

CITY OF EAST PROVIDENCE, RHODE ISLAND
FINANCIAL STATEMENTS
OCTOBER 31, 2020



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AUDIT, TAX, AND CONSULTING

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CITY OF EAST PROVIDENCE, RHODE ISLAND
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OCTOBER 31, 2020

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Introductory Section

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PRINCIPAL OFFICIALS
City of East Providence, Rhode Island

MAYOR

Roberto DaSilva

CITY COUNCIL

Robert Britto, Council President
Nathan W. Cahoon
Robert P. Rodericks

Anna M. Sousa
Ricardo D. Mourato

DEPARTMENT DIRECTORS

Finance Director
City Solicitor
Police Chief
Fire Chief
Director of Public Works
Superintendent of Schools
School Director of Finance

Malcolm Moore
Michael Marcello
William Nebus
Glen Quick
Stephen Coutu
Kathryn Crowley
Craig Enos

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Financial Section

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Independent Auditors' Report

The Honorable Mayor and Members of the East Providence City Council
City of East Providence, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of and for the year ended October 31, 2020, and the related notes to the financial statements, which collectively comprise the City of East Providence, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Providence, Rhode Island, as of October 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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



CliftonLarsonAllen LLP

Cranston, Rhode Island
February 10, 2022

**CITY OF EAST PROVIDENCE, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2020**

As management of the City of East Providence, Rhode Island (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended October 31, 2020.

Financial Highlights

- The liabilities and deferred inflows of resources of the City's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$57,338,454 (net position). Business-type activity assets and deferred outflows exceeded liabilities by \$37,334,908 at year end. On a government-wide basis, liabilities and deferred inflows exceeded assets and deferred outflows by \$94,673,362.
- The City's total net position increased by \$3,781,700. This was primarily due to an increase in property tax revenues and favorable operations in the general fund.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$82,053,267, an increase of \$43,312,727 in comparison with the prior year. The increase is mainly due to the issuance of bonds in the High School Construction Fund.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$12,120,556 or 9.7% of total General Fund expenditures and transfers out.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, judicial, and administrative; financial administration; assessor's office; public safety; public works; human resources; miscellaneous; planning and assessment board' library; education; other; interest on long-term debt; and debt issuance costs. The business-type activities of the City include both water and sewer operations.

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

Fund Financial Statements

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

Governmental Funds

Are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds and similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifty plus individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, School Unrestricted Fund, Capital Projects Fund and High School Construction Fund. Data from the remaining governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements later in this report. The basic governmental fund financial statements can be found on pages 14 through 17 of this report. Details of the combined governmental funds can be found on pages 94 through 125.

Proprietary Funds

The City maintains one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water operations and its sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the sewer operations, which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-76.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and the budgetary information for the General Fund and School Unrestricted Fund.

The individual and combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$57,338,454 at the close of the fiscal year.

City of East Providence, Rhode Island October 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 146,367,693	\$ 95,255,158	\$ 10,948,026	\$ 10,257,387	\$ 157,315,719	\$ 105,512,545
Capital assets	174,727,893	116,060,062	92,861,675	95,603,508	267,589,568	211,663,570
Other assets					-	-
Total Assets	<u>321,095,586</u>	<u>211,315,220</u>	<u>103,809,701</u>	<u>105,860,895</u>	<u>424,905,287</u>	<u>317,176,115</u>
Deferred outflows of resources	<u>36,288,861</u>	<u>26,490,834</u>	<u>276,950</u>	<u>294,163</u>	<u>36,565,811</u>	<u>26,784,997</u>
Other liabilities	35,182,387	24,622,691	5,250,213	5,685,923	40,432,600	30,308,614
Long-term liabilities	401,102,685	279,569,686	61,292,035	65,495,421	462,394,720	345,065,107
Total Liabilities	<u>436,285,072</u>	<u>304,192,377</u>	<u>66,542,248</u>	<u>71,181,344</u>	<u>502,827,320</u>	<u>375,373,721</u>
Deferred inflows of resources	<u>15,772,737</u>	<u>29,521,956</u>	<u>209,495</u>	<u>185,589</u>	<u>15,982,232</u>	<u>29,707,545</u>
Net Position:						
Net investment in capital assets	154,469,754	80,449,977	30,605,827	29,172,702	185,075,581	109,622,679
Restricted	45,999	46,325	-	-	45,999	46,325
Unrestricted	<u>(249,189,115)</u>	<u>(176,404,581)</u>	<u>6,729,081</u>	<u>5,615,423</u>	<u>(242,460,034)</u>	<u>(170,789,158)</u>
Total Net Position	<u>\$ (94,673,362)</u>	<u>\$ (95,908,279)</u>	<u>\$ 37,334,908</u>	<u>\$ 34,788,125</u>	<u>\$ (57,338,454)</u>	<u>\$ (61,120,154)</u>

The largest portion of the City's net position, \$185,075,581, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure) less any related debt and related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

Already noted was the statement of activities' purpose in presenting information on how the City's net position changed during the most recent fiscal year. A summary of changes in net position follows. For the fiscal year, net position increased by \$1,234,917. The increase was due to favorable general fund operations and the increase in capital spending including the construction of the new high school project which will be completed by June 2022.

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

City of East Providence, Rhode Island Statement of Changes in Net Position October 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 7,111,464	\$ 8,975,869	\$ 23,669,154	\$ 21,891,914	\$ 30,780,618	\$ 30,867,783
Operating grants and contributions	50,762,969	55,374,296			50,762,969	55,374,296
Capital grants and contributions	10,399,388	5,794,459			10,399,388	5,794,459
General Revenues:						
Property taxes	109,908,029	108,694,581			109,908,029	108,694,581
Motor vehicle phase-out taxes	2,791,136	2,006,137			2,791,136	2,006,137
Grants and contributions not restricted to specific programs	1,696,913	2,086,335	309,493		2,006,406	2,086,335
Investment income	352,053	416,475	56,215	20,195	408,268	436,670
Miscellaneous	899,686	713,089			899,686	713,089
Total revenues	183,921,638	184,061,241	24,034,862	21,912,109	207,956,500	205,973,350
Program Expenses:						
General government	15,134,237	7,416,175			15,134,237	7,416,175
Public safety	46,023,154	40,990,428			46,023,154	40,990,428
Public works	10,115,020	9,292,660			10,115,020	9,292,660
Public libraries	2,688,425	2,688,063			2,688,425	2,688,063
Parks and recreation	1,116,257	1,480,337			1,116,257	1,480,337
Sanitation	2,874,398	2,803,836			2,874,398	2,803,836
Education	102,239,600	102,423,257			102,239,600	102,423,257
Debt service	2,495,630	964,510			2,495,630	964,510
Water Fund expenses		-	8,516,777	8,376,098	8,516,777	8,376,098
WPC Fund expenses		-	12,971,302	13,005,077	12,971,302	13,005,077
Total expenses	182,686,721	168,059,266	21,488,079	21,381,175	204,174,800	189,440,441
Excess (deficiency) before transfers	1,234,917	16,001,975	2,546,783	530,934	3,781,700	16,532,909
Transfers	-	-	-	-	-	-
Change in net position	1,234,917	16,001,975	2,546,783	530,934	3,781,700	16,532,909
Net Position - Beginning of Year	(95,908,279)	(111,910,254)	34,788,125	34,257,191	(61,120,154)	(77,653,063)
Net Position - End of Year	\$ (94,673,362)	\$ (95,908,279)	\$ 37,334,908	\$ 34,788,125	\$ (57,338,454)	\$ (61,120,154)

Significant changes from the prior year for revenues are as follows:

- Property tax revenues increased \$1,213,448 due to a tax increase.
- Operating grants and contributions decreased \$4,611,327 due to decreases in state aid for education due to COVID-19.
- Capital grants and contributions increased \$4,604,929 due to state funding for the high school construction project.

Revenues

Governmental activities revenues totaled \$183,921,638 for the fiscal year. Property taxes are the largest revenue source for the City and represent 59.8 % of governmental revenues. Operating grants and contributions revenues are the City's second largest revenue. Operating grants and contributions revenues include grants for education, general government, libraries and various other functions.

Operating grants and contributions revenues account for 27.6% of governmental revenues for the year. Charges for services accounts for 3.8% of governmental revenues and includes revenues from various sources including but not limited to police details, fire rescue services, property tax interest and liens, and permits and recording fees. Capital grants and contributions account for 5.7% of governmental revenues. Grants and contributions not restricted to specific programs account for 2.4 %. Investment income represents roughly 0.2% of governmental revenue. Miscellaneous revenues represent 0.5% of governmental revenues.

Expenses

Significant changes from the prior year are as follows:

- General Government expenses increased by \$7,718,062 due to increases in costs in maintenance, technology and purchased services due to the COVID-19 pandemic.
- Public safety expenses increased by \$5,032,726 due to significant increases in overtime salaries due to staffing issues caused by retirements and the COVID-19 pandemic.

Governmental activities expenses totaled \$182,686,721 for the fiscal year. Of the expenditures, 56.0% was for education. Public safety expenses amounted to 25.2%, while public works amounted to 5.5%. Sanitation expenses were 1.6%. Library expenses were 1.5%. Park and recreation expenses were 0.6%. Interest expense was 0.3%. General government expenses were 8.3%.

Business-Type Activities

Revenues

General revenues do not support the City's business-type activities; thus, the largest source of revenues comes from charges for services and operating grants. Of the \$24,034,862 in revenues from the Water Fund and the WPC Fund, 98.5% comes from charges for services. Grants and contributions not restricted to specific programs account for 1.3 %. Investment income makes up the final 0.2% of revenues for the City's business activities.

Expenses

Business-type expenses totaled \$21,488,079, \$8,516,777 and \$12,971,302 for the Water Fund and the WPC Fund, respectively, for the fiscal year ended October 31, 2020.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the unassigned fund balance of \$10,831,045 may serve as a valuable assessment of a government's net resources available for spending at the end of the fiscal year. As of October 31, 2020, the City's governmental funds reported combined ending fund balances of \$82,053,267.

The General Fund is the chief operating fund of the City, excluding its school department. As of October 31, 2020, the total fund balance of the general fund was \$15,743,024 of which \$2,813,466 was assigned and \$12,120,556 was unassigned. The City's General Fund also has \$809,002 of nonspendable fund balance as of October 31, 2020.

The fund balance of the General Fund decreased by \$140,891 in fiscal year 2020. Actual revenues fell short of budgeted revenues by \$2,344,914 (see RSI-1). Property tax revenues fell short of budgetary estimates by \$330,859 and departmental revenues fell short of budgetary estimates by \$2,362,756. Total expenditures were \$3,813,199, less than appropriated amounts (see RSI-1). The largest portion of this was debt service coming in \$1,833,535 under the budgeted amount.

The School Unrestricted Fund is the principal operating fund of the school department. Revenues are derived principally from City appropriations and state aid supplemented by certain miscellaneous revenues, principally federal Medicaid reimbursements. Expenditures for education totaled \$90,052,513 including a state on-behalf payment to pension funds of \$3,998,075 on behalf of the school department.

The Capital Projects fund balance decreased \$2,412,919.

The fund balance of the High School Construction Fund balance increased \$46,768,127 due to the issuance of bonds.

Proprietary Funds

The City's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The City's enterprise funds posted an overall increase in net position of \$2,546,783 for the fiscal year. This was primarily due to less than anticipated capital expenses.

Water Fund

Unrestricted net position of the Water Control Fund at the end of the year amounted to \$4,047,415.

WPC Fund

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$2,681,666.

General Fund Budgetary Highlights

Overall, the City finished the 2019-2020 fiscal year with a budgetary surplus of \$2,388,315.

Major General Fund Revenue Factors:

General Property Taxes - Property taxes are the largest single revenue source for the General Fund and account for 89.5% of total budgetary revenues.

Major Expenditure Factors:

Education Expense accounts for approximately 53.4% of the total budgetary expenditures within the General Fund of the City, Public Safety representing 24.8%, Public Works representing 5.0%, General Government representing 3.8% and the remaining functions represent 13.0%.

Capital Asset and Debt Administration

Capital assets

The City’s investment in capital assets for its governmental and business-type activities at year-end amounts to \$267,589,568 net of accumulated depreciation. This investment in capital assets includes land, buildings, building improvements, vehicles, equipment, infrastructure, and construction in progress. The increase in the City’s net investment in capital assets for the current fiscal year was \$57,400,693 as depreciation of \$9,816,544 was exceeded by capital asset additions of \$67,217,237.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,142,523	\$ 4,142,523	\$ 3,328,334	\$ 3,328,334	\$ 7,470,857	\$ 7,470,857
Construction in progress	75,079,395	19,937,917	-	-	75,079,395	19,937,917
Land and improvements	2,150,525	2,251,160	-	587	2,150,525	2,251,747
Buildings and improvements	52,267,874	55,431,496	77,079,500	79,127,133	129,347,374	134,558,629
Infrastructure	30,240,104	23,988,938	10,387,720	10,869,859	40,627,824	34,858,797
Machinery and equipment	6,927,416	6,395,007	1,793,586	1,937,388	8,721,002	8,332,395
Vehicles	3,920,056	3,913,021	272,535	340,207	4,192,591	4,253,228
Total	\$ 174,727,893	\$ 116,060,062	\$ 92,861,675	\$ 95,603,508	\$ 267,589,568	\$ 211,663,570

Major additions to the City’s capital assets related to its governmental fund activities realized during the year included approximately \$63.2 million of construction in progress relative to the new high school project.

Additional information on the City’s capital assets can be found on pages 35 and 36.

Long-Term Debt

At the end of the current fiscal year, the City has total bonds and notes outstanding of \$121,224,241. In addition, the City had capital lease commitments outstanding of \$1,670,473. State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total equalized valuation.

**City of East Providence, Rhode Island
Bonds and Notes Payable
October 31, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds and notes payable	\$ 58,968,393	\$ 38,802,699	\$ 62,255,848	\$ 66,430,806	\$ 121,224,241	\$ 105,233,505
Capital leases payable	1,670,473	930,601	-	-	1,670,473	930,601
Unamortized bond premiums	802,099	515,681	-	-	802,099	515,681
Total	\$ 61,440,965	\$ 40,248,981	\$ 62,255,848	\$ 66,430,806	\$ 123,696,813	\$ 106,679,787

The City currently has an “AA” rating from Standard and Poor’s and an “A1” rating from Moody’s for general obligation debt.

The current debt limitation for the City is approximately \$134,009,109 based on a net assessed value of \$4,466,970,298 at December 31, 2019, which significantly exceeds the City's current outstanding general obligation debt subject to the limitation.

Additional information on the City's long-term debt can be found on pages 37 through 41.

Next Year's Budget and Rates

The City's elected appointed officials considered many factors when setting the fiscal year 2020-2021 budget. The most significant factor was funding for the bond for the new high school. The City's debt service is projected to be \$6,337,885 for fiscal year 2021-2022. The City's plan is to set aside money each fiscal year going forward. The City appropriated another \$1,000,000 towards the bond in fiscal year 2019-2020, with another \$1,400,000 projected for fiscal year 2020-2021 bringing the total to \$7,944,864. The City will need another \$1,200,000 by fiscal year 2023-2024 to adequately fund the bond.

The 2020-2021 general fund budget is \$169,362,018, an increase of 2.78% over the prior year budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, East Providence City Hall, 145 Taunton Avenue, East Providence, Rhode Island, 02914.

Basic Financial Statements

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CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION
OCTOBER 31, 2020

EXHIBIT I

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 71,245,863	\$ 3,804,398	\$ 75,050,261
Cash held by fiscal agent	23,760,000		23,760,000
Investments	1,632,180	7,846,272	9,478,452
Receivables:			
Property taxes, net	26,997,292		26,997,292
User charges, net		3,363,875	3,363,875
Intergovernmental	4,966,576	13,852	4,980,428
Other receivables	1,334,399		1,334,399
Internal balances	4,087,972	(4,087,972)	-
Inventory	55,068	7,601	62,669
Prepaid items	2,518,355		2,518,355
Total current assets	136,597,705	10,948,026	147,545,731
Noncurrent assets:			
Net pension asset	9,769,988		9,769,988
Capital assets not being depreciated	79,221,918	3,328,334	82,550,252
Capital assets, net of accumulated depreciation	95,505,975	89,533,341	185,039,316
Total noncurrent assets	184,497,881	92,861,675	277,359,556
Total assets	321,095,586	103,809,701	424,905,287
Deferred Outflows of Resources:			
Deferred charge on refunding	128,802		128,802
Related to OPEB	1,703,960	13,573	1,717,533
Related to pensions	34,456,099	263,377	34,719,476
Total deferred outflows of resources	36,288,861	276,950	36,565,811
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	11,922,928	395,539	12,318,467
Accrued payroll and related liabilities	4,301,416	240,391	4,541,807
Accrued interest payable	1,416,063	361,183	1,777,246
Unearned revenue	10,296,657		10,296,657
Other liabilities	482,120		482,120
Current portion of long-term obligations	6,763,203	4,253,100	11,016,303
Total current liabilities	35,182,387	5,250,213	40,432,600
Noncurrent liabilities:			
Long-term obligations due in more than one year	401,102,685	61,292,035	462,394,720
Total noncurrent liabilities	401,102,685	61,292,035	462,394,720
Total liabilities	436,285,072	66,542,248	502,827,320
Deferred Inflows of Resources:			
Related to OPEB	6,090,088	99,036	6,189,124
Related to pensions	9,682,649	110,459	9,793,108
Total deferred inflows of resources	15,772,737	209,495	15,982,232
Net Position:			
Net investment in capital assets	154,469,754	30,605,827	185,075,581
Restricted:			
Nonexpendable	43,810		43,810
Expendable	2,189		2,189
Unrestricted	(249,189,115)	6,729,081	(242,460,034)
Total Net Position	\$ (94,673,362)	\$ 37,334,908	\$ (57,338,454)

The accompanying notes are an integral part of the financial statements

CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT II

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 15,134,237	\$ 3,172,850	\$ 1,607,183	\$ -	\$ (10,354,204)	\$ -	\$ (10,354,204)
Public safety	46,023,154	3,426,020	107,306	-	(42,489,828)	-	(42,489,828)
Public works	10,115,020	-	-	-	(10,115,020)	-	(10,115,020)
Public libraries	2,688,425	-	474,723	-	(2,213,702)	-	(2,213,702)
Parks and recreation	1,116,257	78,074	-	-	(1,038,183)	-	(1,038,183)
Sanitation	2,874,398	-	-	-	(2,874,398)	-	(2,874,398)
Education	102,239,600	434,520	48,573,757	10,399,388	(42,831,935)	-	(42,831,935)
Debt service	2,495,630	-	-	-	(2,495,630)	-	(2,495,630)
Total governmental activities	<u>182,686,721</u>	<u>7,111,464</u>	<u>50,762,969</u>	<u>10,399,388</u>	<u>(114,412,900)</u>	<u>-</u>	<u>(114,412,900)</u>
Business-Type Activities:							
Water Fund expenses	8,516,777	10,046,516	-	-	-	1,529,739	1,529,739
WPC Fund expenses	<u>12,971,302</u>	<u>13,622,638</u>	-	-	-	<u>651,336</u>	<u>651,336</u>
Total business-type activities	<u>21,488,079</u>	<u>23,669,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,181,075</u>	<u>2,181,075</u>
Total	<u>\$ 204,174,800</u>	<u>\$ 30,780,618</u>	<u>\$ 50,762,969</u>	<u>\$ 10,399,388</u>	<u>(114,412,900)</u>	<u>2,181,075</u>	<u>(112,231,825)</u>
General revenues:							
Property taxes, levied for general purposes	-	-	-	-	109,908,029	-	109,908,029
Motor vehicle phase-out taxes	-	-	-	-	2,791,136	-	2,791,136
Grants and contributions not restricted to specific programs	-	-	-	-	1,696,913	309,493	2,006,406
Unrestricted investment earnings	-	-	-	-	352,053	56,215	408,268
Miscellaneous	-	-	-	-	899,686	-	899,686
Total general revenues and transfers	-	-	-	-	<u>115,647,817</u>	<u>365,708</u>	<u>116,013,525</u>
Change in net position	-	-	-	-	1,234,917	2,546,783	3,781,700
Net Position at Beginning of Year	-	-	-	-	<u>(95,908,279)</u>	<u>34,788,125</u>	<u>(61,120,154)</u>
Net Position at End of Year	-	-	-	-	<u>\$ (94,673,362)</u>	<u>\$ 37,334,908</u>	<u>\$ (57,338,454)</u>

The accompanying notes are an integral part of the financial statements

CITY OF EAST PROVIDENCE, RHODE ISLAND
 BALANCE SHEET - GOVERNMENTAL FUNDS
 OCTOBER 31, 2020

EXHIBIT III

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>High School Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 37,768,939	\$ 9,165,351		\$ 20,078,362	\$ 4,233,211	\$ 71,245,863
Cash held by fiscal agent				23,760,000		23,760,000
Investments					1,632,180	1,632,180
Accounts receivable:						
Real estate and personal property taxes, net	25,281,375					25,281,375
Intergovernmental		1,506,740			3,459,836	4,966,576
Other receivables	140,517	215,128			1,938,749	2,294,394
Due from other funds	6,174,865	5,515,617	19,250,711	486,509	4,746,380	36,174,082
Inventory	55,068					55,068
Prepaid items	753,934	1,764,421				2,518,355
Total Assets	\$ 70,174,698	\$ 18,167,257	\$ 19,250,711	\$ 44,324,871	\$ 16,010,356	\$ 167,927,893
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ 497,195	\$ 3,507,296	\$ 32,845	\$ 7,140,916	\$ 844,362	\$ 12,022,614
Accounts payroll and related liabilities	2,406,332	1,795,398				4,201,730
Unearned revenue	500	6,054,020			4,242,137	10,296,657
Due to other funds	25,774,152	4,054,322			3,217,631	33,046,105
Other liabilities	472,120	10,000				482,120
Total liabilities	29,150,299	15,421,036	32,845	7,140,916	8,304,130	60,049,226
Deferred inflows of resources:						
Unavailable revenues - taxes	25,281,375					25,281,375
Unavailable revenues - intergovernmental receivable					544,025	544,025
Total deferred inflows of resources	25,281,375	-	-	-	544,025	25,825,400
Fund balances:						
Nonspendable	809,002	1,764,421			43,810	2,617,233
Restricted					8,040,483	8,040,483
Committed		981,800	19,217,866	37,183,955	367,419	57,751,040
Assigned	2,813,466					2,813,466
Unassigned	12,120,556				(1,289,511)	10,831,045
Total fund balances	15,743,024	2,746,221	19,217,866	37,183,955	7,162,201	82,053,267
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 70,174,698	\$ 18,167,257	\$ 19,250,711	\$ 44,324,871	\$ 16,010,356	\$ 167,927,893

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CITY OF EAST PROVIDENCE, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
OCTOBER 31, 2020

EXHIBIT III

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net
position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$	82,053,267
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Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds:

Governmental capital assets	\$	297,948,117	
Less accumulated depreciation		<u>(123,220,224)</u>	
Net capital assets			174,727,893

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

Property tax receivables greater than 60 days	25,281,375
Interest receivable on property taxes	1,715,917
Intergovernmental receivable - accrual basis change	544,025
Net pension asset	9,769,988
Deferred charge on refunding	128,802
Deferred outflows related to OPEB	1,703,960
Deferred outflows related to pension	34,456,099

Long-term liabilities and deferred inflows of resources are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(136,968,393)
Unamortized premium on bonds payable	(802,099)
Interest payable on bonds and notes	(1,416,063)
Capital leases payable	(1,670,473)
Accrued compensated absences	(7,622,408)
Net OPEB liability	(21,461,702)
Net pension liability	(239,340,813)
Deferred inflows related to OPEB	(6,090,088)
Deferred inflows related to pension	<u>(9,682,649)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(94,673,362)</u></u>
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The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT IV

