	\$ 162,612
Contributions in relation to the actuarially determined contribution	<u>357,899</u>	<u>275,290</u>	<u>280,306</u>	<u>294,806</u>	<u>275,704</u>	<u>287,795</u>	<u>269,399</u>	<u>266,285</u>	<u>162,612</u>
Contribution deficiency (excess)	<u>\$ --</u>								
Covered-employee payroll	<u>\$ 2,481,967</u>	<u>\$ 2,144,007</u>	<u>\$ 2,133,185</u>	<u>\$ 2,055,974</u>	<u>\$ 2,189,847</u>	<u>\$ 2,134,978</u>	<u>\$ 1,972,211</u>	<u>\$ 1,832,653</u>	<u>\$ 1,647,003</u>
Contributions as a percentage of covered-employee payroll	14.42%	12.84%	13.14%	14.34%	12.59%	13.48%	13.66%	14.53%	9.87%

Notes:

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

CITY OF CENTRAL FALLS

D-7

SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - POLICE & FIRE

	Fiscal 2022	Fiscal 2021	Fiscal 2020
Actuarially determined contribution	\$ 87,723	\$ 62,368	\$ 18,895
Contributions in relation to the actuarially determined contribution	87,723	62,368	18,895
Contribution deficiency (excess)	\$ --	\$ --	\$ --
Covered-employee payroll	\$ 822,909	\$ 585,066	\$ 177,249
Contributions as a percentage of covered-employee payroll	10.66%	10.66%	10.66%

Notes:

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

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

CITY OF CENTRAL FALLS

D-8

SCHEDULE OF CITY OF CENTRAL FALLS CONTRIBUTIONS

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

	Fiscal 2022	Fiscal 2021	Fiscal 2020
Actuarially determined contribution	\$ 2,961,184	\$ 3,010,213	\$ 2,558,734
Contributions in relation to the actuarially determined contribution	2,961,184	3,010,213	2,558,734
Contribution deficiency (excess)	\$ --	\$ --	\$ --
Covered-employee payroll	\$ 4,573,485	\$ 4,637,419	\$ 4,333,844
Contributions as a percentage of covered-employee payroll	64.75%	64.91%	59.04%

Notes:

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

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

CITY OF CENTRAL FALLS

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

FOR THE LAST SEVEN FISCAL YEARS

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
A. Total OPEB liability							
1. Service Cost	\$ 91,150	\$ 87,226	\$ 83,470	\$ 66,451	\$ 755,714	\$ 62,911	\$ 60,202
2. Interest on Liability and Service Cost	252,418	236,209	239,591	225,808	365,321	298,293	286,327
3. Experience (Gain) and Loss	(974,590)	--	(250,146)	--	(2,163,172)	--	--
4. Benefit Payments	<u>(97,480)</u>	<u>(124,497)</u>	<u>(119,136)</u>	<u>(131,661)</u>	<u>(125,991)</u>	<u>(193,377)</u>	<u>(186,131)</u>
5. Net change in total OPEB liability	(728,502)	198,938	(46,221)	160,598	(1,168,128)	167,827	160,398
6. Total OPEB liability – beginning	<u>3,322,282</u>	<u>3,123,344</u>	<u>3,169,565</u>	<u>3,008,967</u>	<u>4,177,095</u>	<u>4,009,268</u>	<u>3,848,869</u>
7. Total OPEB liability – ending (a)	<u>\$ 2,593,780</u>	<u>\$ 3,322,282</u>	<u>\$ 3,123,344</u>	<u>\$ 3,169,565</u>	<u>\$ 3,008,967</u>	<u>\$ 4,177,095</u>	<u>\$ 4,009,267</u>
B. Plan fiduciary net position							
1. Contributions – employer	\$ 157,480	\$ 184,497	\$ 179,136	\$ 231,661	\$ 325,991	\$ 193,377	\$ 293,377
2. Benefit Payments	(97,480)	(124,497)	(119,136)	(131,661)	(125,991)	(193,377)	(193,377)
3. Expenses	(2,547)	(2,559)	(1,209)	(1,209)	(869)	(285)	(285)
4. Investment Income	<u>83,123</u>	<u>(118,965)</u>	<u>186,197</u>	<u>22,985</u>	<u>38,207</u>	<u>19,053</u>	<u>13,683</u>
5. Net change in plan fiduciary net position	140,576	(61,524)	244,988	121,776	237,338	18,768	113,398
6. Plan fiduciary net position – beginning	<u>782,905</u>	<u>844,429</u>	<u>599,441</u>	<u>477,665</u>	<u>240,327</u>	<u>221,559</u>	<u>108,160</u>
7. Plan fiduciary net position – ending (b)	<u>\$ 923,481</u>	<u>\$ 782,905</u>	<u>\$ 844,429</u>	<u>\$ 599,441</u>	<u>\$ 477,665</u>	<u>\$ 240,327</u>	<u>\$ 221,558</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 1,670,299</u>	<u>\$ 2,539,377</u>	<u>\$ 2,278,915</u>	<u>\$ 2,570,124</u>	<u>\$ 2,531,302</u>	<u>\$ 3,936,768</u>	<u>\$ 3,787,709</u>
D. Plan fiduciary net position as a percentage of the total OPEB liability	35.60%	23.57%	27.04%	18.91%	15.87%	5.75%	5.53%
E. Covered employee payroll	<u>\$ 8,208,990</u>	<u>\$ 7,934,949</u>	<u>\$ 7,703,834</u>	<u>\$ 7,761,579</u>	<u>\$ 7,535,514</u>	<u>\$ 7,025,436</u>	<u>\$ 6,787,861</u>
F. Net OPEB liability as a percentage of covered payroll	20.35%	32.00%	29.58%	33.11%	33.59%	56.04%	55.80%

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

CITY OF CENTRAL FALLS

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

FOR THE LAST SEVEN FISCAL YEARS

	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
Actuarially determined contribution	\$ 186,162	\$ 228,885	\$ 208,280	\$ 100,000	\$ 60,000	\$ 100,000	\$ 284,360
Contributions in relation to the actuarially determined contribution	<u>157,480</u>	<u>184,497</u>	<u>179,136</u>	<u>231,661</u>	<u>325,991</u>	<u>193,377</u>	<u>293,377</u>
Contribution deficiency (excess)	<u>\$ 28,682</u>	<u>\$ 44,388</u>	<u>\$ 29,144</u>	<u>\$ (131,661)</u>	<u>\$ (265,991)</u>	<u>\$ (93,377)</u>	<u>\$ (9,017)</u>
Covered-employee payroll	<u>\$ 8,208,990</u>	<u>\$ 7,934,949</u>	<u>\$ 7,703,834</u>	<u>\$ 7,761,579</u>	<u>\$ 7,535,514</u>	<u>\$ 7,025,436</u>	<u>\$ 6,787,861</u>
Contributions as a percentage of covered-employee payroll	1.92%	2.33%	2.33%	2.98%	4.33%	2.75%	4.32%

Notes:

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

CITY OF CENTRAL FALLS

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

Municipal Employees' Retirement Plan

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

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

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

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

June 30, 2022 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date.

June 30, 2021 measurement date –

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

June 30, 2020 measurement date –

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

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

June 30, 2019 measurement date –

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

CITY OF CENTRAL FALLS

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

Municipal Employees' Retirement Plan (Continued)

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

June 30, 2018 measurement date –

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

June 30, 2017 measurement date –

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

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

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

CITY OF CENTRAL FALLS

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

Municipal Employees Retirement Plan (Continued)

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

June 30, 2015 measurement date (Continued) –

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

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

SUPPLEMENTARY INFORMATION

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

E-1

JUNE 30, 2023

	CDBG Revolving	CDBG 2018	CDBG 2019	Fire Department Grants	Police Department Grants	City Clerk Department Grants	Community Garden	Target Police Justice Grant	Body Worn Cameras
Assets									
Due from federal and state governments	\$ --	\$ 31,997	\$ 955,760	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from other funds	7,500	--	--	--	--	7,792	24,281	13,708	--
Total Assets	<u>7,500</u>	<u>31,997</u>	<u>955,760</u>	<u>--</u>	<u>--</u>	<u>7,792</u>	<u>24,281</u>	<u>13,708</u>	<u>--</u>
Liabilities									
Due to other funds	--	--	--	3,260	1,980	--	--	--	--
Unearned revenue	--	31,997	955,760	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>31,997</u>	<u>955,760</u>	<u>3,260</u>	<u>1,980</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance									
Restricted	7,500	--	--	--	--	7,792	24,281	13,708	--
Unassigned	--	--	--	(3,260)	(1,980)	--	--	--	--
Total Fund Balance	<u>\$ 7,500</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,260)</u>	<u>\$ (1,980)</u>	<u>\$ 7,792</u>	<u>\$ 24,281</u>	<u>\$ 13,708</u>	<u>\$ --</u>

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

E-1

JUNE 30, 2023

	Recreation Food Program	El Centro	City Clerk Historical Trust	Senior Home Deliveries Program	Afterschool Program	Rhode Island Department of Health	River Island Park	Health Department Funding	Yip Soccer Field Improvement
Assets									
Cash and cash equivalents	\$ --	\$ --	\$ 85,613	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from other funds	--	123,569	1,292	26	--	73,245	--	96,663	--
Total Assets	--	123,569	86,905	26	--	73,245	--	96,663	--
Liabilities									
Due to other funds	--	--	--	--	--	--	10,964	--	3,288
Total Liabilities	--	--	--	--	--	--	10,964	--	3,288
Fund Balance									
Restricted	--	123,569	86,905	26	--	73,245	--	96,663	--
Unassigned	--	--	--	--	--	--	(10,964)	--	(3,288)
Total Fund Balance	\$ --	\$ 123,569	\$ 86,905	\$ 26	\$ --	\$ 73,245	\$ (10,964)	\$ 96,663	\$ (3,288)