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>High School Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes, interest and liens	\$ 110,213,968	\$	\$	\$	\$	\$ 110,213,968
Intergovernmental	6,296,017	39,874,068		10,399,388	8,986,249	65,555,722
Charges for services	5,132,024	42,037			439,912	5,613,973
Licenses and permits	1,368,735					1,368,735
Fines and penalties	128,756					128,756
Interest income	75,920			262,517	13,607	352,044
Other revenue		631,157			363,222	994,379
Total revenues	<u>123,215,420</u>	<u>40,547,262</u>	<u>-</u>	<u>10,661,905</u>	<u>9,802,990</u>	<u>184,227,577</u>
Expenditures:						
General government	6,074,796				1,129,182	7,203,978
Public safety	39,884,327				1,605,048	41,489,375
Public works	7,990,192				123,778	8,113,970
Public libraries	2,265,126				25,305	2,290,431
Parks and recreation	677,705				12,325	690,030
Sanitation	2,874,398					2,874,398
Education		90,052,513			7,436,759	97,489,272
Benefits and other miscellaneous	5,343,214					5,343,214
Capital outlay			7,034,066	65,589,092	172,948	72,796,106
Debt service	4,216,306		291,456	304,686	818,761	5,631,209
Total expenditures	<u>69,326,064</u>	<u>90,052,513</u>	<u>7,325,522</u>	<u>65,893,778</u>	<u>11,324,106</u>	<u>243,921,983</u>
Excess (Deficiency) over Revenues over Expenditures	<u>53,889,356</u>	<u>(49,505,251)</u>	<u>(7,325,522)</u>	<u>(55,231,873)</u>	<u>(1,521,116)</u>	<u>(59,694,406)</u>
Other Financing Sources (Uses):						
Issuance of bonds				24,000,000		24,000,000
Issuance of bond anticipation notes				78,000,000		78,000,000
Issuance of refunding bonds			2,255,000			2,255,000
Payment to refunded bond escrow agent			(2,554,480)			(2,554,480)
Issuance premiums			342,970			342,970
Capital lease issuance			963,643			963,643
Transfers in	1,394,603	50,124,777	5,300,073			56,819,453
Transfers out	(55,424,850)		(1,394,603)			(56,819,453)
Total other financing sources (uses)	<u>(54,030,247)</u>	<u>50,124,777</u>	<u>4,912,603</u>	<u>102,000,000</u>	<u>-</u>	<u>103,007,133</u>
Net Change in Fund Balances	(140,891)	619,526	(2,412,919)	46,768,127	(1,521,116)	43,312,727
Fund Balances at Beginning of Year	<u>15,883,915</u>	<u>2,126,695</u>	<u>21,630,785</u>	<u>(9,584,172)</u>	<u>8,683,317</u>	<u>38,740,540</u>
Fund Balances at End of Year	<u>\$ 15,743,024</u>	<u>\$ 2,746,221</u>	<u>\$ 19,217,866</u>	<u>\$ 37,183,955</u>	<u>\$ 7,162,201</u>	<u>\$ 82,053,267</u>

(Continued on next page)

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT IV

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 43,312,727
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Capital outlay	65,702,962
Depreciation expense	(6,770,644)
Loss on disposal of assets	(264,487)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes collected after 60 days	(145,366)
Intergovernmental receivable - accrual basis change	-
Change in interest receivable on property taxes	(160,573)
Change in net pension asset	214,594
Change in deferred outflows related to OPEB	983,054
Change in deferred outflows related to pension	8,786,126

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

Issuance of bonds	(24,000,000)
Issuance of bond anticipation note payable	(78,000,000)
Bond principal payments	3,589,306
Issuance of refunding bonds	(2,255,000)
Payment to refunded bond escrow agent	2,554,480
Issuance premiums	(342,970)
Capital leases issuance	(963,643)
Capital leases payments	223,771
Amortization of deferred charge on refunding	(25,633)
Amortization of premiums	56,552

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

Change in accrued interest	(708,417)
Change in compensated absences	(2,547,796)
Change in OPEB obligation	(62,101)
Change in net pension liability	(21,691,244)
Change in deferred inflows related to OPEB	1,148,692
Change in deferred inflows related to pension	12,600,527

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>1,234,917</u>
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The accompanying notes are an integral part of the financial statements

CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
OCTOBER 31, 2020

EXHIBIT V

	Enterprise Funds		
	Water Fund	WPC Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,892,487	\$ 911,911	\$ 3,804,398
Investments	3,762,779	4,083,493	7,846,272
Accounts receivable usage sales and fees	1,516,705	1,847,170	3,363,875
Due from other federal and state government	13,852		13,852
Inventory	7,601		7,601
Total current assets	<u>8,193,424</u>	<u>6,842,574</u>	<u>15,035,998</u>
Noncurrent assets:			
Capital assets not being depreciated	1,909,975	1,418,359	3,328,334
Capital assets, net of accumulated depreciation	36,333,006	53,200,335	89,533,341
Total noncurrent assets	<u>38,242,981</u>	<u>54,618,694</u>	<u>92,861,675</u>
Total assets	<u>46,436,405</u>	<u>61,461,268</u>	<u>107,897,673</u>
Deferred Outflows of Resources:			
Related to OPEB	13,573		13,573
Related to pensions	263,377		263,377
Total deferred outflows of resources	<u>276,950</u>	<u>-</u>	<u>276,950</u>
Liabilities:			
Current liabilities:			
Accounts payable	378,407	17,132	395,539
Accrued liabilities	129,706	2,181	131,887
Accrued compensated absences	108,504		108,504
Accrued interest payable	143,085	218,098	361,183
Due to other funds	164,475	3,923,497	4,087,972
Current portion of long-term debt	1,469,100	2,784,000	4,253,100
Total current liabilities	<u>2,393,277</u>	<u>6,944,908</u>	<u>9,338,185</u>
Noncurrent liabilities:			
Net OPEB liability	328,670		328,670
Net pension liability	2,960,617		2,960,617
Bonds and loans payable	22,238,606	35,764,142	58,002,748
Total noncurrent liabilities	<u>25,527,893</u>	<u>35,764,142</u>	<u>61,292,035</u>
Total liabilities	<u>27,921,170</u>	<u>42,709,050</u>	<u>70,630,220</u>
Deferred Inflows of Resources:			
Related to OPEB	99,036		99,036
Related to pensions	110,459		110,459
Total deferred inflows of resources	<u>209,495</u>	<u>-</u>	<u>209,495</u>
Net Position:			
Net investment in capital assets	14,535,275	16,070,552	30,605,827
Unrestricted	4,047,415	2,681,666	6,729,081
Total Net Position	<u>\$ 18,582,690</u>	<u>\$ 18,752,218</u>	<u>\$ 37,334,908</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT VI

	Enterprise Funds		
	Water Fund	WPC Fund	Total
Operating Revenues:			
Usage sales and fees	\$ 10,046,516	\$ 13,622,638	\$ 23,669,154
Operating Expenses:			
Salaries and benefits	2,279,193	2,180	2,281,373
Repairs and maintenance	657,956		657,956
Contracted and purchased services	2,359,336	8,835,498	11,194,834
Operations	1,232,342	1,227,161	2,459,503
Depreciation and amortization	1,210,284	1,835,616	3,045,900
Total operating expenses	<u>7,739,111</u>	<u>11,900,455</u>	<u>19,639,566</u>
Operating Income	<u>2,307,405</u>	<u>1,722,183</u>	<u>4,029,588</u>
Nonoperating Revenues (Expenses):			
Investment income	56,215		56,215
Interest expense	<u>(777,666)</u>	<u>(1,070,847)</u>	<u>(1,848,513)</u>
Net nonoperating expenses	<u>(721,451)</u>	<u>(1,070,847)</u>	<u>(1,792,298)</u>
Income (Loss) Before Transfers and Capital Contributions	1,585,954	651,336	2,237,290
Capital contribution	<u>309,493</u>		<u>309,493</u>
Change in Net Position	1,895,447	651,336	2,546,783
Net Position at Beginning of Year	<u>16,687,243</u>	<u>18,100,882</u>	<u>34,788,125</u>
Net Position at End of Year	<u>\$ 18,582,690</u>	<u>\$ 18,752,218</u>	<u>\$ 37,334,908</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT VII

	Enterprise Funds		
	Water Fund	WPC Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 9,987,496	\$ 13,562,034	\$ 23,549,530
Payments to suppliers	(4,313,986)	(10,474,783)	(14,788,769)
Payments to employees	(2,156,278)	1	(2,156,277)
Net cash provided by (used in) operating activities	<u>3,517,232</u>	<u>3,087,252</u>	<u>6,604,484</u>
Cash Flows from Noncapital Financing Activities:			
Interfund loans	(306,046)	1,028,115	722,069
Net cash provided by (used in) noncapital financing activities	<u>(306,046)</u>	<u>1,028,115</u>	<u>722,069</u>
Cash Flows from Capital and Related Financing Activities:			
Principal paid on bonds, notes and loans	(1,432,400)	(2,742,558)	(4,174,958)
Interest paid on bonds, notes and loans	(784,802)	(1,135,350)	(1,920,152)
Additions to property, plant and equipment	(304,067)		(304,067)
Capital contributions	309,493		309,493
Net cash provided by (used in) capital and related financing activities	<u>(2,211,776)</u>	<u>(3,877,908)</u>	<u>(6,089,684)</u>
Cash Flows from Investing Activities:			
Purchase of investments	(56,018)	(30,914)	(86,932)
Interest and dividends on investments	56,215		56,215
Net cash provided by (used in) investing activities	<u>197</u>	<u>(30,914)</u>	<u>(30,717)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	999,607	206,545	1,206,152
Cash and Cash Equivalents at Beginning of Year	<u>1,892,880</u>	<u>705,366</u>	<u>2,598,246</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,892,487</u>	<u>\$ 911,911</u>	<u>\$ 3,804,398</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 2,307,405	\$ 1,722,183	\$ 4,029,588
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,210,284	1,835,616	3,045,900
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(59,020)	(60,604)	(119,624)
(Increase) decrease in deferred outflows related to OPEB	(13,573)		(13,573)
(Increase) decrease in deferred outflows related to pensions	30,786		30,786
Increase (decrease) in accounts payable	(64,352)	(412,124)	(476,476)
Increase (decrease) in accrued liabilities	8,543	2,181	10,724
Increase (decrease) in net OPEB liability	424		424
Increase (decrease) in net pension liability	37,148		37,148
Increase (decrease) in deferred inflows related to OPEB	(23,083)		(23,083)
Increase (decrease) in deferred inflows related to pension	46,989		46,989
Increase (decrease) in accrued compensated absences	35,681		35,681
Total adjustments	<u>1,209,827</u>	<u>1,365,069</u>	<u>2,574,896</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,517,232</u>	<u>\$ 3,087,252</u>	<u>\$ 6,604,484</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
OCTOBER 31, 2020**

EXHIBIT VIII

	Pension and Other Post- Employment Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ -	\$ 303,617
Investments, at fair value:		
Mutual funds	137,732,913	
Alternative investments	20,582,651	
Member contribution receivable	16	
Due from other funds	813,684	286,522
Total assets	<u>159,129,264</u>	<u>590,139</u>
Liabilities:		
Accounts payable		1,182
Due to other funds		140,211
Deposits held in custody for others		448,746
Total liabilities	<u>-</u>	<u>590,139</u>
Net Position:		
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 159,129,264</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF EAST PROVIDENCE, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT IX

	Pension and Other Post- Employment Benefit Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 12,395,179
Plan members contributions	<u>1,566,923</u>
Total contributions	<u>13,962,102</u>
Investments income:	
Net change in fair value of investments	2,631,952
Interest and dividends	<u>1,293,133</u>
Total investment income	<u>3,925,085</u>
Total additions	<u>17,887,187</u>
Deductions:	
Benefits	17,158,005
Administration	<u>143,794</u>
Total deductions	<u>17,301,799</u>
Change in Net Position	585,388
Net Position at Beginning of Year	<u>158,543,876</u>
Net Position at End of Year	<u>\$ 159,129,264</u>

The accompanying notes are an integral part of the financial statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of East Providence (the City) was incorporated in 1862. The City covers 16.61 square miles located in southeastern New England. The City is the fifth largest city in the State of Rhode Island and Providence Plantations and is approximately 60 miles from Boston and three and a half hours from New York by automobile or rail.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's financial statements.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the City applied the criteria prescribed by GASB Statement No. 61. 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 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:

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

The following entity was considered for classification as a component unit for fiscal year 2020:

- East Providence School Department

Although the East Providence School Department meets certain criteria of the tests listed above, this entity is not deemed to have separate legal status apart from the City and the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result, the financial data of the East Providence School Department has been included.

A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City does not have any component units.

B. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Basis of Presentation - Fund Financial Statements

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, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it is the primary operating fund of the City or meets the following criteria:

- Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category type, and
- Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of the individual, governmental fund, or enterprise funds are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The City reports the following major governmental funds:

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

The *School Unrestricted Fund* accounts for the budgeted resources devoted to financing the general operations of the School Department.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The *High School Construction Fund* accounts for the financial resources and related expenditures of the high school construction project.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

The City reports the following major proprietary funds:

The *Water Fund* is a proprietary (enterprise) fund used to account for water use fees and expenses associated with providing water services to city residents.

The *WPC Fund* is a proprietary (enterprise) fund used to account for sewer use fees and expenses associated with providing wastewater services to city residents.

Additionally, the City reports the following fund types:

The *Pension and Other Post-Employment Benefit Trust Funds* are used to account for the funding and payment of pension benefits provided to City police officers and firefighters and to account for funding of future other postemployment benefits such as health, dental and life insurance for the City's and School Department's retirees.

The *Agency Funds* account for the various student activities and funds held in escrow for other parties.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

the end of the current fiscal period for taxes and grants and within six months of the end of the current fiscal period for government issued aid. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension trust fund and other postemployment benefit trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

E. Cash and Cash Equivalents

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the City's cash and cash equivalents are held in public deposit institutions.

Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

State statutes authorize governments to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

F. Investments

Investments are recorded at fair value. Unrealized gains and losses from changes in fair value are recognized as investment income.

The pension funds allow for investments in certain alternative investments. Alternative investments may include private equity partnerships; infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

G. Property Taxes

The City is permitted by state law to levy property taxes. The City's fiscal 2020 property taxes were levied in May 2020 based on an assessed valuation as of December 31, 2019. Taxes were due July 1, 2020 or may be paid quarterly, without penalty, at the taxpayer's option. Failure to mail payments by due dates will result in a lien on taxpayer's property.

The City offers a 1.5% discount to taxpayers who pay their assessment in full on or before the due date of the first quarterly installment. A 12% penalty is imposed for all taxes in an overdue status.

Property tax revenue is recognized in accordance with Section P70 "Property Taxes" of the Codification of Governmental Accounting and Reporting Standards which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no later than 60 days after the close of the current period. Property taxes levied in May 2020 for the current year and other delinquent balances are recorded as receivables.

H. Other Receivables

Other receivables include amounts due from other governments and individuals for services provided by the City. Receivables are recorded, and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

I. Due from/to Other Funds

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

J. Prepaid items

Prepaid items are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaid items recorded in the governmental type fund do not reflect current appropriate resources and, as such, an equivalent portion of the fund balance is reported as nonspendable.

K. Unbilled Services Receivable

WPC and water revenues are recorded when earned. Residential customers are billed quarterly. The estimated value of services provided, but unbilled, at year end has been included in the accompanying financial statements.

L. Inventory

Inventory is maintained on a perpetual system and is stated at cost. The first in, first out method of inventory valuation is used. Inventory is generally recorded as expenditures/expenses when consumed.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

M. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital asset, as applicable.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Useful Life</u>
Land improvements	20 years
Infrastructure	10-65 years
Buildings and construction	25-50 years
Pump stations and tanks	40 years
Machinery and equipment	5-30 years
Vehicles	8 years

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, 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).

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

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

O. Compensated Absences

Under the terms of various contracts and agreements, City employees are granted vacation and sick leave in varying amounts based on length of service. They are allowed to accumulate the vacation and sick leave in accordance with the limits of the contracts. This time will be paid upon separation from City service.

The entire compensated absence liability is reported in the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources (i.e., upon an employee's resignation or retirement). The balance of the liability not paid with expendable available financial resources is not recorded in the governmental fund financial statements.

P. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Q. Net Pension Asset/Liability

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

R. Net OPEB Liability

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

S. Fund Equity

Equity in the government-wide financial statements is defined as “net position”. Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The components of net position are detailed below:

Net Investment in Capital Assets

The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service

The component of net position that reflects funds set aside in accordance with indenture agreements with bondholders.

Restricted for Special Revenue Funds

The component of net position that reports the difference between assets and liabilities of the various special revenue funds with constraints placed on their use by federal, state or local requirements.

Unrestricted

All other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted Fund Balance

Is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for capital projects and debt service obligations and for other items contained in the Rhode Island General Laws.

Committed Fund Balance

Will be reported for amounts that can only be used for specific purposes pursuant to formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the City Council removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the City Council.

Assigned Fund Balance

This represents amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance

This represents the residual classification for the general fund and deficit fund balances in other funds.

T. Fund Balance Flow Assumptions

The City of East Providence 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 when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

U. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. The Mayor, at least 45 days prior to the beginning of each budget year, shall submit to the City Council a proposed General Fund budget, including the School Unrestricted Fund. At the City Council meeting at which the budget is submitted, the City Council shall determine a place and time for a public hearing on the budget. After the public hearing, the City Council may insert new items or may increase or decrease the items of the budget, except expenditures fixed by law or prescribed by Charter. Before any additions are made to the budget by the City Council, another public hearing must be scheduled. The budget must be adopted by a favorable vote of at least a majority of all the members of the City Council. The budget must be finally adopted not later than seven (7) days before the end of the current fiscal year. Should the City Council take no final action on or prior to such day, the budget, as submitted, shall be deemed to have been formally adopted by the City Council. The General Fund and School Unrestricted Fund annual operating budget amounts are supported by the revenue estimates and take into account the elimination of the accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund and School Unrestricted Fund budgets are in conformance with the legally enacted budgetary basis, which is not in conformance with generally accepted accounting principles (GAAP). The budget to actual presentation in the required supplementary information for these funds is reflected on the budgetary basis.

The Mayor may, at any time, transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, or agency. At the request of the Mayor and within the last three (3) months of the budget year, the Council may enact a resolution to transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another. Appropriations not expended or encumbered lapse at year end.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

The City has adopted a fund balance policy for the general fund. Every year the City has to budget 1% of revenues to replenish the fund balance to a maximum of 12% of the prior fiscal year general fund operating revenues, 7% of which is restricted. In the event that the payment to be made into the Fund Balance would increase the amount in said account to more than twelve percent (12%) of the prior fiscal year general operating fund revenues that said amount shall be transferred to a capital fund to be used solely for funding capital projects.

B. Legal Debt Margin

The City’s legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value. The legal debt margin for the City is approximately \$134,009,109. As of October 31, 2020, the City’s debt subject to legal debt margin is \$2,750,000, and the City is under the debt limit by \$131,259,109.

C. Excess of Expenditures over Appropriations

For the year ended October 31, 2020, expenditures exceeded appropriations in the following categories:

Information technology	\$	156,324
City clerk		6,639
Human resources		6,730
Fire		458,442
Building inspection		18,405
Director		10,411
Engineering		6,436
Streetlights		56,699
Public buildings		78,276
Refuse disposal		19,429
Pierce stadium		38,891
Transfer to capital fund		1,609,176

D. Fund Deficits

At October 31, 2020, the City reported deficit fund balance in the following funds:

Nonmajor Governmental Funds:

Economic Adjustment Assistance Program	50,059	Pre-K Expansion Grant	\$	2,987
IDEA Part B	4,630	EPHS Gym		1,130
Preschool Section 619	401	Legislative Technology Francis		610
Title I	8,804	Pre-K Grant		22,774
Title I 1003 (A) Year 1	4,724	Common Core State Standards		5,603
Title I 1003 (A) Year 3	194	CTE Categorical Fund Year 2		90,335
Title II	176	CTE Categorical IT Program Year 1		50,000
Title IV	401	RI Interlocal Risk Trust		409
Perkins Odd Year	3,606	Sports Donations		5,253
Fresh Fruit & Vegetables	297	Summer School Remedial		38,566
CARES Act - ESSER Grant	152,753	Runnins River Flood Prevention		627,353
CARES Act - CRF Grant	218,305			
CARES Act - Substitute Teachers	180			

The nonmajor governmental fund deficits will be eliminated by grant funding, transfers and future donations.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

The above capital project fund deficit will be funded by bond debt expected to be issued in the coming year, specifically for this project.

3. CASH AND CASH EQUIVALENTS

Deposits

Substantially all of the City's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is guaranteed by FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. The City does not have a formal deposit policy for custodial credit risk but is governed by State laws as described above.

As of October 31, 2020, the City's entire bank balance of \$43,359,731 was covered by either FDIC insurance or collateral held in the City's name. The City also had deposits of \$34,621,830 that are held in the Ocean State Investment Pool (OSIP). Pursuant to GASB 79, *Certain External Investment Pools and Pool Participants*, the City's institutional money market accounts represent qualifying external investment pools that measures for financial reporting purposes all its investments at amortized cost.

The OSIP is offered by The State of Rhode Island and managed by FIAM LLC (FIAM) a Fidelity Investments company. While OSIP is unrated, investments are required to be invested in only the "highest quality securities" defined as being rated in one of the highest categories by at least two Nationally Recognized Statistical Rating Organizations. Credit quality represents ratings assigned at the security level or ratings assigned to the entities that issue the securities. OSIP uses ratings from Moody's Investors Services, Inc.

4. INVESTMENTS

The City invests in various types of investments, which are stated at fair value. The Retirement Board of Trustees is responsible for all aspects of the Pension Trust Fund's investments and has adopted an investment policy. The Pension Trust Fund is prohibited from directly engaging in the following transactions unless they are executed by a professional third-party manager retained by the Board of Trustees of the Pension Trust Fund:

- Purchases of securities by partial payment of their cost (purchases on margin).
- Sale of securities not owned by the Pension Trust Fund at the time of sale (short sales).
- Future contracts.
- Call options written against securities in the portfolio other than as follows:
 - Purchases of options other than as required to close out options positions.
 - Lettered or restricted stock (with the exception of those investments that are venture capital investments).
- Direct investment in mortgages.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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- Collateral loans (with the exception of those investments that are leveraged buyout investments), provided that boards may participate in so-called “securities lending” programs through a custodian and provided, further, that the lending of securities is limited to brokers, dealers, and financial institutions and that the loan is collateralized by cash or United States Government securities according to applicable regulatory requirements.
- Direct purchase or lease of real estate.

Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City has no investments that are subject to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City has no formal investment policy that limits investment choices for its pension funds.

Concentration of Credit Risk

The City does not have a formal investment policy that limits the amount that can be invested with one issuer. Currently, the City has no investments, to which this requirement applies, in any one issuer that represents more than five percent of the total investments.

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 significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. Additionally, the City places deposits in financial institutions that are FDIC insured up to \$250,000, rated “well capitalized” on its most recent audited financial statement/SEC filings if deposits exceed engage an outside rating agency to determine status of the institution. The City also ensures that all uninsured deposits greater than \$250,000 are collateralized.

Fair Value

The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

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The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1

Quoted prices in active markets for identical assets and liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads and market-corroborated inputs.