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

JUNE 30, 2023

	Cogswell Tower	Emergency Equipment Replacement	Sustainability Officer	Arbor Day Green Space	Sacred Heart Tennis Courts	DOJ COVID Grant	Jenks Park DEM Historical Grants	Water Chestnut Management
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 19,885	\$ --	\$ --	\$ --	\$ --
Due from other funds	3,660	590	17,414	--	33,000	--	--	--
Total Assets	<u>3,660</u>	<u>590</u>	<u>17,414</u>	<u>19,885</u>	<u>33,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Liabilities								
Due to other funds	--	--	--	19,875	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>19,875</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance								
Restricted	3,660	590	17,414	10	33,000	--	--	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	<u>\$ 3,660</u>	<u>\$ 590</u>	<u>\$ 17,414</u>	<u>\$ 10</u>	<u>\$ 33,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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

E-1

JUNE 30, 2023

	Macomber Stadium	Mayors Office	Participatory Budgeting	RI Housing Leadsafe	Police Federal Forfeiture	Police State Forfeiture	Police Seizures Escrow	JAG Grant
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ 16,049	\$ 38,959	\$ 194,590	\$ --
Due from other funds	9,728	5,500	10,000	50,000	--	--	--	--
Total Assets	<u>9,728</u>	<u>5,500</u>	<u>10,000</u>	<u>50,000</u>	<u>16,049</u>	<u>38,959</u>	<u>194,590</u>	<u>--</u>
Liabilities								
Deposits held for others	--	--	--	--	--	--	97,181	--
Due to other funds	--	--	10,000	--	22,718	68,611	93,950	903
Total Liabilities	<u>--</u>	<u>--</u>	<u>10,000</u>	<u>--</u>	<u>22,718</u>	<u>68,611</u>	<u>191,131</u>	<u>903</u>
Fund Balance								
Restricted	9,728	5,500	--	50,000	--	--	3,459	--
Unassigned	--	--	--	--	(6,669)	(29,652)	--	(903)
Total Fund Balance	<u>\$ 9,728</u>	<u>\$ 5,500</u>	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ (6,669)</u>	<u>\$ (29,652)</u>	<u>\$ 3,459</u>	<u>\$ (903)</u>

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

E-1

JUNE 30, 2023

	The Landing	Rhode Island Infrastructure Bank 2019	Property Development	Redevelopment Agency	Med Pods	Osram Vision Plan	Bridging the Digital Divide	TOTALS
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 355,096
Cash held in escrow -								
Rhode Island Infrastructure Bank	--	27,736	--	--	--	--	--	27,736
Due from federal and state governments	1,369	--	--	--	--	61,915	--	1,051,041
Due from other funds	3,338	--	155,925	207,901	33,949	--	--	879,081
Total Assets	<u>4,707</u>	<u>27,736</u>	<u>155,925</u>	<u>207,901</u>	<u>33,949</u>	<u>61,915</u>	<u>--</u>	<u>2,312,954</u>
Liabilities								
Deposits held for others	--	--	--	--	--	--	--	97,181
Due to other funds	--	17,356	--	--	--	20,000	--	272,905
Unearned revenue	--	--	--	--	--	61,915	--	1,049,672
Total Liabilities	<u>--</u>	<u>17,356</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>81,915</u>	<u>--</u>	<u>1,419,758</u>
Fund Balance								
Nonspendable	--	10,380	--	--	--	--	--	10,380
Restricted	4,707	--	155,925	207,901	33,949	--	--	959,532
Unassigned	--	--	--	--	--	(20,000)	--	(76,716)
Total Fund Balance	<u>\$ 4,707</u>	<u>\$ 10,380</u>	<u>\$ 155,925</u>	<u>\$ 207,901</u>	<u>\$ 33,949</u>	<u>\$ (20,000)</u>	<u>\$ --</u>	<u>\$ 893,196</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

	<u>CDBG Revolving</u>	<u>CDBG 2018</u>	<u>CDBG 2019</u>	<u>Fire Department Grants</u>	<u>Police Department Grants</u>	<u>City Clerk Department Grants</u>	<u>Community Garden</u>	<u>Target Police Justice Grant</u>	<u>Body Worn Cameras</u>
Revenues									
Intergovernmental	\$ --	\$ 62,011	\$ 1,046,003	\$ 48,208	\$ 119,887	\$ --	\$ --	\$ --	\$ 50,448
Other revenues	--	--	--	--	--	--	37,500	75,500	--
Total Revenues	<u>--</u>	<u>62,011</u>	<u>1,046,003</u>	<u>48,208</u>	<u>119,887</u>	<u>--</u>	<u>37,500</u>	<u>75,500</u>	<u>50,448</u>
Expenditures									
General government	--	8,367	204,552	29,092	--	21,240	70,719	61,792	--
Capital outlays	--	53,644	841,451	22,045	--	--	--	--	50,448
Total Expenditures & Capital Outlays	<u>--</u>	<u>62,011</u>	<u>1,046,003</u>	<u>51,137</u>	<u>--</u>	<u>21,240</u>	<u>70,719</u>	<u>61,792</u>	<u>50,448</u>
Excess of Revenue Over (Under)									
Expenditures Before Transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,929)</u>	<u>119,887</u>	<u>(21,240)</u>	<u>(33,219)</u>	<u>13,708</u>	<u>--</u>
Transfers in	--	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,929)</u>	<u>119,887</u>	<u>(21,240)</u>	<u>(33,219)</u>	<u>13,708</u>	<u>--</u>
Fund Balance - Beginning of Year	<u>7,500</u>	<u>--</u>	<u>--</u>	<u>(331)</u>	<u>(121,867)</u>	<u>29,032</u>	<u>57,500</u>	<u>--</u>	<u>--</u>
Fund Balance - End of Year	<u>\$ 7,500</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,260)</u>	<u>\$ (1,980)</u>	<u>\$ 7,792</u>	<u>\$ 24,281</u>	<u>\$ 13,708</u>	<u>\$ --</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

	Recreation Food Program	El Centro	City Clerk Historical Trust	Senior Home Deliveries Program	Afterschool Program	Department of Health	River Island Park	Health Department Funding	Yip Soccer Field Improvement
Revenues									
Interest and investment income	\$ --	\$ 76,519	\$ 60	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	45,457	--	7,494	7,727	36,391	--	43,854	37,423	13,151
Other revenues	--	100,000	--	--	--	--	--	--	--
Total Revenues	<u>45,457</u>	<u>176,519</u>	<u>7,554</u>	<u>7,727</u>	<u>36,391</u>	<u>--</u>	<u>43,854</u>	<u>37,423</u>	<u>13,151</u>
Expenditures									
General government	46,371	52,950	--	7,701	36,391	--	--	--	--
Capital outlays	--	--	--	--	--	--	54,818	--	16,439
Total Expenditures & Capital Outlays	<u>46,371</u>	<u>52,950</u>	<u>--</u>	<u>7,701</u>	<u>36,391</u>	<u>--</u>	<u>54,818</u>	<u>--</u>	<u>16,439</u>
Excess of Revenue Over (Under)									
Expenditures Before Transfers	<u>(914)</u>	<u>123,569</u>	<u>7,554</u>	<u>26</u>	<u>--</u>	<u>--</u>	<u>(10,964)</u>	<u>37,423</u>	<u>(3,288)</u>
Transfer in	914	--	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>914</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses									
	--	123,569	7,554	26	--	--	(10,964)	37,423	(3,288)
Fund Balance - Beginning of Year	<u>--</u>	<u>--</u>	<u>79,351</u>	<u>--</u>	<u>--</u>	<u>73,245</u>	<u>--</u>	<u>59,240</u>	<u>--</u>
Fund Balance - End of Year	<u>\$ --</u>	<u>\$ 123,569</u>	<u>\$ 86,905</u>	<u>\$ 26</u>	<u>\$ --</u>	<u>\$ 73,245</u>	<u>\$ (10,964)</u>	<u>\$ 96,663</u>	<u>\$ (3,288)</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

	Cogswell Tower	Emergency Equipment Replacement	Sustainability Officer	Arbor Day Green Space	Sacred Heart Tennis Courts	DOJ COVID Grant	Jenks Park DEM Historical Grants	Water Chestnut Management
Revenues								
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 15,328	\$ 56,738	\$ 36,350
Other revenues	--	--	17,414	--	--	--	--	--
Total Revenues	<u>--</u>	<u>--</u>	<u>17,414</u>	<u>--</u>	<u>--</u>	<u>15,328</u>	<u>56,738</u>	<u>36,350</u>
Expenditures								
General government	--	--	--	--	--	15,328	--	36,350
Capital outlays	--	--	--	--	--	--	56,738	--
Total Expenditures & Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,328</u>	<u>56,738</u>	<u>36,350</u>
Excess of Revenue Over (Under)								
Expenditures Before Transfers	<u>--</u>	<u>--</u>	<u>17,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Transfers in	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Other Financing Sources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>--</u>	<u>--</u>	<u>17,414</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance - Beginning of Year	<u>3,660</u>	<u>590</u>	<u>--</u>	<u>10</u>	<u>33,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance - End of Year	<u>\$ 3,660</u>	<u>\$ 590</u>	<u>\$ 17,414</u>	<u>\$ 10</u>	<u>\$ 33,000</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