Level 3

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

At October 31, 2020, the City had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 147,211,365	\$ 85,766,451	\$ 39,197,599	\$ 22,247,315
Alternative investments	<u>20,582,651</u>			<u>20,582,651</u>
Total Investments by Fair Value Level	<u>\$ 167,794,016</u>	<u>\$ 85,766,451</u>	<u>\$ 39,197,599</u>	<u>\$ 42,829,966</u>

5. RECEIVABLES

Receivable balances as of October 31, 2020 are presented below.

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Water Fund</u>	<u>WPC Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Property taxes	\$ 28,269,375					\$ 28,269,375
Water and sewer use fees			1,516,705	1,847,170		3,363,875
Due from other governments		1,506,740	13,852		3,459,836	4,980,428
Other receivables	<u>140,517</u>	<u>215,128</u>			<u>1,938,749</u>	<u>2,294,394</u>
Total receivables	<u>28,409,892</u>	<u>1,721,868</u>	<u>1,530,557</u>	<u>1,847,170</u>	<u>5,398,585</u>	<u>38,908,072</u>
Less allowance for uncollectibles	<u>(2,988,000)</u>					<u>(2,988,000)</u>
Total Receivables	<u>\$ 25,421,892</u>	<u>\$ 1,721,868</u>	<u>\$ 1,530,557</u>	<u>\$ 1,847,170</u>	<u>\$ 5,398,585</u>	<u>\$ 35,920,072</u>

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6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended October 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,142,523	\$	\$	\$	\$ 4,142,523
Construction in progress	19,937,917	63,240,373		(8,098,895)	75,079,395
Total capital assets not being depreciated	<u>24,080,440</u>	<u>63,240,373</u>	<u>-</u>	<u>(8,098,895)</u>	<u>79,221,918</u>
Capital assets being depreciated:					
Land improvements	5,653,401	63,227			5,716,628
Buildings and improvements	100,890,449	278,646	280,500		100,888,595
Infrastructure	60,992,685	186,950		7,147,421	68,327,056
Machinery and equipment	19,883,274	1,061,560		951,474	21,896,308
Vehicles	21,025,406	872,206			21,897,612
Total capital assets being depreciated	<u>208,445,215</u>	<u>2,462,589</u>	<u>280,500</u>	<u>8,098,895</u>	<u>218,726,199</u>
Less accumulated depreciation for:					
Land improvements	3,402,241	163,862			3,566,103
Buildings and improvements	45,458,953	3,177,781	16,013		48,620,721
Infrastructure	37,003,747	1,083,205			38,086,952
Machinery and equipment	13,488,267	1,480,625			14,968,892
Vehicles	17,112,385	865,171			17,977,556
Total accumulated depreciation	<u>116,465,593</u>	<u>6,770,644</u>	<u>16,013</u>	<u>-</u>	<u>123,220,224</u>
Total capital assets being depreciated, net	<u>91,979,622</u>	<u>(4,308,055)</u>	<u>264,487</u>	<u>8,098,895</u>	<u>95,505,975</u>
Governmental Activities Capital Assets, Net	\$ <u>116,060,062</u>	\$ <u>58,932,318</u>	\$ <u>264,487</u>	\$ <u>-</u>	\$ <u>174,727,893</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 3,328,334	\$	\$	\$	\$ 3,328,334
Construction in progress	-	-		-	-
Total capital assets not being depreciated	<u>3,328,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,328,334</u>
Capital assets being depreciated:					
Land improvements	208,215				208,215
Infrastructure	117,556,796	256,585			117,813,381
Buildings, pump stations and tanks	28,820,757	-		-	28,820,757
Machinery and equipment	6,467,939	47,482			6,515,421
Vehicles	2,208,131	-			2,208,131
Total capital assets being depreciated	<u>155,261,838</u>	<u>304,067</u>	<u>-</u>	<u>-</u>	<u>155,565,905</u>
Less accumulated depreciation for:					
Land improvements	207,628	587			208,215
Infrastructure	38,429,663	2,304,218			40,733,881
Buildings, pump stations and tanks	17,950,898	482,139			18,433,037
Machinery and equipment	4,530,551	191,284			4,721,835
Vehicles	1,867,924	67,672			1,935,596
Total accumulated depreciation	<u>62,986,664</u>	<u>3,045,900</u>	<u>-</u>	<u>-</u>	<u>66,032,564</u>
Total capital assets being depreciated, net	<u>92,275,174</u>	<u>(2,741,833)</u>	<u>-</u>	<u>-</u>	<u>89,533,341</u>
Business-Type Activities Capital Assets, Net	\$ <u>95,603,508</u>	\$ <u>(2,741,833)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>92,861,675</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 198,153
Public safety	1,795,077
Public works	1,411,436
Public libraries	131,510
Parks and recreation	302,606
Education	<u>2,931,862</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>6,770,644</u>
 Business-type activities:	
Water fund	\$ 1,210,284
WPC fund	<u>1,835,616</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>3,045,900</u>

7. INTERFUND BALANCES AND TRANSFERS

A summary of interfund balances as of October 31, 2020 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 6,174,865	\$ 25,774,152
School unrestricted fund	5,515,617	4,054,322
Capital projects fund	19,250,711	
High school construction	486,509	
Nonmajor governmental funds	4,746,380	3,217,631
Water fund		164,475
Sewer fund		3,923,497
Pension trust funds	813,684	
Agency funds	<u>286,522</u>	<u>140,211</u>
	 \$ <u>37,274,288</u>	 \$ <u>37,274,288</u>

The General Fund holds primarily all the cash for the City and the resulting due to/from other results from these cash allocations.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Interfund Transfers

A summary of interfund transfers as of October 31, 2020 is as follows:

	Transfers In			
	General Fund	School Unrestricted Fund	Capital Projects Fund	Total Transfers Out
Transfers:				
General Fund	\$	\$ 50,124,777	\$ 5,300,073	\$ 55,424,850
Capital Projects Fund	<u>1,394,603</u>			<u>1,394,603</u>
Total Transfers In	<u>\$ 1,394,603</u>	<u>\$ 50,124,777</u>	<u>\$ 5,300,073</u>	<u>\$ 56,819,453</u>

8. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended October 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Public offerings	\$ 13,350,000	\$ 2,255,000	\$ 2,775,000	\$ 12,830,000	\$ 240,000
Direct borrowing and placements	25,452,699	24,000,000	3,314,306	46,138,393	4,400,545
Bond anticipation notes		78,000,000	-	78,000,000	
Capital leases payable	930,601	963,643	223,771	1,670,473	598,658
Unamortized bond premiums	515,681	342,970	56,552	802,099	
Accrued compensated absences	5,074,612	2,547,796	-	7,622,408	1,524,000
Net pension liability	217,649,569	21,691,244		239,340,813	
Net OPEB liability	<u>21,399,601</u>	<u>62,101</u>	<u>-</u>	<u>21,461,702</u>	
Total Governmental Activities - Long-Term Liabilities	<u>\$ 284,372,763</u>	<u>\$ 129,862,754</u>	<u>\$ 6,369,629</u>	<u>\$ 407,865,888</u>	<u>\$ 6,763,203</u>
Business-type activities:					
Direct borrowing and placements	\$ 66,430,806		\$ 4,174,958	\$ 62,255,848	\$ 4,253,100
Net pension liability	2,923,469	37,148		2,960,617	
Net OPEB liability	<u>328,246</u>	<u>424</u>		<u>328,670</u>	
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 69,682,521</u>	<u>\$ 37,572</u>	<u>\$ 4,174,958</u>	<u>\$ 65,545,135</u>	<u>\$ 4,253,100</u>

All long-term liabilities for the governmental activities are generally liquidated by the General Fund.

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Bonds and Loans Payable

Bonds and notes outstanding as of October 31, 2020 consisted of the follow:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance October 31, 2020</u>
Governmental Activities:					
<u>Public Offerings</u>					
TIF - Kettle Point	10,600,000	1/5/2017	5/15/2041	7.5% - 10.0%	\$ 10,600,000
General Obligation Refunding	2,255,000	3/17/2020	5/15/1930	3.0% - 4.0%	2,230,000
Total Public Offerings					<u>12,830,000</u>
<u>Direct Borrowings and Placements</u>					
School Revenue Bond	3,955,000	10/5/2010	5/15/2025	4.35%	1,697,000
School Revenue Bond	7,777,000	11/3/2010	5/15/2025	6.41%	3,342,000
School Revenue Bond	15,000,000	10/4/2012	5/15/2032	2.0% - 4.0%	10,475,000
RiIB Road & Bridge	1,215,000	7/17/2014	9/1/2024	0.64% - 2.65%	520,000
Series 2014 Refunding	11,843,630	8/29/2014	5/15/2024	2.65%	3,219,393
HUD Section Loan	3,000,000	8/7/2003	8/1/2023	varies	795,000
RiIB Energy Efficiency	2,370,000	12/31/2017	9/1/2033	2.24%	2,090,000
RiIB Efficient Building	24,000,000	10/29/2020	9/1/2040	0.23% - 2.09%	24,000,000
Total Direct Borrowings and Placements					<u>46,138,393</u>
Total Governmental Activities					<u>\$ 58,968,393</u>
Business-Type Activities:					
Water Fund					
<u>Direct Borrowings and Placements</u>					
RiIB 2009A	6,000,000	11/19/2009	9/1/2030	varies	\$ 2,999,000
RiIB 2009A#2	561,206	2/12/2010	9/1/2030	varies	280,206
RiIB 2012	2,000,000	11/4/2011	9/1/2031	varies	1,332,000
RiIB 2014A	18,725,000	12/18/2014	9/1/2036	varies	15,916,000
RiIB 2017	1,850,000	9/25/2017	9/1/2032	varies	1,535,000
RiIB 2018	2,000,000	10/31/2018	9/1/2028	varies	1,645,500
Total Water Fund					<u>23,707,706</u>
WPC Fund					
<u>Direct Borrowings and Placements</u>					
RiIB 2009A	10,000,000	10/6/2009	9/1/2030	varies	5,968,000
RiIB 2010B	7,000,000	6/24/2010	9/1/2031	varies	4,517,000
RiIB 2011A	23,000,000	3/29/2011	9/1/2032	varies	16,030,000
RiIB 2012A	17,500,000	6/28/2012	9/1/2033	varies	11,697,000
Series 2014 Refunding	1,449,200	8/29/2014	5/15/2024	2.65%	336,142
Total WPC Fund					<u>38,548,142</u>
Total Business-Type Activities					<u>\$ 62,255,848</u>

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Annual debt service requirements of bonds and notes as of October 31, 2020 were as follows:

Year Ending October 31,	Public Offerings		Direct Borrowings and Placements				Total	
	Governmental Activities		Governmental Activities		Business-Type Activities		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 240,000	\$ 900,900	\$ 4,400,545	\$ 948,596	\$ 4,253,100	\$ 2,104,727	\$ 8,893,645	\$ 3,954,223
2022	315,000	893,700	4,201,981	830,740	4,378,300	1,971,862	8,895,281	3,696,302
2023	340,000	878,650	4,285,763	710,393	4,513,100	1,831,695	9,138,863	3,420,738
2024	360,000	860,750	3,622,104	590,368	4,647,442	1,684,125	8,629,546	3,135,243
2025	395,000	838,250	3,195,000	469,466	4,710,900	1,530,799	8,300,900	2,838,515
2026-2030	2,535,000	3,748,425	11,075,000	1,365,653	25,561,006	5,140,704	39,171,006	10,254,782
2031-2035	2,755,000	2,875,125	8,673,000	419,002	12,890,000	1,257,458	24,318,000	4,551,585
2036-2040	4,655,000	1,579,125	6,685,000	316,125	1,302,000	50,796	12,642,000	1,946,046
2041	1,235,000	92,625		176,625	-	-	1,235,000	269,250
	<u>\$ 12,830,000</u>	<u>\$ 12,667,550</u>	<u>\$ 46,138,393</u>	<u>\$ 5,826,968</u>	<u>\$ 62,255,848</u>	<u>\$ 15,572,166</u>	<u>\$ 121,224,241</u>	<u>\$ 34,066,684</u>

General Obligation Refunding Bonds

On March 17, 2020, the City issued \$2,255,000 of general obligation refunding bonds with interest rate of 3.88%. The bonds were issued to refund outstanding principal amounts of the 2010 series general obligation bonds. The net proceeds of \$2,554,480 (after payment of \$43,490 issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated March 17, 2020 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the City for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 10 years by \$448,344 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$427,413. As of October 31, 2020, there is no defeased debt outstanding from this refunding. This amount is removed from the governmental activities column of the statement of net position.

Tax Increment Financing Bond

Tax increment financing (TIF) is an economic development tool in which a municipality earmarks a portion of its property taxes to help finance development in a particular area or site. During fiscal year 2017, the City participated in a tax incremental financing agreement with a local real estate developer to pay for infrastructure improvements and site remediation at Kettle Point.

In fiscal year 2017, the City issued \$10,600,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The City and its taxpayers are not liable for such bonds, except to the extent of the additional property taxes generated within the project area and dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the City's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the City nor do they count against the City's statutory debt limit. Total principal and interest remaining on the bonds is \$22,801,750 payable through 2041. For the current year, interest paid was \$818,750 and there were no incremental property tax revenues generated.

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Bond Anticipation Notes

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

Short-term obligation activity for the year ended October 31, 2020 was as follows:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance November 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance October 31, 2020</u>
1/21/20	6/17/21	1.50%	\$ -	\$ 78,000,000	\$ -	\$ 78,000,000

On June 11, 2021, bond anticipation notes totaling \$118,000,000 were replaced through the issuance of school revenue bonds. In meeting the criterion established by GASB 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, the bond anticipation notes are included within long-term liabilities above as of October 31, 2020. See subsequent event disclosure at Note 13 for further information on the general obligation bonds issued.

The City is using interim funding during the construction of the new High School Building prior to the issuance of the notes at the completion of the project.

Tax Anticipation Notes

The following is a schedule of tax anticipation note activity for the year ended October 31, 2020:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance November 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance October 31, 2020</u>
3/17/20	7/29/20	1.75%	\$ -	\$ 15,000,000	\$ 15,000,000	\$ -

Authorized but Unissued Bonds

The total of authorized but unissued bonds at October 31, 2020 is \$90,500,000. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

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Capital Lease Commitments

The City's capital lease program consists of two leases for the purchase of various vehicles and equipment. The City may purchase leased vehicles and equipment as set forth in the lease agreements. Leases are renewed annually based on the City's appropriation of funds sufficient to pay the obligations under the lease agreements. The assets acquired through the capital lease are as follows:

	Governmental Activities
	<u> </u>
Equipment	\$ 2,551,892
Less accumulated depreciation	<u>(317,650)</u>
Net Book Value	<u>\$ 2,234,242</u>

Obligations of Governmental Activities under capital leases at October 31, 2020 were as follows:

	Governmental Activities
	<u> </u>
2021	\$ 667,477
2022	457,721
2023	457,723
2024	209,756
Total minimum lease payments	1,792,677
Less amount for interest	<u>(122,204)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,670,473</u>

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9. FUND BALANCE

The components of fund balance for the governmental funds at October 31, 2020 are as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Capital Projects Fund</u>	<u>High School Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 55,068					\$ 55,068
Prepaid expenditures	753,934	1,764,421				2,518,355
Permanent funds - various					43,810	43,810
Restricted for:						
Public safety programs					1,767,087	1,767,087
Historical records preservation					235,173	235,173
Senior programs						-
Champlin grants					14,422	14,422
Library programs						-
Recreational purposes					26,323	26,323
Community development					129,869	129,869
Educational programs					1,843,183	1,843,183
Cemetery care					2,189	2,189
Various capital improvement projects					4,022,237	4,022,237
Committed for:						
Educational programs		981,800			367,419	1,349,219
Educational capital outlay			19,217,866	37,183,955		56,401,821
Assigned to:						
Fiscal year 2020/21 use of fund balance	2,813,466					2,813,466
Unassigned	12,120,556				(1,289,511)	10,831,045
Total Fund Balances	\$ 15,743,024	\$ 2,746,221	\$ 19,217,866	\$ 37,183,955	\$ 7,162,201	\$ 82,053,267

10. PENSION PLANS

A. Police and Firefighters Retirement System

Summary of Significant Accounting Policies

Plan Description

The Police and Firefighters Retirement System covers all police officers and firefighters sworn into the respective departments. The Police and Firefighters Retirement System is a single employer defined benefit pension plan. The Board of Trustees is responsible for the administration of the plan. The Board is comprised of seven members consisting of the Mayor, the City Finance Director, one police officer and one firefighter having at least five years of credited service, one member of the city police and fire retirees association, one member of City Council, and one member who shall be elected by the remaining six members of the Board. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police and Firefighters Retirement System.

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The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

Benefit Provisions

The Police and Firefighters Retirement System provides retirement, disability and death benefits to its members. Retirement benefits are generally calculated as the product of the number of completed years of service, final average compensation at retirement, and a cumulative percentage that varies by years of service (for each year 0- 24 years: 2.5%, for each year 25 - 28 years: 2.0%, and for each year 29 - 30 years: 1.0%). Members may retire after 20 years of service, and Fire Fighters hired after January 1, 2014 may retire after age 55 with 25 years of service. Members are eligible for non-service-related disability after 10 years of service and service-related disability after hire date. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without actuarial reduction. Death benefits are provided for nonservice-related deaths after 3 years of service and for service-related deaths after hire date. Benefits upon death are also dependent on marital and dependent status at the time of death. Members who leave the Plan upon employment termination prior to 10 years of service are entitled to the return of contributions without interest.

As of October 31, 2020, the following employees and other participants were members of the Police and Firefighters Retirement System:

	<u>Total</u>
Active participants	185
Retired participants	182
Beneficiaries	54
Disability participants	43
Terminated vested participants	<u>3</u>
 Total Participants	 <u><u>467</u></u>

Contributions

The actual contributions required to be made to the Plan by the City each year are determined based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by members during the year, with an additional amount to finance the unfunded accrued liability. The City contributions to the Plan for the fiscal year ended October 31, 2020 were 53.8%, of covered payroll. The established contribution rates for members are currently set at 9.0% of pay for firefighters and for police. For the purpose of pension calculations and determination of contributions, pay includes base pay, longevity pay and holiday pay of the members.

Actuarial Assumptions

The City’s net pension liability has been measured as of October 31 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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The total pension liability in the October 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Salary increases	4.00%, including inflation
Investment rate of return	7.50%, including inflation and expenses
Mortality rates	Rates were based on the RP-2014 Combined Health for Males and Females with Blue Collar adjustment mortality table, projected for mortality improvements with scale AA.

The actuarial assumptions used in the October 31, 2020 actuarial valuation have been based on the results of the 2015 Actuarial Experience Study completed for the periods ending October 31 in years 1991 through 2014.

Benefit terms provide for annual cost-of living adjustments to the monthly benefit payable to retired Members each year, generally including retired Members from about the mid-1990's and thereafter. The annual cost-of-living for these retired Members is an annual compounded increase of 3.00% each year. For Fire Fighter Members hired after January 1, 2014, the annual cost-of-living increase upon retirement will be an annual non-compounded increase of 2.25% each year. These annual cost-of-living increases are fully reflected in the determination of the total pension liability which has been determined as of October 31, 2020.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of Trustees. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long-term expected rate of return on pension plan investments can be approximated by using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding the annual expected annual rate of inflation.

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Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of October 31, 2020 are summarized in the following table:

Target Asset Allocation Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic equity	30.0%	8.51%
International equity	19.0%	8.89%
Fixed income	24.0%	4.73%
Real estate	8.0%	7.51%
Hedge funds	10.0%	10.01%
Private equity	8.0%	11.26%
Cash	1.0%	3.53%
	<u>100.0%</u>	

Discount Rate

The discount rate used to determine the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee contribution rates. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. 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.

Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 1.86% for the year ended October 31, 2020. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The City's net pension liability was measured as of October 31, 2020. The components of the net pension liability of the City at October 31, 2020 were as follows:

Total pension liability	\$ 257,803,498
Plan fiduciary net position	<u>133,316,781</u>
City's Net Pension Liability	<u>\$ 124,486,717</u>

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of November 1, 2019	\$ 237,778,298	\$ 134,920,201	\$ 102,858,097
Changes for the year:			
Service cost	3,426,846		3,426,846
Interest	17,581,457		17,581,457
Changes of benefit terms			-
Differences between expected and actual experience	667,820		667,820
Changes of assumptions	11,920,514		11,920,514
Employer contributions		8,190,648	(8,190,648)
Member contributions		1,383,163	(1,383,163)
Net investment income		2,437,841	(2,437,841)
Benefit payments, including refunds of member contributions	(13,571,437)	(13,571,437)	-
Administrative expenses		(43,635)	43,635
Other changes			-
Net changes	<u>20,025,200</u>	<u>(1,603,420)</u>	<u>21,628,620</u>
Balances as of October 31, 2020	<u>\$ 257,803,498</u>	<u>\$ 133,316,781</u>	<u>\$ 124,486,717</u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the single discount rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
Net Pension Liability	\$ 158,015,120	\$ 124,486,717	\$ 96,970,644

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

For the year ended October 31, 2020, the Police and Firefighters Retirement System recognized pension expense of \$5,338,429. As of October 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 855,826	\$ 416,817
Changes of assumptions	10,441,429	865,258
Net difference between projected and actual earnings on pension plan investments	<u>6,587,313</u>	<u> </u>
Total	<u>\$ 17,884,568</u>	<u>\$ 1,282,075</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ 5,193,502
2022	5,782,895
2023	4,120,169
2024	<u>1,505,927</u>
Total	<u>\$ 16,602,493</u>

B. Employees' Retirement System

Plan Description

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

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

Benefit Provisions

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, East Providence School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the City are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the City; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and the City, respectively. The City contributed \$5,370,692, \$5,042,374, and \$4,757,046 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year.

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

At October 31, 2020, the East's Providence School Department reported a liability of \$68,056,449 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the City as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the City were as follows:

East Providence School District's proportionate share of the net pension liability	\$ 68,056,449
State of Rhode Island's proportionate share of the net pension liability	<u>50,567,608</u>
Total Net Pension Liability	<u>\$ 118,624,057</u>

The net pension liability was measured as of June 30, 2020, the measurement date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020, the City's proportion was 2.13%.

For the year ended October 31, 2020, the City recognized gross pension expense of \$12,669,638 and revenue of \$5,117,501 for support provided by the State. At October 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 665,410	\$ 1,326,317
Changes of assumptions	3,038,149	1,585,942
Net difference between projected and actual earnings on pension plan investments	1,381,682	
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,005,848	328,632
Contributions subsequent to measurement date	<u>1,971,278</u>	
Total	<u>\$ 10,062,367</u>	<u>\$ 3,240,891</u>

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The amount of \$1,971,278 reported as deferred outflows of resources related to pensions resulting from the City’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ 979,611
2022	1,754,340
2023	1,704,449
2024	893,884
2025	(169,192)
Thereafter	<u>(312,894)</u>
Total	<u>\$ 4,850,198</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

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

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Investments

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, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50) Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IGCorp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-total	15.00%	
	100.00%	

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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.

Measurement of the Net Pension Liability

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 81,656,973	\$ 68,056,449	\$ 51,642,849

Pension Plan Fiduciary Net Position

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

C. Municipal Employees’ Retirement System (MERS)

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.

Summary of Benefit Provisions

General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and school administrators are covered by the separate Employees' Retirement System Plan, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Elected officials may opt to be covered by MERS. Employees covered by another plan maintained by the employer may not become members of MERS. Members designated as police officers are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The City provides separate plans for all firefighters and police officers hired prior to January 1, 2015. Police officers hired on or after January 1, 2015 are covered by MERS.

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 compensations. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan 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.