	Macomber Stadium	Mayors Office	Participatory Budgeting	RI Housing Leadsafe	Police Federal Forfeiture	Police State Forfeiture	Police Seizures Escrow	JAG Grant
Revenues								
Interest and investment income	\$ --	\$ --	\$ --	\$ --	\$ 19	\$ 41	\$ 187	\$ --
Intergovernmental	--	5,500	--	139,078	18,187	17,293	--	68,653
Total Revenues	<u>--</u>	<u>5,500</u>	<u>--</u>	<u>139,078</u>	<u>18,206</u>	<u>17,334</u>	<u>187</u>	<u>68,653</u>
Expenditures								
General government	--	--	--	89,078	23,607	17,146	--	68,690
Capital outlays	--	--	43,889	--	--	--	--	--
Total Expenditures & Capital Outlays	<u>--</u>	<u>--</u>	<u>43,889</u>	<u>89,078</u>	<u>23,607</u>	<u>17,146</u>	<u>--</u>	<u>68,690</u>
Excess of Revenue Over (Under)								
Expenditures Before Transfers	<u>--</u>	<u>5,500</u>	<u>(43,889)</u>	<u>50,000</u>	<u>(5,401)</u>	<u>188</u>	<u>187</u>	<u>(37)</u>
Transfers in	--	--	13,889	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>13,889</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses								
	--	5,500	(30,000)	50,000	(5,401)	188	187	(37)
Fund Balance - Beginning of Year	<u>9,728</u>	<u>--</u>	<u>30,000</u>	<u>--</u>	<u>(1,268)</u>	<u>(29,840)</u>	<u>3,272</u>	<u>(866)</u>
Fund Balance - End of Year	<u>\$ 9,728</u>	<u>\$ 5,500</u>	<u>\$ --</u>	<u>\$ 50,000</u>	<u>\$ (6,669)</u>	<u>\$ (29,652)</u>	<u>\$ 3,459</u>	<u>\$ (903)</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

	The Landing	Rhode Island Infrastructure Bank 2019	Property Development	Redevelopment Agency	Med Pods	Osram Vision Plan	Bridging the Digital Divide	TOTALS
Revenues								
Interest and investment income	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 76,826
Intergovernmental	175,000	--	--	--	--	--	--	2,050,181
Other revenues	--	--	--	--	--	51,841	--	282,255
Total Revenues	<u>175,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>51,841</u>	<u>--</u>	<u>2,409,262</u>
Expenditures								
General government	2,952	--	--	--	1,156	9,926	12,480	815,888
Capital outlays	--	19,216	--	--	--	--	--	1,158,688
Total Expenditures & Capital Outlays	<u>2,952</u>	<u>19,216</u>	<u>--</u>	<u>--</u>	<u>1,156</u>	<u>9,926</u>	<u>12,480</u>	<u>1,974,576</u>
Excess of Revenue Over (Under)								
Expenditures Before Transfers	<u>172,048</u>	<u>(19,216)</u>	<u>--</u>	<u>--</u>	<u>(1,156)</u>	<u>41,915</u>	<u>(12,480)</u>	<u>434,686</u>
Transfers in	--	--	--	--	--	--	12,480	27,283
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,480</u>	<u>27,283</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses								
	172,048	(19,216)	--	--	(1,156)	41,915	--	461,969
Fund Balance - Beginning of Year	<u>(167,341)</u>	<u>29,596</u>	<u>155,925</u>	<u>207,901</u>	<u>35,105</u>	<u>(61,915)</u>	<u>--</u>	<u>431,227</u>
Fund Balance - End of Year	<u>\$ 4,707</u>	<u>\$ 10,380</u>	<u>\$ 155,925</u>	<u>\$ 207,901</u>	<u>\$ 33,949</u>	<u>\$ (20,000)</u>	<u>\$ --</u>	<u>\$ 893,196</u>

CITY OF CENTRAL FALLS
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	Balance - July 1, 2022	Current Year Assessment	Additions	Abatements	Refunds / Adjustments	Amount to be Collected	FY 2023 Collections	Balance - June 30, 2023
2023	\$ --	\$ 15,183,661	\$ 396,916	\$ (343,724)	\$ (31,626)	\$ 15,205,227	\$ 14,378,998	\$ 826,229
2022	617,574	--	1,289	(854)	16,496	634,505	461,639	172,866
2021	125,979	--	--	--	1,087	127,066	52,171	74,895
2020	86,113	--	660	(680)	761	86,854	8,779	78,075
2019	122,446	--	424	(3,707)	(814)	118,349	6,685	111,664
2018	109,620	--	--	(1,540)	1,186	109,266	5,020	104,246
2017	97,960	--	--	--	333	98,293	2,473	95,820
2016	97,927	--	--	--	662	98,589	1,854	96,735
2015	148,109	--	--	--	--	148,109	1,608	146,501
2014	122,823	--	--	--	--	122,823	1,760	121,063
2013	130,946	--	--	--	--	130,946	1,404	129,542
2012 and prior	567,703	--	--	--	(114,978)	452,725	260	452,465
	<u>\$ 2,227,200</u>	<u>\$ 15,183,661</u>	<u>\$ 399,289</u>	<u>\$ (350,505)</u>	<u>\$ (126,893)</u>	<u>\$ 17,332,752</u>	<u>\$ 14,922,651</u>	<u>\$ 2,410,101</u>
<i>Allowance for Uncollectible Accounts</i>	(762,955)							(866,461)
<i>Net Property Tax Receivable</i>	<u>\$ 1,464,245</u>							<u>\$ 1,543,640</u>

FY 2023 Cash Collections Summary

July - August 2022 Collections Subject to 60-day FY 22 Accrual	September - June 2023 Collections	Total FY 2023 Cash Collections	July - August 2023 (FY 23) Cash Collections Subject to 60-day FY 23 Accrual
\$ --	\$ 14,378,998	\$ 14,378,998	\$ 361,982
136,410	325,229	461,639	68,836
9,807	42,364	52,171	1,238
(152)	8,931	8,779	521
386	6,299	6,685	1,078
(104)	5,124	5,020	511
(86)	2,559	2,473	469
9	1,845	1,854	669
143	1,465	1,608	184
291	1,469	1,760	64
87	1,317	1,404	--
19	241	260	--
<u>\$ 146,810</u>	<u>\$ 14,775,841</u>	<u>\$ 14,922,651</u>	<u>\$ 435,552</u>

Schedule of Net Assessed Property, Value by Category

Description of Property	Valuations December 31, 2021	Levy July 1, 2022
Real Property	\$ 887,657,107	\$ 14,117,582
Motor Vehicle	67,763,070	--
Tangible	27,809,438	1,066,079
Total	<u>\$ 983,229,615</u>	<u>\$ 15,183,661</u>
Exemptions	(100,162,527)	--
Net Assessed Value	<u>\$ 883,067,088</u>	<u>\$ 15,183,661</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 14,922,651
July - August 2022 Collections Subject to 60-day FY 22 Accrual	435,552
	<u>\$ 15,358,203</u>
July - August 2021 Collections Subject to 60-day FY 21 Accrual	(146,810)
Current Year Property Tax Revenue	<u>\$ 15,211,393</u>

CITY OF CENTRAL FALLS

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 14,740,980
Last Year's Levy Tax Collection	394,065
Prior Years Property Tax Collection	76,348
Interest & Penalty	211,772
PILOT & Tax Treaty (excluded from levy) Collection	90,606
Other Local Property Taxes	-
Licenses and Permits	538,921
Fines and Forfeitures	357,567
Investment Income	25,640
Departmental	167,512
Rescue Run Revenue	458,789
Police & Fire Detail	109,925
Other Local Non-Property Tax Revenues	-
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	45,001
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	-
COVID - ESSER	-
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	114,397
COVID - Other	-
COVID - ARPA	1,733,932
MV Excise Tax Reimbursement	102,184
State PILOT Program	-
Distressed Community Relief Fund	235,462
Library Resource Aid	36,645
Library Construction Aid	-
Public Service Corporation Tax	240,792
Meals & Beverage Tax / Hotel Tax	248,354
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	97,286
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	11,976,767
Motor Vehicle Phase Out	1,975,790
Other Revenue	242,233
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	-
Total Revenue	\$ 34,220,968
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	15,370
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
Total Other Financing Sources	\$ 15,370

CITY OF CENTRAL FALLS

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 791,084	\$ 393,847	\$ -	\$ -	\$ 215,903	\$ -	\$ 611,080	\$ 131,585	\$ 2,584,054
Compensation - Group B	-	-	-	-	-	-	-	-	406,543
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	34,360	-	435,307
Overtime - Group B	-	-	-	-	-	-	-	-	67,708
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	293,745	28,499	-	-	19,942	-	87,491	5,505	324,311
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	56,544
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	4,152	2,079	-	-	919	-	5,166	228	11,594
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	2,671
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	46,424	30,057	-	-	16,750	-	52,037	13,434	89,631
Life Insurance	1,124	899	-	-	449	-	1,236	674	5,056
State Defined Contribution- Group A	6,225	3,377	-	-	2,151	-	6,540	1,272	14,890
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,533
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	7,412	5,000	-	-	-	-	20,898	-	59,901
Other Benefits- Group B	-	-	-	-	-	-	-	-	3,150
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	89,516	50,185	-	-	31,959	-	97,055	18,908	1,266,206
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	60,126
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	313,167	165,155	-	69,044	33,749	-	30,033	72,987	65,214
Materials/Supplies	23,715	17,534	-	-	1,379	-	47,537	21,855	107,349
Software Licenses	-	-	-	-	-	-	-	-	49,811
Capital Outlays	2,124,528	-	-	-	-	-	10,813,334	-	153,542
Insurance	310,049	-	-	-	-	-	-	-	-
Maintenance	176,137	-	-	-	-	-	90,145	47,341	17,442
Vehicle Operations	-	-	-	-	-	-	87,385	-	65,859
Utilities	520,919	-	-	-	-	-	25,275	-	33,289
Contingency	160,922	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	10,301	-	-
Trash Removal & Recycling	-	-	-	-	-	-	710,843	-	-
Claims & Settlements	66,996	-	-	-	-	-	-	-	-
Community Support	148,919	-	-	-	-	-	-	-	-
Other Operation Expenditures	294,379	4,326	-	-	45,045	155,470	1,013,158	89,910	58,594
Tipping Fees	-	-	-	-	-	-	350,570	-	-
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	\$ 5,379,413	\$ 700,958	\$ -	\$ 69,044	\$ 368,246	\$ 155,470	\$ 14,094,444	\$ 403,699	\$ 5,942,325