For general employees prior to June 30, 2012 the plan provided retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member's full years of service credit, including service after

June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012, the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Effective July 1, 2015, general employees with more than 20 years of service at July 1, 2012 increased their employee contribution rates to 8.25% (9.25% for units with a cost of living adjustment provision) and participate solely in the defined benefit plan. These members receive a benefit accrual of 2% per year based on the three or five-year average compensation.

Effective July 1, 2015, general employees 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 they are eligible under a transition rule.

Joint and survivor options are available. For members with 10 years of service as of July 1, 2005, the Service Retirement Allowance (SRA) Plus option provides for the payment of a larger benefit before the attainment of age 62 and a reduced amount thereafter. The reduced amount is equal to the benefit before age 62, including the cost-of-living increases, minus the member's estimated social security benefit payable at age 62.

Police officers may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS Police personnel contribute 9.00%. The City did not elect the additional cost-of-living option for police MERS members. Note that differing eligibility requirements may exist for members hired prior to

January 1, 2015, but those are not listed here as they do not apply to the City of Newport MERS police plan. A description of all eligibility can be found on the ERSRI website.

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For police officers in the MERS plan, the benefit accrual is 2.0% per year based on the five-year average compensation exclusive of overtime. Police employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility date.

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. The City has elected a COLA B option for general employees, which allows COLA's for current retired members as well as current and future active members.

An optional cost-of-living provision is provided for general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80%, funded eligible retirees may receive a COLA annually effective on their date of retirement plus one month.

The COLA calculation is represented by the following formula: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5-year return - 5.5%, with a maximum of 4%) and 50% calculated using the percentage increase in the CPI-U from the prior September 30 (maximum of 3%) for a total maximum COLA of 3.5%. This COLA is calculated on the first \$31,549 for members and beneficiaries who retired on or before June 30, 2015.

This COLA is calculated on the first \$26,291, effective January 1, 2018, for all other members/beneficiaries and indexed as of that date as well. The indexing formula is run annually regardless of funding level each year. The COLA will be delayed until the later of the Social Security Retirement Age or three years after retirement for general employees. Once the plan achieves 80% funding, the COLA limitation will be returned to the \$25,855, which will continue to be indexed annually.

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries	410
Inactive, Nonretired Members	143
Active Members	<u>431</u>
Total	<u><u>984</u></u>

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Contributions

Contribution requirements for plan members and employers are established pursuant to Rhode Island General Laws. Employers are required to contribute at an actuarially determined rate for the defined benefit plans. Employer contributions for the defined contribution plan are prescribed by statute. The General Assembly can amend the amount of these contribution requirements. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The City 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 contributed \$4,427,403 in the year ended October 31, 2020 which was 21.24% of annual covered payroll.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2020 Measurement Date (June 30, 2019 Valuation Rolled Forward to June 30, 2020)

Actuarial Cost Method	Entry Age Normal
Amortization	Level Percent of Payroll – Closed
Investment Rate of Return	7.00%
Projected Salary Increases	3.50% to 14.00%
Inflation	2.50%
Mortality	Variants of the RP-2014 mortality tables
Cost of Living Adjustments	2% COLA is assumed after January 1, 2014

Cost of Living Adjustment is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the latter of Social Security eligibility age or 3 years after retirement.

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

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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50) Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IGCorp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-total	15.00%	
	100.00%	

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

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Measurement of the Net Pension Liability

Discount Rate

The discount rate used to measure the total pension liability of the plans was 7.00%. 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2019	\$ 116,253,610	\$ 67,119,672	\$ 49,133,938
Changes for the year:			
Service cost	1,717,838		1,717,838
Interest	7,920,803		7,920,803
Changes of benefit terms			-
Differences between expected and actual experience	(555,247)		(555,247)
Changes of assumptions	(1,112,580)		(1,112,580)
Employer contributions		4,427,403	(4,427,403)
Member contributions		524,372	(524,372)
Net investment income		2,429,593	(2,429,593)
Benefit payments, including refunds of member contributions	(7,916,412)	(7,916,412)	
Administrative expenses		(66,941)	66,941
Other changes		32,061	(32,061)
Net changes	<u>54,402</u>	<u>(569,924)</u>	<u>624,326</u>
Balances as of June 30, 2020	\$ <u>116,308,012</u>	\$ <u>66,549,748</u>	\$ <u>49,758,264</u>

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

The following presents the net pension liability of the employers calculated using the discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
Net Pension Liability	\$ 60,360,121	\$ 49,758,264	\$ 36,964,030

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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 October 31, 2020, the employer recognized pension expense of \$6,336,420. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,165,137	\$ 967,899
Changes of assumptions	670,907	888,563
Net difference between projected and actual earnings on pension plan investments	1,205,790	
Contributions subsequent to measurement date	<u>1,384,665</u>	
Total	<u>\$ 4,426,499</u>	<u>\$ 1,856,462</u>

The amount of \$1,384,665 reported as deferred outflows of resources related to pensions resulting from the City’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the pension liability in the subsequent period.

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ 333,595
2022	207,976
2023	535,607
2024	108,194
2025	
Thereafter	
Total	<u>\$ 1,185,372</u>

D. Teachers’ Survivors Benefits Plan

Plan Description

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

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

Eligibility and Plan Benefits

The plan provides a survivor benefit to public school teachers in lieu of Social Security. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly.

Spouse, parents, family and children’s benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children’s benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full-time student, and was dependent upon the member at the time of the member’s death. Family benefits are provided if at the time of the member’s death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member’s wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse’s benefits is paid and based on the annual social security adjustment. Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement. The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse’s Benefit</u>
\$17,000 or less	\$ 825
\$17,001 to \$25,000	\$ 963
\$25,001 to \$33,000	\$ 1,100
\$33,001 to \$40,000	\$ 1,238
\$40,001 and over	\$ 1,375

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

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

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Contributions

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

The East Providence School Department contributed \$61,349, \$60,469 and \$61,209 for the fiscal years ended October 31, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year

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

At October 31, 2020, the East Providence School Department reported an asset of \$9,769,988 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The East Providence School Department’s proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020, the East Providence School Department’s proportion was 8.23%.

For the year ended October 31, 2020 the East Providence School Department recognized pension credit of \$435,806 - an increase in the net pension asset. At October 31, 2020, the East Providence School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 837,944	\$ 2,083,339
Changes of assumptions	659,217	675,132
Net difference between projected and actual earnings on pension plan investments	476,776	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	313,440	655,209
Contributions subsequent to measurement date	<u>58,665</u>	<u> </u>
Total	\$ <u>2,346,042</u>	\$ <u>3,413,680</u>

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The amount of \$58,665 reported as deferred outflows of resources related to pensions resulting from the East Providence School Department’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ (248,122)
2022	(49,318)
2023	374
2024	(150,181)
2025	(258,651)
Thereafter	<u>(420,405)</u>
Total	<u>\$ (1,126,303)</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

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

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

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The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50) Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IGCorp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-total	15.00%	
	100.00%	

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

Measurement of the Net Pension Liability (Asset)

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) calculated using the discount rate of 7.00% as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension (Asset) Liability	\$ (8,126,725)	\$ (9,769,988)	\$ (11,753,682)

Pension Plan Fiduciary Net Position

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

E. Defined Contribution Plan

Plan Description

Employees participating in the defined Teachers' benefit plan and MERS benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a), and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Teachers contribute 7% of their annual covered salary, police employees that are in the MERS Plan contribute 3% of their annual covered salary, and all other employees in the MERS Plan contribute 5% of their annual covered salary. Employers contribute 1% of annual covered salary for municipal and non-certified school employees, and 3% for teachers and police officers in MERS who are not eligible for social security. 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 of the State of Rhode Island, which are subject to amendment by the General Assembly.

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Employees with 20 or more years of service as of July 1, 2012 do not participate in the defined contribution plan. Employers continue to contribute 1% for employees in the system that had less than 10 years of service as of July 1, 2012. Employers contribute 3.25% of annual covered salary teachers and 1.25% of annual covered salary for MERS participants that had between 10 and 15 years of service as of July 1, 2012.

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

The City (including the School Department) recognized pension expense of \$1,272,772 for the fiscal year ended October 31, 2020. Of that amount, \$109,488 was recognized for general employees and \$1,163,284 was for school employees.

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.

11. OTHER POST EMPLOYMENT BENEFITS

The City and School Department have separate benefit plans for other post-retirement employment benefits. Plan details are as follows:

A. City Plan

Plan Description

The City administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental, and life insurance for eligible retirees and their dependents through the City's group health and life insurance plans, which cover both active and retired members. Benefit provisions are established and may be amended by the union contracts through negotiations between the City and the respective unions. The plan does not issue a publicly available financial report.

Management of the post-employment benefits plan is vested with the Finance Director under the direction of the Mayor. Funds are managed by a third-party investment management firm.

Funding Policy

The City has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the City Council.

The City's funding strategy for post-employment obligations are based upon characteristics of benefits on distinct groups of employees established within their respective collective bargaining units and/or contracts.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Police, Fire and City General Employees

Medical and prescription drug benefits and group life insurance of \$7,500 are provided to eligible retirees until age 65 or 3 years after retirement, whichever is later. Disabled police and firefighters receive benefits for life and disabled general employees are treated as retirees. The spouse’s disability benefit terminates when the retiree turns 65 or upon death of retiree, whichever is earlier. A surviving spouse receives COBRA coverage upon death of the retiree and must pay the required COBRA rate. Upon death of an active Police Officer or Firefighter, the surviving spouse receives three years of free coverage paid by the City and then must elect COBRA coverage and pay the required COBRA rate. Upon death of a General City employee, the surviving spouse receives one year of subsidized coverage paid by the City and then must elect Cobra coverage and pay the required COBRA rate. The City’s subsidy will be at the same level as the existing active employee’s subsidy. Retirees prior to November 1, 2012 do not contribute to medical and prescription drug benefits or group life insurance, except for those enrolled in COBRA coverage or Medicare Plan 65 who pay the full cost of coverage. Members who retire on/after January 1, 2015 contribute 20% to the cost of retiree health benefits. Retirees may elect dental coverage at their own cost.

At November 1, 2019, plan membership consisted of the following:

Active employees	383
Retired employees	<u>150</u>
Total	<u><u>533</u></u>

Investments

Investment Policy

The City is responsible for directing and monitoring the investment and management of the assets. Under the plan document, the City has the power to make such rules and regulations as may be necessary for the administration of the plan and the fund and the investment and reinvestment of the assets. As such, the City is authorized to delegate certain responsibilities to professional experts in various fields. These include investment managers, custodians, and other specialists such as attorneys, actuaries, retirement plan consultants, and others to assist the City in meeting its responsibilities and obligations to administer the plan assets prudently.

The investment plan assets shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

Rate of Return

For the year ended October 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF EAST PROVIDENCE, RHODE ISLAND
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Net OPEB Liability of the City

The City's net OPEB liability was measured as of October 31, 2020. The components of the net OPEB liability of the City at October 31, 2020, were as follows:

Total OPEB liability	\$	40,261,604
Plan fiduciary net position		<u>22,689,142</u>
 Net OPEB Liability	 \$	 <u><u>17,572,462</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability		 56.4%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of November 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.80%
Salary increases	4.00 - 10.00%, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

Mortality rates were based on SOA Pub-2010 Weighted Mortality Table fully generational using scale MP-2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of October 31, 2020 are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	48.3%	5.0%
Non U.S. equity	20.7%	7.1%
U.S. aggregate bonds	9.0%	1.7%
Intermediate-term credit	5.4%	2.2%
Short-term credit	3.6%	2.0%
Intermediate-term TIPS	5.0%	1.0%
REITs	8.0%	4.1%
 Total	 <u>100.0%</u>	

Discount Rate

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

Change in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net OPEB Liability</u> <u>(a)-(b)</u>
Balances as of November 1, 2019	\$ 38,221,341	\$ 20,671,562	\$ 17,549,779
Changes for the year:			
Service cost	1,430,746		1,430,746
Interest	2,678,390		2,678,390
Differences between expected and actual experience	757,669		757,669
Changes of assumptions			-
Employer contributions		3,409,875	(3,409,875)
Member contributions		230,351	(230,351)
Net investment income		1,250,059	(1,250,059)
Benefit payments, including refunds of member contributions	(2,826,542)	(2,826,542)	-
Administrative expenses		(46,163)	46,163
Net changes	<u>2,040,263</u>	<u>2,017,580</u>	<u>22,683</u>
Balances as of October 31, 2020	<u>\$ 40,261,604</u>	<u>\$ 22,689,142</u>	<u>\$ 17,572,462</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the 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 (6.00%) or 1 percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 20,522,004	\$ 17,572,462	\$ 14,905,633

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 (6.50% decreasing to 3.50%) or 1 percentage point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 14,093,876	\$ 17,572,462	\$ 21,560,868

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

For the year ended October 31, 2020, the City recognized OPEB expense of \$1,549,005. On October 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 649,431	\$ 5,023,609
Change in assumptions		246,772
Net difference between projected and actual earnings on OPEB plan investments		24,631
Total	<u>\$ 649,431</u>	<u>\$ 5,295,012</u>

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

<u>Year Ending October 31,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ (902,525)
2022	(902,524)
2023	(1,101,767)
2024	(901,167)
2025	(945,839)
Thereafter	<u>108,241</u>
Total	<u>\$ (4,645,581)</u>

B. East Providence School Department Plan

Plan Description

The School Department administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental, and life insurance for eligible retirees and their dependents through the School Department’s group health and life insurance plans, which cover both active and retired members. Benefit provisions are established and may be amended by the union contracts through negotiations between the School Department and the respective unions. The plan does not issue a publicly available financial report.

Management of the post-employment benefits plan is vested with the School Finance Director under the direction of the Superintendent. Funds are managed by a third-party investment management firm.

Funding Policy

The School Department has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the School Unrestricted Fund and budgeted as part of the budgeting process, which is approved by the School Committee.

The School Department’s funding strategy for post-employment obligations are based upon characteristics of benefits on distinct groups of employees established within their respective collective bargaining units and/or contracts.

Teacher and School General Employees

Medical and prescription drug benefits, dental benefits and group life insurance of \$25,000 are provided to eligible retirees. For retirees after November 1, 2012, medical and dental benefits will be provided for one year for family plans and two years for single plans. Custodians/secretaries who reach 30 years of service before October 31, 2017, shall receive health insurance benefits for themselves and their spouse until age 65. Medical, prescription drug, and dental benefits cease once the retiree is eligible for Medicare. Life insurance benefits cease upon attainment of age 70 (teachers, teachers assistants, principals and administrators), age 75 (custodians), or age 80 (secretaries).

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

As of November 1, 2019, plan membership consisted of the following:

Active employees	835
Retired employees	<u>202</u>
Total	<u><u>1,037</u></u>

Investments

Investment Policy

The School Department is responsible for directing and monitoring the investment and management of the assets. Under the plan document, the School Department has the power to make such rules and regulations as may be necessary for the administration of the plan and the fund and the investment and reinvestment of the assets. As such, the School Department is authorized to delegate certain responsibilities to professional experts in various fields. These include investment managers, custodians, and other specialists such as attorneys, actuaries, retirement plan consultants, and others to assist the School Department in meeting its responsibilities and obligations to administer the plan assets prudently.

The investment plan assets shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity and return.

Rate of return: For the year ended October 31, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the School Department

The School Department's net OPEB liability was measured as of November 1, 2020. The components of the net OPEB liability as of October 31, 2020, were as follows:

Total OPEB liability	\$ 7,341,251
Plan fiduciary net position	<u>3,123,341</u>
Net OPEB Liability	<u><u>\$ 4,217,910</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.5%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of October 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.0 - 13.0%, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

Mortality rates were based on SOA Pub-2010 Weighted Mortality Table fully generational using scale MP-2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of October 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	48.3%	6.8%
Non U.S. equity	20.7%	8.2%
U.S. aggregate bonds	9.0%	1.4%
Intermediate-term credit	5.4%	2.1%
Short-term credit	3.6%	2.0%
Intermediate-term TIPS	5.0%	0.7%
REITs	8.0%	5.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.43%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of November 1, 2019	\$ 7,130,181	\$ 2,952,113	\$ 4,178,068
Changes for the year:			
Service cost	371,492		371,492
Interest	317,237		317,237
Differences between expected and actual experience	(198,708)		(198,708)
Changes of assumptions	474,774		474,774
Employer contributions		753,725	(753,725)
Member contributions			-
Net investment income		179,026	(179,026)
Benefit payments, including refunds of member contributions	(753,725)	(753,725)	-
Administrative expenses		(7,798)	7,798
Net changes	<u>211,070</u>	<u>171,228</u>	<u>39,842</u>
Balances as of October 31, 2020	\$ <u>7,341,251</u>	\$ <u>3,123,341</u>	\$ <u>4,217,910</u>

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.43%) or 1 percentage point higher (4.43%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 4,710,099	\$ 4,217,910	\$ 3,752,167

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.50% decreasing to 3.50%) or 1 percentage point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 3,477,324	\$ 4,217,910	\$ 5,100,055

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

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

For the year ended October 31, 2020, the School Department recognized OPEB expense of \$508,718. At October 31, 2020, the School Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 849,406
Change in assumptions	1,068,102	32,560
Net difference between projected and actual earnings on OPEB plan investments	<u> </u>	<u>12,146</u>
Total	\$ <u>1,068,102</u>	\$ <u>894,112</u>

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 October 31,	Net Deferred Outflows (Inflows) of Resource
2021	\$ 18,571
2022	18,572
2023	(12,036)
2024	19,711
2025	14,241
Thereafter	<u>114,931</u>
Total	\$ <u>173,990</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
October 31, 2020

	Police and Firefighters Retirement System	City Other Post- Employment Benefit Trust Fund	School Other Post- Employment Benefit Trust Fund	Total Pension and Other Post- Employment Benefit Trust Funds
Additions:				
Contributions:				
Employer contributions	\$ 8,231,579	\$ 3,409,875	\$ 753,725	\$ 12,395,179
Employee contributions	<u>1,336,572</u>	<u>230,351</u>	<u>753,725</u>	<u>1,566,923</u>
Total contributions	<u>9,568,151</u>	<u>3,640,226</u>	<u>753,725</u>	<u>13,962,102</u>
Investment income:				
Net change in fair value of investments	1,202,867	1,250,059	179,026	2,631,952
Interest and dividends	<u>1,293,133</u>	<u>1,250,059</u>	<u>179,026</u>	<u>1,293,133</u>
Total investment income	<u>2,496,000</u>	<u>1,250,059</u>	<u>179,026</u>	<u>3,925,085</u>
Total additions	<u>12,064,151</u>	<u>4,890,285</u>	<u>932,751</u>	<u>17,887,187</u>
Deductions:				
Benefits	13,577,738	2,826,542	753,725	17,158,005
Operating expenses	<u>89,833</u>	<u>46,163</u>	<u>7,798</u>	<u>143,794</u>
Total deductions	<u>13,667,571</u>	<u>2,872,705</u>	<u>761,523</u>	<u>17,301,799</u>
Change in Net Position	(1,603,420)	2,017,580	171,228	585,388
Net Position at Beginning of Year	<u>134,920,201</u>	<u>20,671,562</u>	<u>2,952,113</u>	<u>158,543,876</u>
Net Position at End of Year	<u>\$ 133,316,781</u>	<u>\$ 22,689,142</u>	<u>\$ 3,123,341</u>	<u>\$ 159,129,264</u>

12. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

During the ordinary course of its operations, the City may become a party to various claims, legal actions and complaints. In the opinion of the City's management and legal counsel, the potential outcome and liability, if any, associated with these claims cannot be determined at this time.

Grants

The City and School Department participate in a number of federally assisted programs. The audits of these programs through the year ended October 31, 2020 were performed in connection with the accompanying financial statements under the Single Audit concept and the auditors' reports thereon are presented in the separately issued single audit report. The amount, if any, of expenditures, which may be disallowed, will not be material to the financial position of the City.

13. SUBSEQUENT EVENTS

In February 2021, the City issued \$22,000,000 of general obligation tax anticipation notes and \$40,000,000 of school revenue bond anticipation notes. The tax anticipation notes proceeds will be used for cash flow needs of the City. The bond anticipation notes proceeds will be used for the construction of the new high school building

In June 2021, the City issued \$124,470,000 of school revenue bonds for the construction of the new high school building.

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**Required
Supplementary
Information**

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CITY OF EAST PROVIDENCE, RHODE ISLAND
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED OCTOBER 31, 2020

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Property taxes, interest and liens	\$ 110,544,827	\$ 110,544,827	\$ 110,213,968	\$ (330,859)
Intergovernmental	6,023,236	6,023,236	6,296,017	272,781
Departmental	8,992,271	8,992,271	6,629,515	(2,362,756)
Interest on investments			75,920	75,920
Total revenues	<u>125,560,334</u>	<u>125,560,334</u>	<u>123,215,420</u>	<u>(2,344,914)</u>
Expenditures:				
General government:				
City council	180,412	180,412	115,387	65,025
Mayor	463,290	463,290	442,925	20,365
City manager				-
Senior services	323,378	323,378	273,234	50,144
Information technology	866,724	866,724	1,023,048	(156,324)
City clerk	668,171	668,171	674,810	(6,639)
Finance	730,595	730,595	682,276	48,319
Tax collection	563,121	563,121	507,308	55,813
Tax assessment	472,407	472,407	448,002	24,405
Planning	780,527	780,527	573,030	207,497
Law	376,852	376,852	376,610	242
Human resources	707,997	707,997	714,727	(6,730)
Canvassing	270,103	270,103	243,439	26,664
Total general government	<u>6,403,577</u>	<u>6,403,577</u>	<u>6,074,796</u>	<u>328,781</u>
Public safety:				
Police	16,633,870	16,633,870	16,582,762	51,108
Animal shelter	321,964	321,964	315,706	6,258
Harbor master	50,652	50,652	44,475	6,177
Fire	21,618,819	21,618,819	22,077,261	(458,442)
Building inspection	845,718	845,718	864,123	(18,405)
Total public safety	<u>39,471,023</u>	<u>39,471,023</u>	<u>39,884,327</u>	<u>(413,304)</u>
Public works:				
Director	278,471	278,471	288,882	(10,411)
Engineering	724,042	724,042	730,478	(6,436)
Highway	4,840,879	4,840,879	4,275,939	564,940
Central garage	818,537	818,537	758,204	60,333
Streetlights	600,000	600,000	656,699	(56,699)
Public buildings	1,201,714	1,201,714	1,279,990	(78,276)
Total public works	<u>8,463,643</u>	<u>8,463,643</u>	<u>7,990,192</u>	<u>473,451</u>

(Continued on next page)

CITY OF EAST PROVIDENCE, RHODE ISLAND
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 FOR THE YEAR ENDED OCTOBER 31, 2020

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Sanitation:				
Refuse disposal	\$ 2,854,969	\$ 2,854,969	\$ 2,874,398	\$ (19,429)
Public libraries	<u>2,486,343</u>	<u>2,486,343</u>	<u>2,265,126</u>	<u>221,217</u>
Parks and recreation:				
Pierce stadium	76,500	76,500	115,391	(38,891)
Recreation	541,633	541,633	466,993	74,640
Carousel	163,477	163,477	95,321	68,156
Total parks and recreation	<u>781,610</u>	<u>781,610</u>	<u>677,705</u>	<u>103,905</u>
Debt service	<u>6,049,841</u>	<u>6,049,841</u>	<u>4,216,306</u>	<u>1,833,535</u>
Benefits and other miscellaneous	<u>6,628,257</u>	<u>6,628,257</u>	<u>5,343,214</u>	<u>1,285,043</u>
Total expenditures	<u>73,139,263</u>	<u>73,139,263</u>	<u>69,326,064</u>	<u>3,813,199</u>
Excess of Revenues over Expenditures	<u>52,421,071</u>	<u>52,421,071</u>	<u>53,889,356</u>	<u>1,468,285</u>
Other Financing Sources (Uses):				
Transfers from capital fund	1,394,603	1,394,603	1,394,603	-
Transfer to capital fund	(3,690,897)	(3,690,897)	(5,300,073)	(1,609,176)
Operating transfer to school unrestricted	(50,124,777)	(50,124,777)	(50,124,777)	-
Total other financing uses	<u>(52,421,071)</u>	<u>(52,421,071)</u>	<u>(54,030,247)</u>	<u>(1,609,176)</u>
Net Change in Fund Balances - Budgetary Basis	\$ <u>-</u>	\$ <u>-</u>	<u>(140,891)</u>	<u>\$ (140,891)</u>
Net Change in Fund Balances - GAAP Basis			\$ <u>(140,891)</u>	

**CITY OF EAST PROVIDENCE, RHODE ISLAND
 BUDGETARY COMPARISON SCHEDULE - SCHOOL UNRESTRICTED FUND
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED OCTOBER 31, 2020**

RSI-2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 37,812,919	\$ 37,812,919	\$ 35,875,993	\$ (1,936,926)
Charges for services			42,037	42,037
Other revenue			631,157	631,157
Total revenues	<u>37,812,919</u>	<u>37,812,919</u>	<u>36,549,187</u>	<u>(1,263,732)</u>
Expenditures:				
Education	<u>87,937,696</u>	<u>87,937,696</u>	<u>86,054,438</u>	<u>1,883,258</u>
Deficiency of Revenues Over Expenditures	(50,124,777)	(50,124,777)	(49,505,251)	(619,526)
Other Financing Sources:				
Transfers in	<u>50,124,777</u>	<u>50,124,777</u>	<u>50,124,777</u>	<u>-</u>
Net Change in Fund Balances - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	619,526	<u>\$ (619,526)</u>

Budgetary revenues are different than GAAP revenues because:

State of Rhode Island on-behalf contributions
to State pension plans are not budgeted. 3,998,075

Budgetary expenditures are different than GAAP expenditures because:

State of Rhode Island on-behalf contributions
to State pension plans are not budgeted. (3,998,075)

Net Change in Fund Balances - GAAP Basis \$ 619,526

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE AND FIRE LOCAL PENSION PLAN
LAST SIX FISCAL YEARS***

RSI-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:						
Service cost	\$ 3,426,846	\$ 3,434,978	\$ 3,213,366	\$ 3,455,749	\$ 3,904,298	\$ 4,206,988
Interest	17,581,457	17,115,560	16,230,344	15,671,330	12,492,276	11,945,938
Changes of benefit terms			308,964			
Differences between expected and actual experience	667,820		(1,667,271)	1,774,809	16,904,538	4,477,160
Changes of assumptions	11,920,514	(1,159,664)	6,004,176	(1,427,122)	(68,843,063)	7,535,431
Benefit payments, including refunds of member contributions	<u>(13,571,437)</u>	<u>(12,770,136)</u>	<u>(12,246,488)</u>	<u>(11,311,227)</u>	<u>(10,784,177)</u>	<u>(10,237,038)</u>
Net change in total pension liability	20,025,200	6,620,738	11,843,091	8,163,539	(46,326,128)	17,928,479
Total pension liability - beginning	<u>237,778,298</u>	<u>231,157,560</u>	<u>219,314,469</u>	<u>211,150,930</u>	<u>257,477,058</u>	<u>239,548,579</u>
Total pension liability - ending	<u>257,803,498</u>	<u>237,778,298</u>	<u>231,157,560</u>	<u>219,314,469</u>	<u>211,150,930</u>	<u>257,477,058</u>
Plan fiduciary net position:						
Contributions - employer	8,190,648	7,764,971	7,610,501	6,327,364	5,816,231	6,435,589
Contributions - employee	1,383,163	1,439,814	1,371,089	1,302,238	1,284,211	1,263,128
Net investment income	2,437,841	12,018,478	(136,131)	17,310,859	4,389,968	2,104,629
Benefit payments, including refunds of member contributions	(13,571,437)	(12,770,136)	(12,246,488)	(11,311,227)	(10,784,177)	(10,237,038)
Pension plan administrative expense	<u>(43,635)</u>	<u>(78,893)</u>	<u>(92,864)</u>	<u>(62,375)</u>	<u>(59,424)</u>	<u>(391,962)</u>
Net change in plan fiduciary net position	(1,603,420)	8,374,234	(3,493,893)	13,566,859	646,809	(825,654)
Plan fiduciary net position - beginning	<u>134,920,201</u>	<u>126,545,967</u>	<u>130,039,860</u>	<u>116,473,001</u>	<u>115,826,192</u>	<u>116,651,846</u>
Plan fiduciary net position - ending	<u>133,316,781</u>	<u>134,920,201</u>	<u>126,545,967</u>	<u>130,039,860</u>	<u>116,473,001</u>	<u>115,826,192</u>
Net Pension Liability - Ending	<u>\$ 124,486,717</u>	<u>\$ 102,858,097</u>	<u>\$ 104,611,593</u>	<u>\$ 89,274,609</u>	<u>\$ 94,677,929</u>	<u>\$ 141,650,866</u>
Plan fiduciary net position as a percentage of the total pension liability	51.71%	56.74%	54.74%	59.29%	55.16%	44.99%
Covered-employee payroll	\$ 15,160,109	\$ 14,440,465	15,270,020	\$ 14,517,769	\$ 15,021,061	\$ 14,628,273
Net pension liability as a percentage of covered payroll	821.15%	712.29%	685.08%	614.93%	630.30%	968.34%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
POLICE AND FIRE LOCAL PENSION PLAN
LAST TEN FISCAL YEARS**

RSI-4

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 8,190,648	\$ 7,470,844	\$ 7,019,872	\$ 7,289,839	\$ 5,921,652	\$ 5,617,511	\$ 5,436,880	\$ 7,951,460	\$ 7,525,388	\$ 7,362,115
Contributions in relation to the actuarially determined contribution	<u>8,190,648</u>	<u>7,764,971</u>	<u>7,610,501</u>	<u>6,327,364</u>	<u>5,816,231</u>	<u>6,435,589</u>	<u>5,606,148</u>	<u>7,784,310</u>	<u>1,590,445</u>	<u>1,437,580</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>(294,127)</u>	\$ <u>(590,629)</u>	\$ <u>962,475</u>	\$ <u>105,421</u>	\$ <u>(818,078)</u>	\$ <u>(169,268)</u>	\$ <u>167,150</u>	\$ <u>5,934,943</u>	\$ <u>5,924,535</u>
Covered-employee payroll	\$ 15,219,499	\$ 15,270,020	\$ 14,517,769	\$ 15,021,061	\$ 14,628,273	\$ 13,861,789	\$ 12,666,939	\$ 12,542,000	\$ 12,326,000	\$ 11,770,000
Contributions as a percentage of covered-employee payroll	53.82%	50.85%	52.42%	42.12%	39.76%	46.43%	44.26%	62.07%	12.90%	12.21%

Notes to Schedule

Valuation date October 31, 2020
Measurement date October 31, 2020

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method 30-year closed level % of pay amortization of the excess of the entry age actuarial accrued liability over the actuarial value of plan assets. For this purpose, pay is assumed to grow at 3.75% annually.

Asset valuation method Market value of assets
Inflation 2.50%
Salary increases 4.0% compounded annually
Investment rate of return 7.50%
Retirement age Age-based table
Mortality - Healthy RP-2014 Blue Collar Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report
Mortality - Disabled RP-2014 Disabled Mortality with generational improvements from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report

**CITY OF EAST PROVIDENCE, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 POLICE AND FIRE LOCAL PENSION PLAN
 LAST SEVEN FISCAL YEARS***

RSI-5

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	1.86%	9.19%	-0.11%	14.28%	1.94%	1.83%	15.73%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS***

RSI-6

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension liability	2.13%	2.15%	2.11%	2.06%	2.06%	1.98%	1.93%
City's proportionate share of the net pension liability	\$ 68,056,449	\$ 68,581,003	\$ 67,171,776	\$ 65,081,789	\$ 61,441,400	\$ 54,392,896	\$ 46,902,474
State's proportionate share of the net pension liability associated with the school district	<u>50,567,608</u>	<u>51,374,273</u>	<u>50,105,320</u>	<u>49,186,196</u>	<u>42,075,337</u>	<u>37,159,519</u>	<u>32,163,187</u>
Total	<u>\$ 118,624,057</u>	<u>\$ 119,955,276</u>	<u>\$ 117,277,096</u>	<u>\$ 114,267,985</u>	<u>\$ 103,516,737</u>	<u>\$ 91,552,415</u>	<u>\$ 79,065,661</u>
City's covered employee payroll	\$ 35,023,763	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	194.32%	197.15%	203.33%	205.79%	181.60%	166.12%	147.97%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.60%	54.30%	54.06%	54.06%	57.55%	61.40%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

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

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS***

RSI-7

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 5,666,779	\$ 5,365,646	\$ 5,052,279	\$ 4,824,845	\$ 4,645,199	\$ 4,305,249	\$ 3,794,420
Contributions in relation to the actuarially determined contribution	<u>5,666,779</u>	<u>5,365,646</u>	<u>5,052,279</u>	<u>4,824,845</u>	<u>4,645,199</u>	<u>4,305,249</u>	<u>3,794,420</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
Covered-employee payroll	\$ 35,023,763	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
Contributions as a percentage of covered-employee payroll	16.18%	15.42%	15.29%	15.26%	13.73%	13.15%	11.97%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Valuation date: June 30, 2019
Measurement date: June 30, 2020

- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2.) In May 2017, the Employees' Retirement System of Rhode Island Board voted to lower the investment rate of return assumption from 7.5% to 7.0% which will be reflected in the determination of the net pension liability for the various plans administered by the System beginning with the June 30, 2017 measurement date valuations.

CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)
LAST SEVEN FISCAL YEARS*

RSI-8

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 1,717,838	\$ 1,768,303	\$ 1,796,629	\$ 1,655,859	\$ 1,569,286	\$ 1,451,910	\$ 1,497,818
Interest	7,920,803	7,661,747	7,606,148	7,596,902	7,655,003	7,436,366	7,307,825
Changes of benefit terms						2,000,052	
Differences between expected and actual experience	(555,247)	1,950,483	(1,175,856)	(536,482)	(2,768,415)	(893,679)	
Changes of assumptions	(1,112,580)			5,903,171			(10,889)
Benefit payments	<u>(7,916,412)</u>	<u>(7,392,604)</u>	<u>(7,444,373)</u>	<u>(7,200,820)</u>	<u>(7,346,876)</u>	<u>(6,929,467)</u>	<u>(7,186,379)</u>
Net change in total pension liability	54,402	3,987,929	782,548	7,418,630	(891,002)	3,065,182	1,608,375
Total pension liability - beginning	<u>116,253,610</u>	<u>112,265,681</u>	<u>111,483,133</u>	<u>104,064,503</u>	<u>104,955,505</u>	<u>101,890,323</u>	<u>100,281,948</u>
Total pension liability - ending	<u>116,308,012</u>	<u>116,253,610</u>	<u>112,265,681</u>	<u>111,483,133</u>	<u>104,064,503</u>	<u>104,955,505</u>	<u>101,890,323</u>
Plan fiduciary net position:							
Contributions - employer	4,427,403	4,572,393	4,593,669	4,600,763	4,382,613	3,537,324	3,440,709
Contributions - employee	524,372	540,278	544,804	566,714	545,479	320,534	320,779
Net investment income	2,429,593	4,192,310	4,883,497	6,668,333	32,571	1,432,717	8,364,016
Benefit payments	(7,916,412)	(7,392,604)	(7,444,373)	(7,200,820)	(7,346,876)	(6,929,467)	(7,186,379)
Pension plan administrative expense	(66,941)	(65,535)	(65,011)	(63,000)	(107,691)	(59,227)	(52,375)
Other	32,061	9,890	(42,013)	(428,614)	7,412	35,429	(161,450)
Net change in plan fiduciary net position	<u>(569,924)</u>	<u>1,856,732</u>	<u>2,470,573</u>	<u>4,143,376</u>	<u>(2,486,492)</u>	<u>(1,662,690)</u>	<u>4,725,300</u>
Plan fiduciary net position - beginning	<u>67,119,672</u>	<u>65,262,940</u>	<u>62,792,367</u>	<u>58,648,991</u>	<u>61,135,483</u>	<u>62,798,173</u>	<u>58,072,873</u>
Plan fiduciary net position - ending	<u>66,549,748</u>	<u>67,119,672</u>	<u>65,262,940</u>	<u>62,792,367</u>	<u>58,648,991</u>	<u>61,135,483</u>	<u>62,798,173</u>
Net Pension Liability - Ending	<u>\$ 49,758,264</u>	<u>\$ 49,133,938</u>	<u>\$ 47,002,741</u>	<u>\$ 48,690,766</u>	<u>\$ 45,415,512</u>	<u>\$ 43,820,022</u>	<u>\$ 39,092,150</u>
Plan fiduciary net position as a percentage of the total pension liability	57.22%	57.74%	58.13%	56.32%	56.36%	58.25%	61.63%
Covered-employee payroll	\$ 20,847,543	\$ 20,561,664	\$ 19,786,662	\$ 18,859,437	\$ 17,301,940	\$ 15,990,195	\$ 15,733,380
Net pension liability as a percentage of covered payroll	238.68%	238.96%	237.55%	258.18%	262.49%	274.04%	248.47%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)
LAST SEVEN FISCAL YEARS***

RSI-9

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,427,403	\$ 4,572,393	\$ 4,593,669	\$ 4,600,763	\$ 4,382,613	\$ 3,537,324	\$ 3,440,709
Contributions in relation to the actuarially determined contribution	<u>4,427,403</u>	<u>4,572,393</u>	<u>4,593,669</u>	<u>4,600,763</u>	<u>4,382,613</u>	<u>3,537,324</u>	<u>3,440,709</u>
Contribution Deficiency (Excess)	\$ <u>-</u>						
Covered-employee payroll	\$ 20,847,543	\$ 20,561,664	\$ 19,786,662	\$ 18,859,437	\$ 17,301,940	\$ 15,990,195	\$ 15,990,195
Contributions as a percentage of covered-employee payroll	21.24%	22.24%	23.22%	24.40%	25.33%	22.12%	21.52%

Notes to Schedule

Valuation date June 30, 2019
Measurement date June 30, 2020

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method Level percent of payroll, closed
Remaining amortization period 19 years
Asset valuation method 5-year smoothed market
Inflation 2.75%
Salary increases 3.5% to 7.50% for general employees and 4% to 14% for Police and Fire
Investment rate of return 7.00%
Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation.
Mortality Males: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET
TEACHERS' SURVIVORS BENEFITS PLAN
LAST SEVEN FISCAL YEARS***

RSI-10

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net pension asset	8.23%	8.42%	8.22%	8.44%	8.02%	7.89%	7.41%
City's proportionate share of the net pension asset	\$ 9,769,988	\$ 9,555,394	\$ 7,340,532	\$ 6,979,985	\$ 7,985,342	\$ 7,362,805	\$ 9,214,210
City's covered payroll	\$ 35,023,763	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
City's proportionate share of the net pension asset as a percentage of its covered payroll	27.90%	27.47%	22.22%	22.07%	23.60%	22.49%	29.07%
Plan fiduciary net position as a percentage of the total pension liability	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

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

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFITS PLAN
LAST SEVEN FISCAL YEARS***

RSI-11

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutorily determined contribution	\$ 61,349	\$ 60,469	\$ 61,209	\$ 49,771	\$ 51,508	\$ 47,588	\$ 45,149
Contributions in relation to the statutorily determined contribution	<u>61,349</u>	<u>60,469</u>	<u>61,209</u>	<u>49,771</u>	<u>51,508</u>	<u>47,588</u>	<u>45,149</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
Covered payroll	\$ 35,023,763	\$ 34,786,180	\$ 33,036,438	\$ 31,624,685	\$ 33,832,476	\$ 32,743,700	\$ 31,697,700
Contributions as a percentage of covered payroll	0.18%	0.17%	0.19%	0.16%	0.15%	0.15%	0.14%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Valuation date: June 30, 2019
Measurement date: June 30, 2020

- 1.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by Rhode Island General Laws, Section 16-16-35.
- 2.) In May 2017, the Employees' Retirement System of Rhode Island Board voted to lower the investment rate of return assumption from 7.5% to 7.0% which will be reflected in the determination of the net pension liability for the various plans administered by the System beginning with the June 30, 2017 measurement date valuations.

CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS PLAN - CITY
LAST FOUR FISCAL YEARS*

RSI-12

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 1,430,746	\$ 1,754,085	\$ 1,639,332	\$ 1,598,797
Interest	2,678,390	3,098,608	3,000,593	2,598,530
Changes of benefit terms				(2,890,110)
Differences between expected and actual experience	757,669	(7,033,053)		5,460,910
Changes of assumptions	-	(345,480)		1,734,512
Benefit payments	<u>(2,826,542)</u>	<u>(3,470,418)</u>	<u>(3,242,372)</u>	<u>(2,371,199)</u>
Net change in total OPEB liability	2,040,263	(5,996,258)	1,397,553	6,131,440
Total OPEB liability - beginning	<u>38,221,341</u>	<u>44,217,599</u>	<u>42,820,046</u>	<u>36,688,606</u>
Total OPEB liability - ending	<u>40,261,604</u>	<u>38,221,341</u>	<u>44,217,599</u>	<u>42,820,046</u>
Plan fiduciary net position:				
Contributions - employer	3,409,875	4,698,812	4,445,961	5,216,989
Contributions - member	230,351			
Net investment income	1,250,059	2,250,197	157,530	1,911,235
Benefit payments	(2,826,542)	(3,470,418)	(3,242,372)	(2,371,199)
Administrative expense	<u>(46,163)</u>	<u>(39,699)</u>	<u>(37,198)</u>	<u>(29,543)</u>
Net change in plan fiduciary net position	2,017,580	3,438,892	1,323,921	4,727,482
Plan fiduciary net position - beginning	<u>20,671,562</u>	<u>17,232,670</u>	<u>15,908,749</u>	<u>11,181,267</u>
Plan fiduciary net position - ending	<u>22,689,142</u>	<u>20,671,562</u>	<u>17,232,670</u>	<u>15,908,749</u>
Net OPEB Liability - Ending	<u>\$ 17,572,462</u>	<u>\$ 17,549,779</u>	<u>\$ 26,984,929</u>	<u>\$ 26,911,297</u>
Plan fiduciary net position as a percentage of the total OPEB liability	56.4%	54.1%	39.0%	37.2%
Covered-employee payroll	\$ 24,900,503	\$ 24,116,710	\$ 24,357,724	\$ 23,591,016
Net OPEB liability as a percentage of covered-employee payroll	70.6%	72.8%	110.8%	114.1%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS PLAN - SCHOOL
LAST FOUR FISCAL YEARS*

RSI-13

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 371,492	\$ 266,562	\$ 272,629	\$ 222,290
Interest	317,237	477,041	529,705	454,036
Changes of assumptions	474,774	801,007	(46,513)	(1,647,195)
Differences between expected and actual experience	(198,708)	(488,582)	(399,574)	3,306,969
Benefit payments	<u>(753,725)</u>	<u>(932,534)</u>	<u>(1,266,859)</u>	<u>(1,342,764)</u>
Net change in total OPEB liability	211,070	123,494	(910,612)	993,336
Total OPEB liability - beginning	<u>7,130,181</u>	<u>7,006,687</u>	<u>7,917,299</u>	<u>6,923,963</u>
Total OPEB liability - ending	<u>7,341,251</u>	<u>7,130,181</u>	<u>7,006,687</u>	<u>7,917,299</u>
Plan fiduciary net position:				
Contributions - employer	753,725	932,534	1,266,859	2,157,091
Net investment income	179,026	341,709	28,428	326,997
Benefit payments	(753,725)	(932,534)	(1,266,859)	(1,342,764)
Administrative expense	<u>(7,798)</u>	<u>(6,884)</u>	<u>(6,715)</u>	<u>(5,320)</u>
Net change in plan fiduciary net position	171,228	334,825	21,713	1,136,004
Plan fiduciary net position - beginning	<u>2,952,113</u>	<u>2,617,288</u>	<u>2,595,575</u>	<u>1,459,571</u>
Plan fiduciary net position - ending	<u>3,123,341</u>	<u>2,952,113</u>	<u>2,617,288</u>	<u>2,595,575</u>
Net OPEB Liability - Ending	<u>\$ 4,217,910</u>	<u>\$ 4,178,068</u>	<u>\$ 4,389,399</u>	<u>\$ 5,321,724</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.5%	41.4%	37.4%	32.8%
Covered-employee payroll	\$ 55,947,767	\$ 54,318,220	\$ 48,259,017	\$ 46,967,413
Net OPEB liability as a percentage of covered-employee payroll	7.5%	7.7%	9.1%	11.3%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFIT PLAN - CITY
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 2,995,002	\$ 4,100,211	\$ 3,945,974	4,100,391	\$ 3,645,401	\$ 3,645,401	\$ 4,330,882	\$ 4,330,882	\$ 5,547,669	\$ 5,547,669
Contributions in relation to the actuarially determined contribution	<u>3,409,875</u>	<u>4,698,812</u>	<u>4,445,961</u>	<u>5,216,989</u>	<u>7,772,836</u>	<u>8,721,571</u>	<u>3,424,015</u>	<u>3,424,015</u>	<u>3,728,228</u>	<u>3,728,228</u>
Contribution Deficiency (Excess)	<u>\$ (414,873)</u>	<u>\$ (598,601)</u>	<u>\$ (499,987)</u>	<u>(1,116,598)</u>	<u>(4,127,435)</u>	<u>(5,076,170)</u>	<u>906,867</u>	<u>906,867</u>	<u>1,819,441</u>	<u>1,819,441</u>
Covered-employee payroll	\$ 24,900,503	\$ 24,116,710	\$ 24,357,724	\$ 23,591,016	\$ 22,427,960	\$ 22,427,960	\$ 20,204,098	\$ 20,204,098	\$ 22,886,101	\$ 22,886,101
Contributions as a percentage of covered-employee payroll	13.7%	19.5%	18.3%	22.1%	34.7%	38.9%	16.9%	16.9%	16.3%	16.3%

Valuation date: November 1, 2019

Measurement date: October 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	Market value
Inflation	1.80%
Healthcare cost trend rates	8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Salary increases	4.0% - 10.0%, including inflation
Investment rate of return	7.00%
Mortality	SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2019

**CITY OF EAST PROVIDENCE, RHODE ISLAND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFIT PLAN - SCHOOL
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 812,546	\$ 1,039,308	\$ 1,266,859	\$ 1,350,666	\$ 1,626,290	\$ 1,626,290	\$ 2,595,520	\$ 2,595,520	\$ 3,810,380	\$ 3,810,380
Contributions in relation to the actuarially determined contribution	<u>753,725</u>	<u>932,534</u>	<u>1,266,859</u>	<u>2,157,091</u>	<u>1,441,677</u>	<u>1,441,677</u>	<u>2,085,638</u>	<u>2,085,638</u>	<u>3,157,313</u>	<u>2,896,617</u>
Contribution Deficiency (Excess)	<u>\$ 58,821</u>	<u>\$ 106,774</u>	<u>\$ -</u>	<u>\$ (806,425)</u>	<u>\$ 184,613</u>	<u>\$ 184,613</u>	<u>\$ 509,882</u>	<u>\$ 509,882</u>	<u>\$ 653,067</u>	<u>\$ 913,763</u>
Covered-employee payroll	\$ 55,947,767	\$ 54,318,220	\$ 48,259,017	\$ 46,967,413	\$ 27,591,816	\$ 27,591,816	\$ 35,323,248	\$ 35,323,248	\$ 38,107,684	\$ 38,107,684
Contributions as a percentage of covered-employee payroll	1.3%	1.7%	2.6%	4.6%	5.2%	5.2%	5.9%	5.9%	8.3%	7.6%

Valuation date: November 1, 2019

Measurement date: October 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of salary
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates	8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%
Salary increases	3.0% - 13.0%, including inflation
Investment rate of return	7.00%
Mortality	SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2019

**CITY OF EAST PROVIDENCE, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 LAST FOUR FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense:				
City Plan	5.77%	11.87%	0.95%	14.07%
School Plan	5.89%	12.27%	1.09%	16.13%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

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Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses. The following is a list of special revenue funds in this section:

Byrne/JAG 2009 Formula - to account for grant proceeds received from the U.S. Department of Justice for the purpose of enhancing law enforcement operations and public safety.