CITY OF CENTRAL FALLS

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ 2,855,453	\$ -	\$ 151,309	\$ -	\$ -	\$ -	\$ 7,734,315
Compensation - Group B	-	-	-	-	-	-	406,543
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-
Overtime- Group A	287,590	-	-	-	-	-	757,237
Overtime - Group B	-	-	-	-	-	-	67,708
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-
Active Medical Insurance - Group A	358,142	-	26,713	-	-	-	1,144,348
Active Medical Insurance- Group B	-	-	-	-	-	-	56,544
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental Insurance- Group A	16,905	-	1,411	-	-	-	42,454
Active Dental Insurance- Group B	-	-	-	-	-	-	2,671
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	58,134	-	8,130	-	-	-	314,597
Life Insurance	5,394	-	225	-	-	-	15,037
State Defined Contribution- Group A	18,423	-	1,261	-	-	-	54,139
State Defined Contribution - Group B	-	-	-	-	-	-	3,533
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	39,374	-	-	-	-	-	132,585
Other Benefits- Group B	-	-	-	-	-	-	3,150
Other Benefits- Group C	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	1,272,199	-	16,838	-	-	-	2,842,866
State Defined Benefit Pension - Group B	-	-	-	-	-	-	60,126
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-
Purchased Services	73,649	-	14,561	-	-	-	837,559
Materials/Supplies	80,677	-	1,619	-	-	-	301,665
Software Licenses	825	-	-	-	-	-	50,636
Capital Outlays	30,255	-	-	-	-	-	13,121,659
Insurance	-	-	-	-	-	-	310,049
Maintenance	18,174	-	-	-	-	-	349,239
Vehicle Operations	67,018	-	-	-	-	-	220,262
Utilities	36,988	-	-	-	-	-	616,471
Contingency	-	-	-	-	-	-	160,922
Street Lighting	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	10,301
Trash Removal & Recycling	-	-	-	-	-	-	710,843
Claims & Settlements	-	-	-	-	-	-	66,996
Community Support	-	-	-	-	-	-	148,919
Other Operation Expenditures	30,355	-	10,400	-	-	-	1,701,637
Tipping Fees	-	-	-	-	-	-	350,570
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	836,000	-	836,000
Municipal Debt- Interest	-	-	-	-	171,421	-	171,421
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	60,000	60,000
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ 5,249,555	\$ -	\$ 232,467	\$ -	\$ 1,007,421	\$ 60,000	\$ 33,663,042

Financing Uses: Transfer to Capital Funds	\$ -
Financing Uses: Transfer to Other Funds	41,739
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	\$ 41,739
Net Change in Fund Balance¹	531,557
Fund Balances- beginning of year	\$1,884,048
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	1,000
Misc. Adjustment	-
Fund Balance¹ - beginning of year adjusted	1,885,048
Rounding	-
Fund Balance¹ - end of year	\$ 2,416,605

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

CITY OF CENTRAL FALLS

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2 MUNICIPAL

FOR THE YEAR ENDED JUNE 30, 2023

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 ² (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted						\$ 1,884,048	\$ 1,000	\$ 1,885,048	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>Funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 1,884,048</u>	<u>\$ 1,000</u>	<u>\$ 1,885,048</u>	
General Fund	\$ 20,453,615	\$ 2,820	\$ 20,055,189	\$ 41,739	\$ 359,507	\$ 1,877,812	\$ -	\$ 1,877,812	\$ 2,237,319
CDBG 2018-2018	62,011	-	62,011	-	-	-	-	-	-
CDBG 2019-2019	1,046,003	-	1,046,003	-	-	-	-	-	-
CDBG 2021-2021	87,024	-	87,024	-	-	-	-	-	-
CDBG Revolving 2000	-	-	-	-	-	7,500	-	7,500	7,500
American Rescue Plan Fund-8129,8141,8142,8125	1,733,932	11,636	1,745,568	-	-	-	1,000	1,000	1,000
RIDOH-7070	-	-	-	-	-	73,245	-	73,245	73,245
Recreation Summer Lunch Program-2510	45,457	914	46,371	-	-	-	-	-	-
School Building Capital Fund-2810	11,767,963	-	11,767,961	-	2	100,332	-	100,332	100,334
The Landing- 8108	175,000	-	2,952	-	172,048	(167,341)	-	(167,341)	4,707
Totals per audited financial statements	<u>\$ 35,371,005</u>	<u>\$ 15,370</u>	<u>\$ 34,813,079</u>	<u>\$ 41,739</u>	<u>\$ 531,557</u>	<u>\$ 1,891,548</u>	<u>\$ 1,000</u>	<u>\$ 1,892,548</u>	<u>\$ 2,424,105</u>
Reconciliation from financial statements to MTP2									
Program activity in CDBG funds that are not reported on the MTP2 because they are for program revenues & expenses and not for administration.	\$ (1,150,037)	\$ -	\$ (1,150,037)	\$ -	\$ -	\$ (7,500)	\$ -	\$ (7,500)	\$ (7,500)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 34,220,968</u>	<u>\$ 15,370</u>	<u>\$ 33,663,042</u>	<u>\$ 41,739</u>	<u>\$ 531,557</u>	<u>\$ 1,884,048</u>	<u>\$ 1,000</u>	<u>\$ 1,885,048</u>	<u>\$ 2,416,605</u>