Substance Abuse Grants - to account for grant proceeds to fight substance abuse.

Assistance to Firefighters - to account for grant proceeds and expenditures related to the City Fire Department

Hazmat Reimbursement - to account for rescue related expenditures.

Project Dare - to account for underage drinking program.

Forfeited Drug State - to account for proceeds from drug related property seizures and related anti-drug expenditures.

DOJ Equitable Sharing - to account for proceeds from drug related property seizures and related anti-drug expenditures.

Forfeited Drug Federal - to account for proceeds from drug related property seizures and related anti-drug expenditures.

Emergency Management Program - to account for expenses for backup generators.

Historical Records Preservation - to account for fees and expenditures related to the preservation of historic records.

Senior Center Donations - to account for donations and expenditures related to the operation of the Senior Center.

Champlin Fund Weaver - to account for expenditures for library.

Crescent Park Carousel - to account for receipts and expenditures related to the Crescent Park Carousel.

Library Donation Fund - to account for library donations and related expenditures.

Friends of Ancient Little Neck Cemetery - to account for improvements to the cemetery.

Fire Decon Grant - to account for special training for hazmat issues.

Beautification Committee - to account for receipt and disbursements of grants, donations and related expenditures for to improvement of the City's aesthetics.

Sabin Point - to account for grant funds and related expenditures.

RIDEM Piece Field Splash Pad - to account for grant funds and related expenditures.

Economic Adjustment Assistance Program - to account for grant funds and related expenditures.

HAVA Grant - to account for grant funds and related expenditures.

Center for Tech and Civic Life - to account for grant funds and related expenditures.

Spray and Neuter Life - to account for grant funds and related expenditures.

Dog Enforcement Funds - to account for grant funds and related expenditures.

Animal Control Donations - to account for grant funds and related expenditures.

Yogo Funds - to account for grant funds and related expenditures.

Community Development Activities - Established to account for the annual Entitlement Community program of the U.S. Department of Housing and Urban Development and related expenditures addressing housing and community development needs throughout East Providence. It provides assistance to the low and moderate income population of the City of East Providence.

School Restricted Funds - Funds established to account for federal, state, and private grant monies used for the benefit of the East Providence School Department. The following is a list of the School funds included in this section:

- IDEA Part B
- Pre-School Section 619
- Title I
- ECETT Grant
- Title 1 1003 (A) Year 1
- Title 1 1003 (A) Year 2
- Title 1 1003 (A) Year 3
- Title II
- Title III
- Title IV
- Perkins
- Perkins Odd Year
- Vocational Education Reserves
- Vocational Training for Adults
- Fresh Fruit & Vegetables
- CARES Act - ESSER Grant
- CARES Act - CRF Grant
- CARES Act - Substitute Teachers
- Equipment Assistance Grant
- Enhanced Assessment Instruments
- Pre-K Expansion Grant
- Safe and Drug-Free Schools
- Comprehensive Literacy Grant
- CS4RI
- EPHS Gym
- Legislative Middle School Sports
- MMS Legislative
- Legislative Technology Silver Spring
- Legislative Technology Francis
- Legislative Technology Hennessey
- Pre-K Grant
- Pre-K to K Transition
- RI State Council on the Arts
- Career Exploration Grant
- Common Core State Standards
- CTE Categorical Fund Year 1
- CTE Categorical Fund Year 2
- CTE Categorical IT Program Year 1
- CTE Categorical IT Program Year 2
- Permanent School Fund
- English Language Learner Categorical
- CTE Categorical Innovation and Equity
- School Resource Officer
- Champlin Music/Media Lab
- Feinstein
- Feinstein Hennessey
- Lowe's Foundation
- RI Foundation
- United Way
- RI Foundation 2
- Target
- Walmart
- RI Interlocal Risk Trust
- Verizon
- LISC
- Care New England Health System
- Donations & Gifts
- RI Council of the Arts
- Playground Donations
- RI Parent Information Network
- Am Assoc School Admin
- School Improvement Grant
- Sports Middle School
- Sports Donations
- High School Band
- Elementary School Donations
- Housing Aid Capital
- Wireless Classroom Initiative
- School Lunch Fund
- Summer School Remedial
- Adult Vocation Training Program Income
- Virtual Learning Program
- NOCTI Testing Fees

CAPITAL PROJECT FUNDS:

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

Miscellaneous Projects - to account for capital improvement projects.

Economic Development Projects - to account for capital improvements related to economic development.

TIF Bond Fund - to account for activity of the Kettle Point Project TIF Bond.

Energy Bond Fund - to account for street light purchases and conversion to LED lighting.

Central Avenue Splash Pad - to account for grant funds and related expenditures for a splash pad playground.

Runnins River Flood Prevention - to account for grant and local funds and related expenditures for flood control.

PERMANENT FUNDS:

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The following permanent funds are reported as nonmajor governmental funds.

Nancy W. Miller Fund - to account for funds provided for the perpetual care of the City cemeteries.

George Bucklin Fund - to account for funds provided for the perpetual care of the Newman Cemetery.

Lakeside Springvale - to account for funds provided for the perpetual care of the historic Lakeside and Springvale Cemeteries.

Little Neck Cemetery - to account for funds provided for the perpetual care of the historic Little Neck Cemetery.

FBO Newman - to accounts for funds provided for the perpetual care of the Newman Cemetery.

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
OCTOBER 31, 2020

EXHIBIT A-1

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - City</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Project Funds</u>	<u>Permanent Funds</u>	
ASSETS					
Cash and cash equivalents	\$ 2,980,531	\$ 319,878	\$ 928,980	\$ 3,822	\$ 4,233,211
Investments			1,632,180		1,632,180
Accounts receivable	1,868,844	69,905			1,938,749
Intergovernmental receivable		1,120,393	2,339,443		3,459,836
Due from other funds	<u>546,055</u>	<u>3,260,331</u>	<u>897,817</u>	<u>42,177</u>	<u>4,746,380</u>
Total Assets	\$ <u>5,395,430</u>	\$ <u>4,770,507</u>	\$ <u>5,798,420</u>	\$ <u>45,999</u>	\$ <u>16,010,356</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 46,266	\$ 798,096	\$	\$	\$ 844,362
Unearned revenue	2,631,548	1,610,589			4,242,137
Due to other funds	<u>227,382</u>	<u>1,130,738</u>	<u>1,859,511</u>		<u>3,217,631</u>
Total liabilities	<u>2,905,196</u>	<u>3,539,423</u>	<u>1,859,511</u>	<u>-</u>	<u>8,304,130</u>
Deferred inflows of resources:					
Unavailable revenues - intergovernmental receivable			<u>544,025</u>		<u>544,025</u>
Fund balances:					
Nonspendable				43,810	43,810
Restricted	2,172,874	1,843,183	4,022,237	2,189	8,040,483
Committed	367,419				367,419
Unassigned	<u>(50,059)</u>	<u>(612,099)</u>	<u>(627,353)</u>		<u>(1,289,511)</u>
Total fund balances	<u>2,490,234</u>	<u>1,231,084</u>	<u>3,394,884</u>	<u>45,999</u>	<u>7,162,201</u>
Total Liabilities and Fund Balances	\$ <u>5,395,430</u>	\$ <u>4,770,507</u>	\$ <u>5,798,420</u>	\$ <u>45,999</u>	\$ <u>16,010,356</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED OCTOBER 31, 2020**

EXHIBIT A-2

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - City</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	
Revenues:					
Intergovernmental	\$ 1,591,079	\$ 7,395,170	\$ -	\$ -	\$ 8,986,249
Charges for services	47,429	392,483			439,912
Investment and interest income	643		12,964		13,607
Contributions and private grants	92,884			1,809	94,693
Other revenue	268,529				268,529
Total revenues	<u>2,000,564</u>	<u>7,787,653</u>	<u>12,964</u>	<u>1,809</u>	<u>9,802,990</u>
Expenditures:					
General government	1,127,047			2,135	1,129,182
Public safety	1,605,048				1,605,048
Public works	123,778				123,778
Public libraries	25,305				25,305
Parks and recreation	12,325				12,325
Education		7,436,759			7,436,759
Capital outlay			172,948		172,948
Debt service			818,761		818,761
Total expenditures	<u>2,893,503</u>	<u>7,436,759</u>	<u>991,709</u>	<u>2,135</u>	<u>11,324,106</u>
Excess (Deficiency) of Revenues over Expenditures	(892,939)	350,894	(978,745)	(326)	(1,521,116)
Other Financing Sources (Uses):					
Bond proceeds					-
Premium					-
Capital lease issuance					-
Transfers in					-
Transfers out	-				-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(892,939)	350,894	(978,745)	(326)	(1,521,116)
Fund Balances at Beginning of Year	<u>3,383,173</u>	<u>880,190</u>	<u>4,373,629</u>	<u>46,325</u>	<u>8,683,317</u>
Fund Balances at End of Year	<u>\$ 2,490,234</u>	<u>\$ 1,231,084</u>	<u>\$ 3,394,884</u>	<u>\$ 45,999</u>	<u>\$ 7,162,201</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING BALANCE SHEET
OCTOBER 31, 2019

EXHIBIT A-3

	<u>Byrne/JAG 2009 Formula</u>	<u>Substance Abuse Grants</u>	<u>Assistance to Firefighters</u>	<u>Hazmat Reimbursement</u>	<u>Project Dare</u>	<u>Forfeited Drug State</u>	<u>DOJ Equitable Sharing</u>	<u>Forfeited Drug Federal</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 1,562,956	\$
Accounts receivable		15,907						
Intergovernmental receivable								
Due from other funds	10,024			42,851	9,763	22,949		2,912
Total Assets	<u>\$ 10,024</u>	<u>\$ 15,907</u>	<u>\$ -</u>	<u>\$ 42,851</u>	<u>\$ 9,763</u>	<u>\$ 22,949</u>	<u>\$ 1,562,956</u>	<u>\$ 2,912</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 739	\$ 523	\$	\$ 4,825	\$	\$	\$ 20,430	\$
Unearned revenue								
Due to other funds		1,808					1,601	
Other liabilities								
Total liabilities	<u>739</u>	<u>2,331</u>	<u>-</u>	<u>4,825</u>	<u>-</u>	<u>-</u>	<u>22,031</u>	<u>-</u>
Fund balances:								
Restricted	9,285	13,576		38,026	9,763	22,949	1,540,925	2,912
Committed								
Assigned								
Unassigned								
Total fund balances	<u>9,285</u>	<u>13,576</u>	<u>-</u>	<u>38,026</u>	<u>9,763</u>	<u>22,949</u>	<u>1,540,925</u>	<u>2,912</u>
Total Liabilities and Fund Balances	<u>\$ 10,024</u>	<u>\$ 15,907</u>	<u>\$ -</u>	<u>\$ 42,851</u>	<u>\$ 9,763</u>	<u>\$ 22,949</u>	<u>\$ 1,562,956</u>	<u>\$ 2,912</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-3

	<u>Emergency Management Program</u>	<u>Historical Records Preservation</u>	<u>Senior Center Donations</u>	<u>Champlin Fund Weaver</u>	<u>Crescent Park Carousel</u>	<u>Library Donation Fund</u>	<u>Friends of Ancient Little Neck Cemetery</u>	<u>Fire Decon Grant</u>
ASSETS								
Cash and cash equivalents	\$	\$ 192,244	\$	\$ 14,422	\$ 116,901	\$	\$	\$
Accounts receivable								
Intergovernmental receivable								
Due from other funds	15,919	47,429	79,823			120,359	713	113,811
Total Assets	<u>\$ 15,919</u>	<u>\$ 239,673</u>	<u>\$ 79,823</u>	<u>\$ 14,422</u>	<u>\$ 116,901</u>	<u>\$ 120,359</u>	<u>\$ 713</u>	<u>\$ 113,811</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 79	\$ 4,500	\$ 3,013	\$ -	\$ -	\$ 74	\$	\$ -
Unearned revenue								
Due to other funds				-	-			-
Other liabilities								
Total liabilities	<u>79</u>	<u>4,500</u>	<u>3,013</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted	15,840	235,173		14,422				113,811
Committed			76,810		116,901	120,285	713	
Assigned								
Unassigned								
Total fund balances	<u>15,840</u>	<u>235,173</u>	<u>76,810</u>	<u>14,422</u>	<u>116,901</u>	<u>120,285</u>	<u>713</u>	<u>113,811</u>
Total Liabilities and Fund Balances	<u>\$ 15,919</u>	<u>\$ 239,673</u>	<u>\$ 79,823</u>	<u>\$ 14,422</u>	<u>\$ 116,901</u>	<u>\$ 120,359</u>	<u>\$ 713</u>	<u>\$ 113,811</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-3

	<u>Beautification Committee</u>	<u>Sabin Point</u>	<u>RIDEM Pierce Field Splash Pad</u>	<u>Economic Adjustment Assistance Program</u>	<u>HAVA Grant</u>	<u>Center for Tech and Civic Life</u>	<u>Spray and Neuter Life</u>	<u>Dog Enforcement Funds</u>
ASSETS								
Cash and cash equivalents	\$	\$ 850,000	\$	\$	\$	\$	\$	\$
Accounts receivable								
Intergovernmental receivable								
Due from other funds	<u>906</u>		<u>26,000</u>		<u>323</u>	<u>20,656</u>	<u>4,218</u>	<u>5,672</u>
Total Assets	<u>\$ 906</u>	<u>\$ 850,000</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 20,656</u>	<u>\$ 4,218</u>	<u>\$ 5,672</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$	\$ 797	\$	\$	\$	\$	\$ 469	\$
Unearned revenue		847,038						
Due to other funds		2,165		50,059				
Other liabilities								
Total liabilities	<u>-</u>	<u>850,000</u>	<u>-</u>	<u>50,059</u>	<u>-</u>	<u>-</u>	<u>469</u>	<u>-</u>
Fund balances:								
Restricted			26,000		323			
Committed	906					20,656	3,749	5,672
Assigned								
Unassigned				(50,059)				
Total fund balances	<u>906</u>	<u>-</u>	<u>26,000</u>	<u>(50,059)</u>	<u>323</u>	<u>20,656</u>	<u>3,749</u>	<u>5,672</u>
Total Liabilities and Fund Balances	<u>\$ 906</u>	<u>\$ 850,000</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ 323</u>	<u>\$ 20,656</u>	<u>\$ 4,218</u>	<u>\$ 5,672</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-3

	<u>Animal Control Donations</u>	<u>Yogo Funds</u>	<u>Community Development Activities</u>	<u>Total Special Revenue Funds - City</u>
ASSETS				
Cash and cash equivalents	\$	\$	\$ 244,008	\$ 2,980,531
Accounts receivable			1,852,937	1,868,844
Intergovernmental receivable			-	-
Due from other funds	12,101	9,626		546,055
	<u>12,101</u>	<u>9,626</u>	<u>2,096,945</u>	<u>5,395,430</u>
Total Assets	\$ <u>12,101</u>	\$ <u>9,626</u>	\$ <u>2,096,945</u>	\$ <u>5,395,430</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$	\$	\$ 10,817	\$ 46,266
Unearned revenue			1,784,510	2,631,548
Due to other funds			171,749	227,382
Other liabilities				-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,967,076</u>	<u>2,905,196</u>
Fund balances:				
Restricted			129,869	2,172,874
Committed	12,101	9,626		367,419
Assigned				-
Unassigned				(50,059)
Total fund balances	<u>12,101</u>	<u>9,626</u>	<u>129,869</u>	<u>2,490,234</u>
Total Liabilities and Fund Balances	\$ <u>12,101</u>	\$ <u>9,626</u>	\$ <u>2,096,945</u>	\$ <u>5,395,430</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-4

	<u>Byrne/JAG 2009 Formula</u>	<u>Substance Abuse Grants</u>	<u>Assistance to Firefighters</u>	<u>Hazmat Reimbursement</u>	<u>Project Dare</u>	<u>Forfeited Drug State</u>	<u>DOJ Equitable Sharing</u>	<u>Forfeited Drug Federal</u>
Revenues:								
Intergovernmental	\$ 13,338	\$ 42,087	\$ 792,893	\$ 49,180	\$	\$ 1,308	\$ 2,701	\$
Charges for services								
Investment and interest income								
Contributions and private grants								
Other revenue								
Total revenues	<u>13,338</u>	<u>42,087</u>	<u>792,893</u>	<u>49,180</u>	<u>-</u>	<u>1,308</u>	<u>2,701</u>	<u>-</u>
Expenditures:								
General government								
Public safety	24,956	42,104	792,893	48,200		2,576	533,125	
Public works								
Public libraries								
Parks and recreation								
Total expenditures	<u>24,956</u>	<u>42,104</u>	<u>792,893</u>	<u>48,200</u>	<u>-</u>	<u>2,576</u>	<u>533,125</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(11,618)	(17)	-	980	-	(1,268)	(530,424)	-
Other Financing Sources:								
Transfers in								
Transfers out								
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,618)	(17)	-	980	-	(1,268)	(530,424)	-
Fund Balances at Beginning of Year	<u>20,903</u>	<u>13,593</u>	<u>-</u>	<u>37,046</u>	<u>9,763</u>	<u>24,217</u>	<u>2,071,349</u>	<u>2,912</u>
Fund Balances at End of Year	<u>\$ 9,285</u>	<u>\$ 13,576</u>	<u>\$ -</u>	<u>\$ 38,026</u>	<u>\$ 9,763</u>	<u>\$ 22,949</u>	<u>\$ 1,540,925</u>	<u>\$ 2,912</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-4

	<u>Emergency Management Program</u>	<u>Historical Records Preservation</u>	<u>Senior Center Donations</u>	<u>Champlin Fund Weaver</u>	<u>Crescent Park Carousel</u>	<u>Library Donation Fund</u>	<u>Friends of Ancient Little Neck Cemetery</u>
Revenues:							
Intergovernmental	\$ 75,000		\$ 49,908		\$ 1,000		\$
Charges for services		47,429					
Investment and interest income		360		53	156		
Contributions and private grants			6,016	28,830	10,477	1,106	
Other revenue							
Total revenues	<u>75,000</u>	<u>47,789</u>	<u>55,924</u>	<u>28,883</u>	<u>11,633</u>	<u>1,106</u>	<u>-</u>
Expenditures:							
General government		141,406	38,460	56,534			
Public safety	150,149						
Public works							
Public libraries						25,305	
Parks and recreation					12,325		
Total expenditures	<u>150,149</u>	<u>141,406</u>	<u>38,460</u>	<u>56,534</u>	<u>12,325</u>	<u>25,305</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(75,149)	(93,617)	17,464	(27,651)	(692)	(24,199)	-
Other Financing Sources:							
Transfers in							
Transfers out							
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(75,149)	(93,617)	17,464	(27,651)	(692)	(24,199)	-
Fund Balances at Beginning of Year	<u>90,989</u>	<u>328,790</u>	<u>59,346</u>	<u>42,073</u>	<u>117,593</u>	<u>144,484</u>	<u>713</u>
Fund Balances at End of Year	<u>\$ 15,840</u>	<u>\$ 235,173</u>	<u>\$ 76,810</u>	<u>\$ 14,422</u>	<u>\$ 116,901</u>	<u>\$ 120,285</u>	<u>\$ 713</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-4

	<u>Fire Decon Grant</u>	<u>Beautification Committee</u>	<u>Sabin Point</u>	<u>RIDEM Pierce Field Splash Pad</u>	<u>Economic Adjustment Assistance Program</u>	<u>HAVA Grant</u>	<u>Center for Tech and Civic Life</u>	<u>Spray and Neuter Life</u>
Revenues:								
Intergovernmental	\$ 28,562		\$ 1,995	\$ 26,000	\$ 69,647	\$ 2,400		\$ 4,608
Charges for services								
Investment and interest income								
Contributions and private grants							24,728	
Other revenue							-	
Total revenues	<u>28,562</u>	<u>-</u>	<u>1,995</u>	<u>26,000</u>	<u>69,647</u>	<u>2,400</u>	<u>24,728</u>	<u>4,608</u>
Expenditures:								
General government							4,072	
Public safety	10,186							859
Public works			1,995		119,706	2,077		
Public libraries								
Parks and recreation								
Total expenditures	<u>10,186</u>	<u>-</u>	<u>1,995</u>	<u>-</u>	<u>119,706</u>	<u>2,077</u>	<u>4,072</u>	<u>859</u>
Excess (Deficiency) of Revenues over Expenditures	18,376	-	-	26,000	(50,059)	323	20,656	3,749
Other Financing Sources:								
Transfers in								
Transfers out								
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	18,376	-	-	26,000	(50,059)	323	20,656	3,749
Fund Balances at Beginning of Year	<u>95,435</u>	<u>906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 113,811</u>	<u>\$ 906</u>	<u>\$ -</u>	<u>\$ 26,000</u>	<u>\$ (50,059)</u>	<u>\$ 323</u>	<u>\$ 20,656</u>	<u>\$ 3,749</u>

(Continued on next page)

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-4

	<u>Dog Enforcement Funds</u>	<u>Animal Control Donations</u>	<u>Yogo Funds</u>	<u>Community Development Activities</u>	<u>Total Special Revenue Funds - City</u>
Revenues:					
Intergovernmental	\$ 5,672	\$	\$	\$ 424,780	\$ 1,591,079
Charges for services					47,429
Investment and interest income				74	643
Contributions and private grants		12,101	9,626		92,884
Other revenue				268,529	268,529
Total revenues	<u>5,672</u>	<u>12,101</u>	<u>9,626</u>	<u>693,383</u>	<u>2,000,564</u>
Expenditures:					
General government				886,575	1,127,047
Public safety					1,605,048
Public works					123,778
Public libraries					25,305
Parks and recreation					12,325
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>886,575</u>	<u>2,893,503</u>
Excess (Deficiency) of Revenues over Expenditures	5,672	12,101	9,626	(193,192)	(892,939)
Other Financing Sources:					
Transfers in					
Transfers out					
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,672	12,101	9,626	(193,192)	(892,939)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,061</u>	<u>3,383,173</u>
Fund Balances at End of Year	<u>\$ 5,672</u>	<u>\$ 12,101</u>	<u>\$ 9,626</u>	<u>\$ 129,869</u>	<u>\$ 2,490,234</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET
OCTOBER 31, 2020