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3 - ALLOCATIONS

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4 - EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

- Group A: This group consists of employees who serve the primary function of the department.
 - Police Department - police officers (e.g., uniform personnel - including, leadership positions)

CITY OF CENTRAL FALLS

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

FOR THE YEAR ENDED JUNE 30, 2023

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

- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5 - EDUCATION REVENUE AND EXPENDITURES

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable President and Members of the City Council
City of Central Falls, RI

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Central Falls as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Central Falls' basic financial statements and have issued our report thereon dated December 20, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Central Falls' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Central Falls' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Central Falls' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Central Falls' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Providence, RI
December 20, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE
UNIFORM GUIDANCE**

The Honorable President and Members of the City Council
City of Central Falls, RI

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Central Falls' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Central Falls' major federal program for the year ended June 30, 2023. The City of Central Falls' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Central Falls complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Central Falls and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Central Falls' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Central Falls' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Central Falls' compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Central Falls' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Central Falls' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Central Falls' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Central Falls' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal*

control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City of Central Falls as of and for the year ended June 30, 2023, and have issued our report thereon dated December 20, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Marcum LLP

Providence, RI
December 20, 2023

CITY OF CENTRAL FALLS, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures Incurred</u>
U.S. Department of Housing and Urban Development				
Governor's Office of Housing & Energy & Intergovernmental Relations				
<i>Passed through State of Rhode Island, Division of Planning, Office of Housing and Community Development</i>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	B-14-DC-44-0001	\$ --	\$ 62,011
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	B-14-DC-44-0001	--	1,046,003
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	B-14-DC-44-0001	--	87,024
Subtotal			--	1,195,038
Lead Hazard Reduction Grant Program	14.900	N/A	--	89,078
Total U.S. Department of Housing and Urban Development			--	1,284,116
U.S. Department of Justice				
<i>Direct Programs</i>				
Edward Byrne Memorial FY20 JAG	16.738	2020-DJ-BX-0801	--	2,399
Edward Byrne Memorial JAG	16.738	15PBJA-22-GG-02743-JAGX	--	20,406
Edward Byrne Memorial FY19 JAG	16.738	2019-DJ-BX-0373	--	20,230
Edward Byrne Memorial FY18 JAG	16.738	2018-DJ-BX-0905	--	25,655
Subtotal			--	68,690
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0972	--	15,328
Body Worn Camera Policy and Implementation	16.835	15PBJA-21-GG-04421-BWCX	--	50,448
Public Safety Partnership and Community Policing Grant	16.710	2013-UMWX-0216	--	61,223
Equitable Sharing Program	16.922	N/A	--	23,607
Total U.S. Department of Justice			--	219,296
U.S. Department of Homeland Security				
<i>Direct Programs</i>				
Assistance to Firefighters Grant	97.044	EMW-2020-FG-19270	--	29,092
Subtotal			--	29,092
<i>Passed through State of Rhode Island Department of Emergency Management Agency</i>				
Covid Award - Disaster Grants - Public Assistance	97.036		--	114,397
Total U.S. Department of Homeland Security			--	143,489
U.S. Department of Treasury				
<i>Passed through Rhode Island Department of Revenue</i>				
Coronavirus Local Fiscal Recovery Fund	21.027		--	1,733,932
Total U.S. Department of Treasury			--	1,733,932
U.S. Department of Agriculture				
<i>Direct Programs</i>				
<i>Community Facilities Loans and Grants Cluster:</i>				
Community Facilities Loans and Grants	10.766		--	22,044
Subtotal			--	22,044
<i>Passed through State of Rhode Island Department of Education</i>				
<i>Child Nutrition Cluster:</i>				
Summer Food Service Program for Children	10.559	RISF-04810	--	45,457
Total U.S. Department of Agriculture			--	67,501
Total Schedule of Expenditures of Federal Awards			\$ --	\$ 3,448,334

See notes to schedule of expenditures of federal awards.

CITY OF CENTRAL FALLS, RHODE ISLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the City of Central Falls, Rhode Island under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Central Falls, Rhode Island, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City of Central Falls, Rhode Island.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

City of Central Falls, Rhode Island has elected not to use the 10-percent de Minimis indirect cost rate.

NOTE 4 - DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) (ALN 97.036)

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds.

CITY OF CENTRAL FALLS, RHODE ISLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses?

_____ Yes X None Reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal award programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)?

_____ Yes X None reported

Type of auditors' report issued on compliance for major federal award programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of Major Federal Programs:

CFDA Number

Name of Federal Program or Cluster

21.027

Coronavirus Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

_____ Yes X No

CITY OF CENTRAL FALLS, RHODE ISLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II FINDINGS - RELATED TO AUDIT OF FINANCIAL STATEMENTS

CURRENT YEAR FINDINGS:

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

CURRENT YEAR FINDINGS:

No matters were reported.

CITY OF CENTRAL FALLS, RHODE ISLAND
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

PRIOR YEAR FINDINGS:

None reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

PRIOR YEAR FINDINGS:

None reported