EXHIBIT A-5

	IDEA Part B	Preschool Section 619	Title I	ECETT Grant	Title I 1003 (A) Year 1	Title I 1003 (A) Year 2	Title I 1003 (A) Year 3	Title II	Title III	Title IV
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable										
Intergovernmental receivable	356,682	20,322	205,151			3,427		123,768		8,791
Due from other funds						6,351			1,800	
Total Assets	<u>\$ 356,682</u>	<u>\$ 20,322</u>	<u>\$ 205,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,778</u>	<u>\$ -</u>	<u>\$ 123,768</u>	<u>\$ 1,800</u>	<u>\$ 8,791</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued expenses	\$ 47,105	\$ 1,379	\$ 32,821	\$	\$	\$	\$	\$ 8,688	\$	\$ 1,527
Unearned revenue										
Due to other funds	314,207	19,344	181,134		4,724		194	115,256		7,665
Other liabilities										
Total liabilities	<u>361,312</u>	<u>20,723</u>	<u>213,955</u>	<u>-</u>	<u>4,724</u>	<u>-</u>	<u>194</u>	<u>123,944</u>	<u>-</u>	<u>9,192</u>
Fund balances:										
Restricted						9,778			1,800	
Unassigned	(4,630)	(401)	(8,804)		(4,724)		(194)	(176)		(401)
Total fund balances	<u>(4,630)</u>	<u>(401)</u>	<u>(8,804)</u>	<u>-</u>	<u>(4,724)</u>	<u>9,778</u>	<u>(194)</u>	<u>(176)</u>	<u>1,800</u>	<u>(401)</u>
Total Liabilities and Fund Balances	<u>\$ 356,682</u>	<u>\$ 20,322</u>	<u>\$ 205,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,778</u>	<u>\$ -</u>	<u>\$ 123,768</u>	<u>\$ 1,800</u>	<u>\$ 8,791</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	<u>Perkins</u>	<u>Perkins Odd Year</u>	<u>Vocational Education Reserves</u>	<u>Vocational Training for Adults</u>	<u>Fresh Fruits & Vegetables</u>	<u>CARES Act - ESSER Grant</u>	<u>CARES Act - CRF Grant</u>	<u>CARES Act - Substitute Teachers</u>	<u>Equipment Assistance Grant</u>	<u>Enhanced Assessment Instruments</u>
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable	53,405									
Intergovernmental receivable	8,417							31,585		
Due from other funds				18,141	8,238		1,606,093			254
Total Assets	<u>\$ 61,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,141</u>	<u>\$ 8,238</u>	<u>\$ -</u>	<u>\$ 1,606,093</u>	<u>\$ 31,585</u>	<u>\$ -</u>	<u>\$ 254</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued expenses	\$ 2,507	\$	\$	\$	8,535	126,383	\$ 213,809	\$	\$	\$
Unearned revenue							1,610,589			
Due to other funds	53,639	3,606				26,370		31,765		
Other liabilities										
Total liabilities	<u>56,146</u>	<u>3,606</u>	<u>-</u>	<u>-</u>	<u>8,535</u>	<u>152,753</u>	<u>1,824,398</u>	<u>31,765</u>	<u>-</u>	<u>-</u>
Fund balances:										
Restricted	5,676			18,141						254
Unassigned		(3,606)			(297)	(152,753)	(218,305)	(180)		
Total fund balances	<u>5,676</u>	<u>(3,606)</u>	<u>-</u>	<u>18,141</u>	<u>(297)</u>	<u>(152,753)</u>	<u>(218,305)</u>	<u>(180)</u>	<u>-</u>	<u>254</u>
Total Liabilities and Fund Balances	<u>\$ 61,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,141</u>	<u>\$ 8,238</u>	<u>\$ -</u>	<u>\$ 1,606,093</u>	<u>\$ 31,585</u>	<u>\$ -</u>	<u>\$ 254</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	Pre-K Expansion Grant	Safe and Drug-Free Schools	Comprehen- sive Literacy Grant	CS4RI	EPHS Gym	Legislative Middle School Sports	MMS Legislative	Legislative Technology Silver Spring	Legislative Technology Francis	Legislative Technology Hennessey
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable										
Intergovernmental receivable			7,101	20,440						
Due from other funds					233	1,290		13		26
Total Assets	\$ -	\$ -	\$ 7,101	\$ 20,440	\$ 233	\$ 1,290	\$ -	\$ 13	\$ -	\$ 26
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued expenses	\$	\$	\$ 7,101	\$	\$ 233	\$	\$	\$	\$	\$
Unearned revenue										
Due to other funds	2,987			20,440	1,130				610	
Other liabilities										
Total liabilities	2,987	-	7,101	20,440	1,363	-	-	-	610	-
Fund balances:										
Restricted						1,290				
Unassigned	(2,987)				(1,130)			13	(610)	26
Total fund balances	(2,987)	-	-	-	(1,130)	1,290	-	13	(610)	26
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 7,101	\$ 20,440	\$ 233	\$ 1,290	\$ -	\$ 13	\$ -	\$ 26

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	Pre-K Grant	Pre-K to K Transition	RI State Council on the Arts	Career Exploration Grant	Common Core State Standards	CTE Categorical Fund Year 1	CTE Categorical Fund Year 2	CTE Categorical IT Program Year 1	CTE Categorical IT Program Year 2
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Intergovernmental receivable	165,843								
Due from other funds			4,505			374,297			4,867
Total Assets	\$ 165,843	\$ -	\$ 4,505	\$ -	\$ -	\$ 374,297	\$ -	\$ -	\$ 4,867
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$ 30,673	\$	\$	\$	\$	7,411	443	\$	400
Unearned revenue									
Due to other funds	157,944				5,603		89,892	50,000	
Other liabilities									
Total liabilities	188,617	-	-	-	5,603	7,411	90,335	50,000	400
Fund balances:									
Restricted			4,505			366,886			4,467
Unassigned	(22,774)				(5,603)		(90,335)	(50,000)	
Total fund balances	(22,774)	-	4,505	-	(5,603)	366,886	(90,335)	(50,000)	4,467
Total Liabilities and Fund Balances	\$ 165,843	\$ -	\$ 4,505	\$ -	\$ -	\$ 374,297	\$ -	\$ -	\$ 4,867

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	<u>Permanent School Fund</u>	<u>English Language Learner Categorical</u>	<u>CTE Categorical Innovation and Equity</u>	<u>School Resource Officer</u>	<u>Champlin Music/ Media Lab</u>	<u>Feinstein</u>	<u>Feinstein Hennessey</u>	<u>Lowe's Foundation</u>	<u>RI Foundation</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable							318		
Intergovernmental receivable									
Due from other funds	109	2,829	908		170	14,508	81,607	15	6,604
Total Assets	\$ 109	\$ 2,829	\$ 908	\$ -	\$ 170	\$ 14,508	\$ 81,925	\$ 15	\$ 6,604
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$ 1,960	\$	\$	\$	\$	\$	\$	\$
Unearned revenue									
Due to other funds									
Other liabilities									
Total liabilities	-	1,960	-	-	-	-	-	-	-
Fund balances:									
Restricted	109	869	908		170	14,508	81,925	15	6,604
Unassigned									
Total fund balances	109	869	908	-	170	14,508	81,925	15	6,604
Total Liabilities and Fund Balances	\$ 109	\$ 2,829	\$ 908	\$ -	\$ 170	\$ 14,508	\$ 81,925	\$ 15	\$ 6,604

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	<u>United Way</u>	<u>RI Foundation 2</u>	<u>Target</u>	<u>Walmart</u>	<u>RI Interlocal Risk Trust</u>	<u>Verizon</u>	<u>LISC</u>	<u>Care New England Health System</u>	<u>Donations & Gifts</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Intergovernmental receivable									
Due from other funds	<u>1,590</u>	<u>20,000</u>	<u>700</u>	<u>18</u>		<u>10,280</u>	<u>308</u>	<u>60</u>	<u>6,081</u>
Total Assets	<u>\$ 1,590</u>	<u>\$ 20,000</u>	<u>\$ 700</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 10,280</u>	<u>\$ 308</u>	<u>\$ 60</u>	<u>\$ 6,081</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue									
Due to other funds					409				
Other liabilities									
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
Restricted	1,590	20,000	700	18		10,280	308	60	6,081
Unassigned					(409)				
Total fund balances	<u>1,590</u>	<u>20,000</u>	<u>700</u>	<u>18</u>	<u>(409)</u>	<u>10,280</u>	<u>308</u>	<u>60</u>	<u>6,081</u>
Total Liabilities and Fund Balances	<u>\$ 1,590</u>	<u>\$ 20,000</u>	<u>\$ 700</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 10,280</u>	<u>\$ 308</u>	<u>\$ 60</u>	<u>\$ 6,081</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	<u>RI Council of the Arts</u>	<u>Playground Donations</u>	<u>RI Parent Information Network</u>	<u>Am Assoc School Admin</u>	<u>School Improvement Grant</u>	<u>Sports Middle School</u>	<u>Sports Donations</u>	<u>High School Band</u>	<u>Elementary School Donations</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Intergovernmental receivable									
Due from other funds	400		1,181	430	2,043	3,397		1,028	900
Total Assets	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 1,181</u>	<u>\$ 430</u>	<u>\$ 2,043</u>	<u>\$ 3,397</u>	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 900</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	2,532	\$	\$	\$
Unearned revenue							5,253		
Due to other funds									
Other liabilities									
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,532</u>	<u>5,253</u>	<u>-</u>	<u>-</u>
Fund balances:									
Restricted	400		1,181	430	2,043	865		1,028	900
Unassigned							(5,253)		
Total fund balances	<u>400</u>	<u>-</u>	<u>1,181</u>	<u>430</u>	<u>2,043</u>	<u>865</u>	<u>(5,253)</u>	<u>1,028</u>	<u>900</u>
Total Liabilities and Fund Balances	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 1,181</u>	<u>\$ 430</u>	<u>\$ 2,043</u>	<u>\$ 3,397</u>	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 900</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
OCTOBER 31, 2020

EXHIBIT A-5

	<u>Housing Aid Capital</u>	<u>Wireless Classroom Initiative</u>	<u>School Lunch Fund</u>	<u>Summer School Remedial</u>	<u>Adult Vocation Training Program Income</u>	<u>Virtual Learning Program</u>	<u>NOCTI Testing Fees</u>	<u>Total Special Revenue Funds - School Restricted</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$ 319,878	\$	\$	\$	\$	\$ 319,878
Accounts receivable			16,182					69,905
Intergovernmental receivable			168,866					1,120,393
Due from other funds	1,042,297				10,050	24,134	2,576	3,260,331
Total Assets	\$ <u>1,042,297</u>	\$ <u>-</u>	\$ <u>504,926</u>	\$ <u>-</u>	\$ <u>10,050</u>	\$ <u>24,134</u>	\$ <u>2,576</u>	\$ <u>4,770,507</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$	\$	\$ 304,589	\$	\$	\$	\$	\$ 798,096
Unearned revenue								1,610,589
Due to other funds			-	38,566				1,130,738
Other liabilities								-
Total liabilities	<u>-</u>	<u>-</u>	<u>304,589</u>	<u>38,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,539,423</u>
Fund balances:								
Restricted	1,042,297		200,337		10,050	24,134	2,576	1,843,183
Unassigned				(38,566)				(612,099)
Total fund balances	<u>1,042,297</u>	<u>-</u>	<u>200,337</u>	<u>(38,566)</u>	<u>10,050</u>	<u>24,134</u>	<u>2,576</u>	<u>1,231,084</u>
Total Liabilities and Fund Balances	\$ <u>1,042,297</u>	\$ <u>-</u>	\$ <u>504,926</u>	\$ <u>-</u>	\$ <u>10,050</u>	\$ <u>24,134</u>	\$ <u>2,576</u>	\$ <u>4,770,507</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	IDEA Part B	Preschool Section 619	Title I	ECETT Grant	Title I 1003 (A) Year 1	Title I 1003 (A) Year 2	Title I 1003 (A) Year 3	Title II	Title III
Revenues:									
Intergovernmental	\$ 1,485,778	\$ 49,930	\$ 1,407,885	\$	\$	\$	\$	\$ 339,196	\$ 34,398
Charges for services									
Total revenues	<u>1,485,778</u>	<u>49,930</u>	<u>1,407,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,196</u>	<u>34,398</u>
Expenditures:									
Education	<u>1,490,585</u>	<u>50,331</u>	<u>1,411,202</u>		<u>1,799</u>	<u>388</u>	<u>194</u>	<u>341,601</u>	<u>34,627</u>
Excess (Deficiency) of Revenues over Expenditures	(4,807)	(401)	(3,317)	-	(1,799)	(388)	(194)	(2,405)	(229)
Fund Balances at Beginning of Year	<u>177</u>	<u>-</u>	<u>(5,487)</u>	<u>-</u>	<u>(2,925)</u>	<u>10,166</u>	<u>-</u>	<u>2,229</u>	<u>2,029</u>
Fund Balances at End of Year	<u>\$ (4,630)</u>	<u>\$ (401)</u>	<u>\$ (8,804)</u>	<u>\$ -</u>	<u>\$ (4,724)</u>	<u>\$ 9,778</u>	<u>\$ (194)</u>	<u>\$ (176)</u>	<u>\$ 1,800</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	<u>Title IV</u>	<u>Perkins</u>	<u>Perkins Odd Year</u>	<u>Vocational Education Reserves</u>	<u>Vocational Training for Adults</u>	<u>Fresh Fruits & Vegetables</u>	<u>CARES Act - ESSER Grant</u>	<u>CARES Act - CRF Grant</u>	<u>CARES Act - Substitute Teachers</u>
Revenues:									
Intergovernmental	\$ 147,465	\$ 180,742	\$	\$ 29,224	\$	\$ 37,037	\$	\$	\$ 31,585
Charges for services									
Total revenues	<u>147,465</u>	<u>180,742</u>	<u>-</u>	<u>29,224</u>	<u>-</u>	<u>37,037</u>	<u>-</u>	<u>-</u>	<u>31,585</u>
Expenditures:									
Education	<u>150,075</u>	<u>179,742</u>		<u>29,224</u>		<u>37,037</u>	<u>152,753</u>	<u>218,305</u>	<u>31,765</u>
Excess (Deficiency) of Revenues over Expenditures	(2,610)	1,000	-	-	-	-	(152,753)	(218,305)	(180)
Fund Balances at Beginning of Year	<u>2,209</u>	<u>4,676</u>	<u>(3,606)</u>	<u>-</u>	<u>18,141</u>	<u>(297)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (401)</u>	<u>\$ 5,676</u>	<u>\$ (3,606)</u>	<u>\$ -</u>	<u>\$ 18,141</u>	<u>\$ (297)</u>	<u>\$ (152,753)</u>	<u>\$ (218,305)</u>	<u>\$ (180)</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	Equipment Assistance Grant	Enhanced Assessment Instruments	Pre-K Expansion Grant	Safe and Drug-Free Schools	Comprehensive Literacy Grant	CS4RI	EPHS Gym	Legislative Middle School Sports	MMS Legislative	Legislative Technology Silver Spring
Revenues:										
Intergovernmental	\$	\$	\$ 57,858	\$ 1,272	\$ 51,513	\$ 29,440	\$	\$ 2,000	\$ 2,000	\$ 2,000
Charges for services										
Total revenues	-	-	57,858	1,272	51,513	29,440	-	2,000	2,000	2,000
Expenditures:										
Education			34,715	1,272	51,513	29,440			2,000	1,987
Excess (Deficiency) of Revenues over Expenditures	-	-	23,143	-	-	-	-	2,000	-	13
Fund Balances at Beginning of Year	-	254	(26,130)	-	-	-	(1,130)	(710)	-	-
Fund Balances at End of Year	\$ -	\$ 254	\$ (2,987)	\$ -	\$ -	\$ -	\$ (1,130)	\$ 1,290	\$ -	\$ 13

(Continued on next page)

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	Legislative Technology Francis	Legislative Technology Hennessey	Pre-K Grant	Pre-K to K Transition	RI State Council on the Arts	Career Exploration Grant	Common Core State Standards	CTE Categorical Fund Year 1	CTE Categorical Fund Year 2
Revenues:									
Intergovernmental	\$ 1,000	\$ 2,000	\$ 1,415,105	\$ 6,040	\$ 1,600	\$ 465	\$ -	\$ 166,266	\$ -
Charges for services									
Total revenues	<u>1,000</u>	<u>2,000</u>	<u>1,415,105</u>	<u>6,040</u>	<u>1,600</u>	<u>465</u>	<u>-</u>	<u>166,266</u>	<u>-</u>
Expenditures:									
Education	<u>895</u>	<u>1,974</u>	<u>1,417,998</u>	<u>6,040</u>	<u>246</u>	<u>465</u>	<u>-</u>	<u>55,575</u>	<u>1,843</u>
Excess (Deficiency) of Revenues over Expenditures	105	26	(2,893)	-	1,354	-	-	110,691	(1,843)
Fund Balances at Beginning of Year	<u>(715)</u>	<u>-</u>	<u>(19,881)</u>	<u>-</u>	<u>3,151</u>	<u>-</u>	<u>(5,603)</u>	<u>256,195</u>	<u>(88,492)</u>
Fund Balances at End of Year	<u>\$ (610)</u>	<u>\$ 26</u>	<u>\$ (22,774)</u>	<u>\$ -</u>	<u>\$ 4,505</u>	<u>\$ -</u>	<u>\$ (5,603)</u>	<u>\$ 366,886</u>	<u>\$ (90,335)</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	CTE Categorical IT Program Year 1	CTE Categorical IT Program Year 2	Permanent School Fund	English Language Learner Categorical	CTE Categorical Innovation and Equity	School Resource Officer	Champlin Music/ Media Lab	Feinstein
Revenues:								
Intergovernmental	\$	\$	\$	\$ 27,475	\$	\$ 42,494	\$	\$
Charges for services								
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,475</u>	<u>-</u>	<u>42,494</u>	<u>-</u>	<u>-</u>
Expenditures:								
Education		141,052		26,611		42,494		209
Excess (Deficiency) of Revenues over Expenditures	-	(141,052)	-	864	-	-	-	(209)
Fund Balances at Beginning of Year	<u>(50,000)</u>	<u>145,519</u>	<u>109</u>	<u>5</u>	<u>908</u>	<u>-</u>	<u>170</u>	<u>14,717</u>
Fund Balances at End of Year	<u><u>\$ (50,000)</u></u>	<u><u>\$ 4,467</u></u>	<u><u>\$ 109</u></u>	<u><u>\$ 869</u></u>	<u><u>\$ 908</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 170</u></u>	<u><u>\$ 14,508</u></u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	<u>Feinstein Hennessey</u>	<u>Lowe's Foundation</u>	<u>RI Foundation</u>	<u>United Way</u>	<u>RI Foundation 2</u>	<u>Target</u>	<u>Walmart</u>	<u>RI Interlocal Risk Trust</u>
Revenues:								
Intergovernmental	\$ 32,347	\$	\$ 3,368	\$	\$	\$ 700	\$	\$
Charges for services					20,000			
Total revenues	<u>32,347</u>	<u>-</u>	<u>3,368</u>	<u>-</u>	<u>20,000</u>	<u>700</u>	<u>-</u>	<u>-</u>
Expenditures:								
Education	<u>16,913</u>	<u>1,718</u>	<u>1,354</u>		<u>20,661</u>			<u>409</u>
Excess (Deficiency) of Revenues over Expenditures	15,434	(1,718)	2,014	-	(661)	700	-	(409)
Fund Balances at Beginning of Year	<u>66,491</u>	<u>1,733</u>	<u>4,590</u>	<u>1,590</u>	<u>20,661</u>	<u>-</u>	<u>18</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 81,925</u>	<u>\$ 15</u>	<u>\$ 6,604</u>	<u>\$ 1,590</u>	<u>\$ 20,000</u>	<u>\$ 700</u>	<u>\$ 18</u>	<u>\$ (409)</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	<u>Verizon</u>	<u>LISC</u>	<u>Care New England Health System</u>	<u>Donations & Gifts</u>	<u>RI Council of the Arts</u>	<u>Playground Donations</u>	<u>RI Parent Information Network</u>	<u>Am Assoc School Admin</u>
Revenues:								
Intergovernmental	\$	\$ 8,759	\$	\$	\$	\$	\$	\$
Charges for services								
Total revenues	<u>-</u>	<u>8,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Education		<u>8,451</u>						
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at Beginning of Year	<u>10,280</u>	<u>-</u>	<u>60</u>	<u>6,081</u>	<u>400</u>	<u>-</u>	<u>1,181</u>	<u>430</u>
Fund Balances at End of Year	<u>\$ 10,280</u>	<u>\$ 308</u>	<u>\$ 60</u>	<u>\$ 6,081</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 1,181</u>	<u>\$ 430</u>

(Continued on next page)

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	School Improvement Grant	Sports Middle School	Sports Donations	High School Band	Elementary School Donations	Housing Aid Capital	Wireless Classroom Initiative	School Lunch Fund
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$ 9,001	\$ 769,495	\$	\$ 1,013,776
Charges for services								372,483
Total revenues	-	-	-	-	9,001	769,495	-	1,386,259
Expenditures:								
Education	-				10,051			1,431,245
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	(1,050)	769,495	-	(44,986)
Fund Balances at Beginning of Year	2,043	865	(5,253)	1,028	1,950	272,802	-	245,323
Fund Balances at End of Year	\$ 2,043	\$ 865	\$ (5,253)	\$ 1,028	\$ 900	\$ 1,042,297	\$ -	\$ 200,337

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CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

EXHIBIT A-6

	<u>Summer School Remedial</u>	<u>Adult Vocation Training Program Income</u>	<u>Virtual Learning Program</u>	<u>NOCTI Testing Fees</u>	<u>Total Special Revenue Funds - School Restricted</u>
Revenues:					
Intergovernmental	\$	\$	465	\$	\$
Charges for services			5,491		7,395,170
Total revenues	<u>-</u>	<u>465</u>	<u>5,491</u>	<u>-</u>	<u>7,787,653</u>
Expenditures:					
Education					<u>7,436,759</u>
Excess (Deficiency) of Revenues over Expenditures	-	465	5,491	-	350,894
Fund Balances at Beginning of Year	<u>(38,566)</u>	<u>9,585</u>	<u>18,643</u>	<u>2,576</u>	<u>880,190</u>
Fund Balances at End of Year	<u>\$ (38,566)</u>	<u>\$ 10,050</u>	<u>\$ 24,134</u>	<u>\$ 2,576</u>	<u>\$ 1,231,084</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
OCTOBER 31, 2020

EXHIBIT A-7

	<u>Miscellaneous Projects</u>	<u>Economic Development Projects</u>	<u>TIF Bond Fund</u>	<u>Energy Bond Fund</u>	<u>Runnins River Flood Prevention</u>	<u>Total Capital Projects Funds</u>
ASSETS						
Cash and cash equivalents	\$	\$ 928,980	\$	\$	\$	\$ 928,980
Investments			1,632,180			1,632,180
Intergovernmental receivable				1,795,418	544,025	2,339,443
Due from other funds	<u>897,817</u>					<u>897,817</u>
Total Assets	<u>\$ 897,817</u>	<u>\$ 928,980</u>	<u>\$ 1,632,180</u>	<u>\$ 1,795,418</u>	<u>\$ 544,025</u>	<u>\$ 5,798,420</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	-
Unearned revenue						-
Due to other funds			1,232,158		627,353	1,859,511
Total liabilities	<u>-</u>	<u>-</u>	<u>1,232,158</u>	<u>-</u>	<u>627,353</u>	<u>1,859,511</u>
Deferred inflows of resources:						
Unavailable revenues - intergovernmental receivable					544,025	544,025
Fund balances:						
Restricted	897,817	928,980	400,022	1,795,418		4,022,237
Unassigned					(627,353)	(627,353)
Total fund balances	<u>897,817</u>	<u>928,980</u>	<u>400,022</u>	<u>1,795,418</u>	<u>(627,353)</u>	<u>3,394,884</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 897,817</u>	<u>\$ 928,980</u>	<u>\$ 1,632,180</u>	<u>\$ 1,795,418</u>	<u>\$ 544,025</u>	<u>\$ 5,798,420</u>

**NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Miscellaneous Projects</u>	<u>Economic Development Projects</u>	<u>TIF Bond Fund</u>	<u>Energy Bond Fund</u>	<u>Runnins River Flood Prevention</u>	<u>Total Capital Projects Funds</u>
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$ -
Investment and interest income		1,155	11,809			12,964
Total revenues	<u>-</u>	<u>1,155</u>	<u>11,809</u>	<u>-</u>	<u>-</u>	<u>12,964</u>
Expenditures:						
Capital outlay			130,665	-	42,283	172,948
Debt service			818,761			818,761
Total expenditures	<u>-</u>	<u>-</u>	<u>949,426</u>	<u>-</u>	<u>42,283</u>	<u>991,709</u>
Excess (Deficiency) of Revenues over Expenditures	-	1,155	(937,617)	-	(42,283)	(978,745)
Fund Balances at Beginning of Year	<u>897,817</u>	<u>927,825</u>	<u>1,337,639</u>	<u>1,795,418</u>	<u>(585,070)</u>	<u>4,373,629</u>
Fund Balances at End of Year	<u>\$ 897,817</u>	<u>\$ 928,980</u>	<u>\$ 400,022</u>	<u>\$ 1,795,418</u>	<u>\$ (627,353)</u>	<u>\$ 3,394,884</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 PERMANENT FUNDS
 COMBINING BALANCE SHEET
 OCTOBER 31, 2020**

	<u>Nancy W. Miller Fund</u>	<u>George Bucklin Fund</u>	<u>Lakeside Springvale</u>	<u>Little Neck Cemetery</u>	<u>FBO Newman</u>	<u>Total Permanent Funds</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$ 3,822	\$	\$ 3,822
Due from other funds	<u>1,620</u>	<u>15,111</u>	<u>9,994</u>	<u>1,367</u>	<u>14,085</u>	<u>42,177</u>
Total Assets	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,189</u>	<u>\$ 14,085</u>	<u>\$ 45,999</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Due to other funds	\$	\$	\$	\$	\$	\$ -
Fund balances:						
Nonspendable	1,620	15,111	9,994	3,000	14,085	43,810
Restricted	<u> </u>	<u> </u>	<u> </u>	<u>2,189</u>	<u> </u>	<u>2,189</u>
Total fund balances	<u>1,620</u>	<u>15,111</u>	<u>9,994</u>	<u>5,189</u>	<u>14,085</u>	<u>45,999</u>
Total Liabilities and Fund Balances	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,189</u>	<u>\$ 14,085</u>	<u>\$ 45,999</u>

**CITY OF EAST PROVIDENCE, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 PERMANENT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED OCTOBER 31, 2020**

	<u>Nancy W. Miller Fund</u>	<u>George Bucklin Fund</u>	<u>Lakeside Springvale</u>	<u>Little Neck Cemetery</u>	<u>FBO Newman</u>	<u>Total Permanent Funds</u>
Revenues:						
Contributions and private grants	\$	\$	\$	\$ 1,809	\$	\$ 1,809
Expenditures:						
General government				2,135		2,135
Excess of Revenues over Expenditures	-	-	-	(326)	-	(326)
Fund Balances at Beginning of Year	1,620	15,111	9,994	5,515	14,085	46,325
Fund Balances at End of Year	<u>\$ 1,620</u>	<u>\$ 15,111</u>	<u>\$ 9,994</u>	<u>\$ 5,189</u>	<u>\$ 14,085</u>	<u>\$ 45,999</u>

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Fiduciary Funds

FIDUCIARY FUND TYPES

The Fiduciary Funds are used to account for assets held by the City in an agency capacity on behalf of others. The agency funds of the City are as follows:

TRUST FUNDS:

Police and Firefighters Retirement System - to account for the accumulation of resources to be used for payment of retirement benefits for retired city police and firefighters.

City OPEB Trust Fund - to account for the accumulation of resources to be used for payments of healthcare benefits for retired city employees.

School OPEB Trust Fund - to account for the accumulation of resources to be used for payments of healthcare benefits for retired school employees.

AGENCY FUNDS:

Escrow Pending Forfeiture - to account for money seized by the police and awaiting disposition of the case.

Contractor's Escrow Account - This fund accounts for monies held by the City as retainage.

Dolly Searle Scholarship Account - This fund accounts for money to be awarded as scholarships.

Student Activities Fund - to account for monies received and expended for various student activities and groups.

**CITY OF EAST PROVIDENCE, RHODE ISLAND
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
OCTOBER 31, 2020**

	Police and Firefighters Retirement System	City Other Post- Employment Benefit Trust Fund	School Other Post- Employment Benefit Trust Fund	Total Pension and Other Post- Employment Benefit Trust Funds
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments, at fair value:				
Mutual funds	112,734,114	21,875,458	3,123,341	137,732,913
Alternative investments	20,582,651			20,582,651
Member contribution receivable	16			16
Due from other funds		813,684		813,684
Total Assets	<u>\$ 133,316,781</u>	<u>\$ 22,689,142</u>	<u>\$ 3,123,341</u>	<u>\$ 159,129,264</u>
NET POSITION				
Net Position:				
Restricted for pension benefits	\$ 133,316,781	\$ -	\$ -	\$ 133,316,781
Restricted for OPEB benefits		22,689,142	3,123,341	25,812,483
Total Net Position	<u>\$ 133,316,781</u>	<u>\$ 22,689,142</u>	<u>\$ 3,123,341</u>	<u>\$ 159,129,264</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
OCTOBER 31, 2020

	Police and Firefighters Retirement System	City Other Post- Employment Benefit Trust Fund	School Other Post- Employment Benefit Trust Fund	Total Pension and Other Post- Employment Benefit Trust Funds
Additions:				
Contributions:				
Employer contributions	\$ 8,231,579	\$ 3,409,875	\$ 753,725	\$ 12,395,179
Employee contributions	1,336,572	230,351		1,566,923
Total contributions	<u>9,568,151</u>	<u>3,640,226</u>	<u>753,725</u>	<u>13,962,102</u>
Investment income:				
Net change in fair value of investments	1,202,867	1,250,059	179,026	2,631,952
Interest and dividends	1,293,133			1,293,133
Total investment income	<u>2,496,000</u>	<u>1,250,059</u>	<u>179,026</u>	<u>3,925,085</u>
Total additions	<u>12,064,151</u>	<u>4,890,285</u>	<u>932,751</u>	<u>17,887,187</u>
Deductions:				
Benefits	13,577,738	2,826,542	753,725	17,158,005
Operating expenses	89,833	46,163	7,798	143,794
Total deductions	<u>13,667,571</u>	<u>2,872,705</u>	<u>761,523</u>	<u>17,301,799</u>
Change in Net Position	(1,603,420)	2,017,580	171,228	585,388
Net Position at Beginning of Year	<u>134,920,201</u>	<u>20,671,562</u>	<u>2,952,113</u>	<u>158,543,876</u>
Net Position at End of Year	<u>\$ 133,316,781</u>	<u>\$ 22,689,142</u>	<u>\$ 3,123,341</u>	<u>\$ 159,129,264</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED OCTOBER 31, 2020

	<u>Balance</u> <u>November 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>October 31, 2020</u>
Escrow Pending Forfeiture				
Assets:				
Due from other funds	\$ 335,027	\$ 4,500	\$ 317,558	\$ 21,969
Total Assets	<u>\$ 335,027</u>	<u>\$ 4,500</u>	<u>\$ 317,558</u>	<u>\$ 21,969</u>
Liabilities:				
Deposits held for others	\$ 335,027	\$ 4,500	\$ 317,558	\$ 21,969
Total Liabilities	<u>\$ 335,027</u>	<u>\$ 4,500</u>	<u>\$ 317,558</u>	<u>\$ 21,969</u>
Contractor's Escrow Account				
Assets:				
Cash and cash equivalents	\$ -	\$ 12,014	\$ -	\$ 12,014
Due from other funds	149,860	5,000	15,000	139,860
Total Assets	<u>\$ 149,860</u>	<u>\$ 5,000</u>	<u>\$ 15,000</u>	<u>\$ 151,874</u>
Liabilities:				
Deposits held for others	\$ 149,860	\$ 17,014	\$ 15,000	\$ 151,874
Total Liabilities	<u>\$ 149,860</u>	<u>\$ 17,014</u>	<u>\$ 15,000</u>	<u>\$ 151,874</u>
Dolly Searle Scholarship Account				
Assets:				
Cash and cash equivalents	\$ 34,926	\$ 2,105	\$ 2,006	\$ 35,025
Due from other funds				
Total Assets	<u>\$ 34,926</u>	<u>\$ 2,105</u>	<u>\$ 2,006</u>	<u>\$ 35,025</u>
Liabilities:				
Deposits held for others	\$ 34,926	\$ 2,105	\$ 2,006	\$ 35,025
Total Liabilities	<u>\$ 34,926</u>	<u>\$ 2,105</u>	<u>\$ 2,006</u>	<u>\$ 35,025</u>

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CITY OF EAST PROVIDENCE, RHODE ISLAND
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
FOR THE YEAR ENDED OCTOBER 31, 2020

	<u>Balance</u> <u>November 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>October 31, 2020</u>
Student Activities Fund				
Assets:				
Cash and cash equivalents	\$ 268,759	\$ 414,372	\$ 426,553	\$ 256,578
Due from other funds	<u>120,778</u>	<u>124,765</u>	<u>120,850</u>	<u>124,693</u>
Total Assets	\$ <u>389,537</u>	\$ <u>539,137</u>	\$ <u>547,403</u>	\$ <u>381,271</u>
Liabilities:				
Accounts payable	\$ 14,131	\$ 6,170	\$ 19,119	\$ 1,182
Deposits held in custody	270,557	370,009	400,688	239,878
Due to other funds	<u>104,849</u>	<u>89,009</u>	<u>53,647</u>	<u>140,211</u>
Total Liabilities	\$ <u>389,537</u>	\$ <u>465,188</u>	\$ <u>473,454</u>	\$ <u>381,271</u>
Total				
Assets:				
Cash and cash equivalents	\$ 303,685	\$ 428,491	\$ 428,559	\$ 303,617
Due from other funds	<u>605,665</u>	<u>134,265</u>	<u>453,408</u>	<u>286,522</u>
Total Assets	\$ <u>909,350</u>	\$ <u>562,756</u>	\$ <u>881,967</u>	\$ <u>590,139</u>
Liabilities:				
Accounts payable	\$ 14,131	\$ 6,170	\$ 19,119	\$ 1,182
Due to other funds	104,849	89,009	53,647	140,211
Deposits held for others	<u>790,370</u>	<u>393,628</u>	<u>735,252</u>	<u>448,746</u>
Total Liabilities	\$ <u>909,350</u>	\$ <u>488,807</u>	\$ <u>808,018</u>	\$ <u>590,139</u>

Other Schedules

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CITY OF EAST PROVIDENCE, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED OCTOBER 31, 2020

Tax Roll Year	Property Taxes Receivable November 1, 2019	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Balance October 31, 2020
2020	\$	\$ 110,799,416	\$ 189,358	\$ 922,784	\$ 110,065,990	\$ 85,302,909	\$ 24,763,081
2019	24,903,900		155,571	(81,444)	25,140,915	24,022,655	1,118,260
2018	1,016,896		7,074	(927)	1,024,897	660,069	364,828
2017	351,571		8,310	5,350	354,531	78,101	276,430
2016	332,821		6,479	3,260	336,040	30,912	305,128
2015	311,109		8	(5,363)	316,480	13,755	302,725
2014	308,257			(1,740)	309,997	5,963	304,034
2013 and prior	1,152,187		21,949	330,591	843,545	8,656	834,889
Total	28,376,741	\$ 110,799,416	\$ 388,749	\$ 1,172,511	\$ 138,392,395	\$ 110,123,020	28,269,375
Less: allowance for uncollectible accounts	(2,950,000)						(2,988,000)
Net Property Taxes Receivable	\$ 25,426,741						\$ 25,281,375

Schedule of Net Assessed Property Value by Category
Assessed December 31, 2018

Description of Property	Valuations	Levy
Real property	\$ 4,423,815,800	\$ 87,680,787
Motor vehicle	292,955,312	7,184,826
Tangible property	280,819,350	15,933,803
Total	4,997,590,462	110,799,416
Exemptions and adjustments	530,620,164	
Net Assessed Value	\$ 4,466,970,298	\$ 110,799,416

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Annual Supplemental Transparency Report

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OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) – Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

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City of East Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended October 31, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 85,207,637	\$ -
Last Year's Levy Tax Collection	23,432,243	-
Prior Years Property Tax Collection	797,026	-
Interest & Penalty	777,062	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,368,735	-
Fines and Forfeitures	128,756	-
Investment Income	75,927	-
Departmental	1,246,705	-
Rescue Run Revenue	1,958,941	-
Police & Fire Detail	1,467,078	-
Other Local Non-Property Tax Revenues	459,298	-
Tuition	-	480,055
Impact Aid	-	-
Medicaid	-	963,067
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	-
CDBG	173,551	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	44,601	3,883,319
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	29,831	-
MV Excise Tax Reimbursement	516,914	-
State PILOT Program	84,740	-
Distressed Community Relief Fund	-	-
Library Resource Aid	420,617	-
Library Construction Aid	53,000	-
Public Service Corporation Tax	590,964	-
Meals & Beverage Tax / Hotel Tax	1,021,205	-
LEA Aid	-	34,912,926
Group Home	-	-
Housing Aid Capital Projects	-	769,495
Housing Aid Bonded Debt	1,304,519	-
State Food Service Revenue	-	1,013,775
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	214,703	1,668,446
Motor Vehicle Phase Out	2,059,519	-
Other Revenue	-	645,753
Local Appropriation for Education	-	50,124,777
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 123,433,572</u>	<u>\$ 94,461,612</u>
Financing Sources: Transfer from Capital Funds	\$ 1,394,603	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 1,394,603</u>	<u>\$ -</u>

City of East Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended October 31, 2020

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 989,209	\$ 1,403,242	\$ 142,433	\$ 352,666	\$ 1,617,281	\$ 1,296,110	\$ 3,466,082	\$ 358,048	\$ 7,406,776
Compensation - Group B	-	-	-	-	-	-	-	-	378,807
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	5,098	465	135	5,470	57,187	10,207	76,302	-	1,884,057
Overtime - Group B	-	-	-	-	-	-	-	-	100,970
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	990,024
Active Medical Insurance - Group A	117,239	251,685	29,607	26,228	238,607	225,300	663,588	59,740	1,215,838
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	45,763
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	8,008	19,969	389	1,743	16,632	14,213	49,736	6,130	75,564
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	3,501
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	74,722	103,499	13,458	26,881	125,639	96,042	260,010	26,358	197,811
Life Insurance	6,349	8,168	440	2,198	8,092	8,466	21,734	1,709	40,671
State Defined Contribution- Group A	8,940	13,678	1,062	3,440	13,365	11,473	33,557	2,028	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,529
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,693	15,983	12,552	-	15,183	9,328	16,260	-	47,301
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	2,124,245
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	194,876	298,160	23,148	74,982	310,238	250,088	731,507	44,200	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	76,930
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	580,656	184,109	8,647	40,684	82,402	108,986	800,790	5,753	61,687
Materials/Supplies	47,093	40,293	17,638	4,483	92,004	155,157	71,061	28,040	208,748
Software Licenses	-	-	-	143,635	-	-	-	-	-
Capital Outlays	-	-	-	85,050	-	-	-	4,893	435,477
Insurance	1,449,532	-	-	-	-	-	-	-	-
Maintenance	-	-	2,707	-	125,913	29,388	28,888	60,913	31,403
Vehicle Operations	-	-	27	-	7,356	-	209,272	3,248	164,397
Utilities	5,189	4,310	20,962	80,893	178,095	49,478	282,540	69,564	287,076
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	656,699	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	110,459	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,399,237	-	-
Claims & Settlements	144,331	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	98,980	8,752	20,035	170,116	2,704	890	6,117	7,079	143,323
Tipping Fees	-	-	-	-	-	-	700,456	-	-
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	\$ 3,733,915	\$ 2,352,313	\$ 293,240	\$ 1,018,469	\$ 2,890,698	\$ 2,265,126	\$ 9,584,295	\$ 677,703	\$ 15,923,898

City of East Providence
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended October 31, 2020

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 8,516,152	\$ 650,812	\$ 217,336	\$ -	\$ -	\$ -	\$ 26,416,147	\$ 38,273,610
Compensation - Group B	146,981	-	-	-	-	-	525,788	4,589,776
Compensation - Group C	-	-	-	-	-	-	-	8,839,370
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	4,191,233	162,703	9,241	-	-	-	6,402,098	-
Overtime - Group B	-	-	-	-	-	-	100,970	7,763
Overtime - Group C	-	-	-	-	-	-	-	181,380
Police & Fire Detail	2,160	-	-	-	-	-	992,184	-
Active Medical Insurance - Group A	1,325,827	100,522	27,264	-	-	-	4,281,445	5,389,227
Active Medical Insurance- Group B	21,938	-	-	-	-	-	67,701	480,569
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,893,319
Active Dental insurance- Group A	82,158	7,909	1,743	-	-	-	284,194	369,154
Active Dental Insurance- Group B	1,321	-	-	-	-	-	4,822	34,415
Active Dental Insurance- Group C	-	-	-	-	-	-	-	199,969
Payroll Taxes	206,753	50,291	16,895	-	-	-	1,198,359	1,516,617
Life Insurance	30,420	4,689	1,172	-	-	-	134,108	224,884
State Defined Contribution- Group A	-	5,773	1,632	-	-	-	94,948	979,531
State Defined Contribution - Group B	206	-	-	-	-	-	3,735	107,461
State Defined Contribution - Group C	-	-	-	-	-	-	-	86,882
Other Benefits- Group A	212,403	5,785	-	-	-	-	338,488	497,188
Other Benefits- Group B	-	-	-	-	-	-	-	90,176
Other Benefits- Group C	-	-	-	-	-	-	-	164,846
Local Defined Benefit Pension- Group A	6,066,403	-	-	-	-	-	8,190,648	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	125,841	35,569	-	-	-	2,088,609	5,471,297
State Defined Benefit Pension- Group B	51,033	-	-	-	-	-	127,963	663,932
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,799,223
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	335,304	6,872	9,830	-	-	-	2,225,720	15,145,547
Materials/Supplies	354,529	19,961	11,073	-	-	-	1,050,080	1,607,399
Software Licenses	-	-	-	-	-	-	143,635	318,228
Capital Outlays	-	-	-	-	-	-	525,420	1,097,053
Insurance	-	-	-	-	-	-	1,449,532	419,272
Maintenance	76,719	993	12,744	-	-	-	369,668	463,564
Vehicle Operations	153,412	-	239	-	-	-	537,951	49,218
Utilities	299,298	43,221	15,395	-	-	-	1,336,021	1,222,798
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	656,699	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	110,459	-
Trash Removal & Recycling	-	-	-	-	-	-	1,399,237	-
Claims & Settlements	-	-	-	-	-	-	144,331	94,449
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	38,143	6,621	45	-	-	-	502,805	113,075
Tipping Fees	-	-	-	-	-	-	700,456	-
Local Appropriation for Education	-	-	-	50,124,777	-	-	50,124,777	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,863,571	-	1,863,571	-
Municipal Debt- Interest	-	-	-	-	38,381	-	38,381	-
School Debt- Principal	-	-	-	-	2,077,480	-	2,077,480	-
School Debt- Interest	-	-	-	-	236,873	-	236,873	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	3,447,356	3,447,356	100,000
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 22,112,393	\$ 1,191,993	\$ 360,178	\$ 50,124,777	\$ 4,216,305	\$ 3,447,356	\$ 120,192,659	\$ 93,491,192

Financing Uses: Transfer to Capital Funds	\$ 5,300,073	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 5,300,073	\$ -
Net Change in Fund Balance¹	(664,557)	970,420
Fund Balance1- beginning of year	\$18,071,600	\$3,006,887
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(2)
Fund Balance¹ - beginning of year adjusted	18,071,600	3,006,885
Rounding	-	-
Fund Balance¹ - end of year	\$ 17,407,043	\$ 3,977,305

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

City of East Providence
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended October 31, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 18,071,600	-	\$ 18,071,600	
<i>No funds removed from RGS for fiscal 2019</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2019</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2019</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2020 adjusted						<u>\$ 18,071,600</u>	-	<u>\$ 18,071,600</u>	
General Fund	\$ 123,215,420	\$ 1,394,603	\$ 69,326,064	\$ 55,424,850	\$ (140,891)	\$ 15,883,915	\$ -	\$ 15,883,915	\$ 15,743,024
20089 Byrne/Jag	13,338	-	24,956	-	(11,618)	20,903	-	20,903	9,285
DOJ Equitable sharing	2,701	-	533,125	-	(530,424)	2,071,349	-	2,071,349	1,540,925
20195 Fire Decon Grant	28,562	-	10,186	-	18,376	95,435	-	95,435	113,811
CDBG	693,383	-	886,575	-	(193,192)	323,061	-	323,061	129,869
Totals per audited financial statements	<u>\$ 123,953,404</u>	<u>\$ 1,394,603</u>	<u>\$ 70,780,905</u>	<u>\$ 55,424,850</u>	<u>\$ (857,748)</u>	<u>\$ 18,394,663</u>	<u>\$ -</u>	<u>\$ 18,394,663</u>	<u>\$ 17,536,915</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	\$ (519,832)	\$ -	\$ (713,024)	\$ -	\$ 193,192	\$ (323,063)	\$ -	\$ (323,063)	\$ (129,871)
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 Rounding	-	-	50,124,777	(50,124,777)	-	-	-	-	-
Totals Per MTP2	<u>\$ 123,433,572</u>	<u>\$ 1,394,603</u>	<u>\$ 120,192,659</u>	<u>\$ 5,300,073</u>	<u>\$ (664,557)</u>	<u>\$ 18,071,600</u>	<u>\$ -</u>	<u>\$ 18,071,600</u>	<u>\$ 17,407,043</u>

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

City of East Providence
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended October 31, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 3,006,887		\$ 3,006,887	
<i>Misc. adjustments made for fiscal 2019</i>						(2)		(2)	
Fund Balance¹ - per MTP-2 at June 30, 2020 adjusted						<u>\$ 3,006,885</u>		<u>\$ 3,006,885</u>	
School Unrestricted Fund	\$ 40,547,262	\$ 50,124,777	\$ 90,052,513	\$ -	\$ 619,526	\$ 2,126,695	\$ -	\$ 2,126,695	\$ 2,746,221
School Special Revenue Funds	7,787,653	-	7,436,759	-	350,894	880,190	-	880,190	1,231,084
Totals per audited financial statements	<u>\$ 48,334,915</u>	<u>\$ 50,124,777</u>	<u>\$ 97,489,272</u>	<u>\$ -</u>	<u>\$ 970,420</u>	<u>\$ 3,006,885</u>	<u>\$ -</u>	<u>\$ 3,006,885</u>	<u>\$ 3,977,305</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 50,124,777	\$ (50,124,777)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,998,080)	-	(3,998,080)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 94,461,612</u>	<u>\$ -</u>	<u>\$ 93,491,192</u>	<u>\$ -</u>	<u>\$ 970,420</u>	<u>\$ 3,006,885</u>	<u>\$ -</u>	<u>\$ 3,006,885</u>	<u>\$ 3,977,305</u>

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

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Notes to Supplementary Information – *Annual Supplemental Transparency Report (MTP2)*

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

Group A: This group consists of employees who serve the primary function of the department.

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

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