

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
Of the
CITY OF CRANSTON,
RHODE ISLAND



FOR THE FISCAL YEAR ENDED

JUNE 30, 2009

PREPARED BY:
DEPARTMENT OF FINANCE
ROBERT F. STROM, DIRECTOR OF FINANCE

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AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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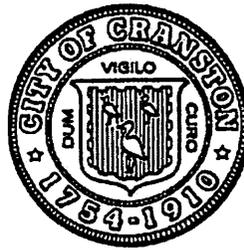
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**Introductory
Section**

ALLAN W. FUNG
MAYOR



ROBERT F. STROM
FINANCE DIRECTOR

DEPARTMENT OF FINANCE
CITY HALL
869 PARK AVENUE
CRANSTON, RHODE ISLAND 02910

December 28, 2009

Honorable Mayor Allan W. Fung
and Members of the Cranston City Council
Cranston, Rhode Island

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Cranston, Rhode Island for the year ended June 30, 2009. The report includes the independent auditors' report as required by Rhode Island Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

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

Braver PC, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Rhode Island, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cranston, Rhode Island for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cranston's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF CRANSTON

The City was established as a City in 1754 and incorporated as a City in 1910. With a population of 81,479 as determined by the Rhode Island Economic Development Corporation, the City is the third most populous municipality in the State of Rhode Island (the "State"). Primarily a residential community, the City contains many fine developments including Dean Estates, Glenwoods, Woodridge, Garden Hills, Garden City and Comstock Gardens.

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

Cranston is located immediately south of Rhode Island's Capitol. The City covers an area of almost 30 square miles, stretching from Narragansett Bay in the east to the Town of Scituate in the west. It is bordered on the north by Providence and Johnston and on the south by Warwick, West Warwick and Coventry.

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

Howard Industrial Park, located at the interchange of Interstate Route 95 and State Route 37, was the City's major economic development success story of the 1970s and 1980s. This location is home to 38 companies with a workforce of more than 3,000. Premiere national and international companies like Ross Simons and Swarovski help to identify this area as one of the premier industrial parks in the State.

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

Cranston is a city of contrasts. Heavily populated in the east, it remains largely rural in the west. Although Cranston was incorporated as a city over 90 years ago, it never developed a true urban character. The neighborhoods, which together constitute Cranston, maintain their rustic charm and separate small-town warmth.

LOCAL ECONOMY

Population

Ranked third in population among the 39 cities and towns in the State in 2000, the City experienced a 4.2% increase in population from 1990 to 2000.

LONG-TERM FINANCIAL PLANNING

The City of Cranston places a high priority on economic development initiatives in order to solicit and secure new businesses as well as give continual support to the improvement of the City's present business community, improving the City's tax base and the employment opportunities for Cranston residents. The City has successfully implemented aggressive business recruitment and expansion programs and has reinvested heavily in its urban business corridors. Through a variety of forward thinking legislative initiatives, the City offers comprehensive investment incentives to increase the viability of new and existing development areas.

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

Industrial Park

Western Cranston Industrial Area - Currently, this is not only Cranston's but one of the State of Rhode Island's fastest developing industrial parks, located centrally in the State at an interchange of Interstate Route 295 and Route 14. This area continues to develop as one of the most important parts of the City's industrial tax base. Nationally recognized companies like Con-Way Trucking, who operates a major new terminal on 13 acres, and Bay State Florist, an international floral exporter, are just a few of the many industrial tenants that have been attracted to this ever growing industrial area. Approximately 85 acres of fully serviced industrial land with excellent highway access remain available for development.

Chapel View Shopping Center

Located directly across from Garden City, this new upscale mixed use shopping group, coupled with the many high quality stores of its next door neighbor, will establish this area of Cranston as one of the leading shopping centers of not only the State but the Southeastern New England region. Located on the former site of the State's Youth Training and Reform school, the developers have used a number of the former historic structures, all over one hundred years old, to develop a European Village atmosphere that will have extensive upscale condominiums, office space and retail components. Current tenants include Shaw's Superstore Market, the largest and newest for the food chain in this area, Omaha Steaks, REI sporting goods store and several restaurants including Ted's Montana Grill and Johnny Rockets. When completed, this area will be home to over 368,000 square feet of retail and living space.

LONG-TERM FINANCIAL PLANNING (CONTINUED)

Recent Development Initiatives

Cranston Parkade - The long awaited redevelopment of the 77-acre former Narragansett Brewery property is completed. The Brewery Parkade has over 400,000 square feet of retail shopping area including such well-known retailers as Lowe's, Kmart, A.J. Wright, Super Stop & Shop, and several smaller stores. Phase II, the office development phase, has begun with a new 120,000 square foot complex to house the national restaurant chain, Texas Roadhouse, which has become a very successful facility. The developers completed a new state-of-the-art Police Headquarters and Municipal Court for the City of Cranston in June of 2007. Additional office buildings are currently in the planning stages and seven acres of additional open space has been added with the razing of the former Trolley Barn, which was part of the original Brewery Site. This substantial and visible economic redevelopment effort along Route 10 is proving to be a catalyst for the redevelopment of other nearby former industrial sites.

Western Cranston Office/Retail Development - Taking advantage of a vacant 100-acre parcel at the interchange of Interstate Route 295 and State Route 14, the City revised its zoning of the site to approve the construction of a 200,000 square foot retail complex and a 300,000 square foot office park. The construction of the retail component of this development is completed, and is anchored by a Wal-Mart department store. The office park will offer corporate office clients a landscaped business environment in a campus-like setting. Two new banks have recently been added to this development and 108 units of apartment housing are also nearing completion at this site bringing together all of the latest components of mixed use development.

Citizens Bank Expansion - The Citizens Bank technology service center, located in the former Davol Company, is already the City's single largest office employer. Citizens Bank has continued its major expansion of 90,000 square feet and another 800 jobs at this Cranston facility. Located in close proximity to both the Chapel View and the Garden City Shopping Centers, it provides an excellent complement to the retail and service establishments located nearby.

Tasca Ford Lincoln Mercury - Nationwide the largest Ford dealership, Tasca recently expanded its Regional headquarters in Cranston. The project resulted in the redevelopment of some additional State property as well as a vacant industrial building to create a state-of-the-art Ford Lincoln Mercury Dealership and Service Center that is a model for other Ford dealerships throughout the United States.

Taco Manufacturing Expansion - A well known industrial/commercial valve and pump producer with worldwide distribution, has recently undergone an expansion to increase the size of its facility from 40,000 square feet to over 200,000 square feet. The expansion allowed Taco to consolidate all of its operations to one central location. This expansion is a further example of the revitalization of the Cranston Street area.

Relevant Financial Policies

The City's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. The State continues to struggle with balancing its budget. This has resulted in additional pressure at the local level from reductions in state aid compounded by tax levy caps imposed by the state.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cranston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

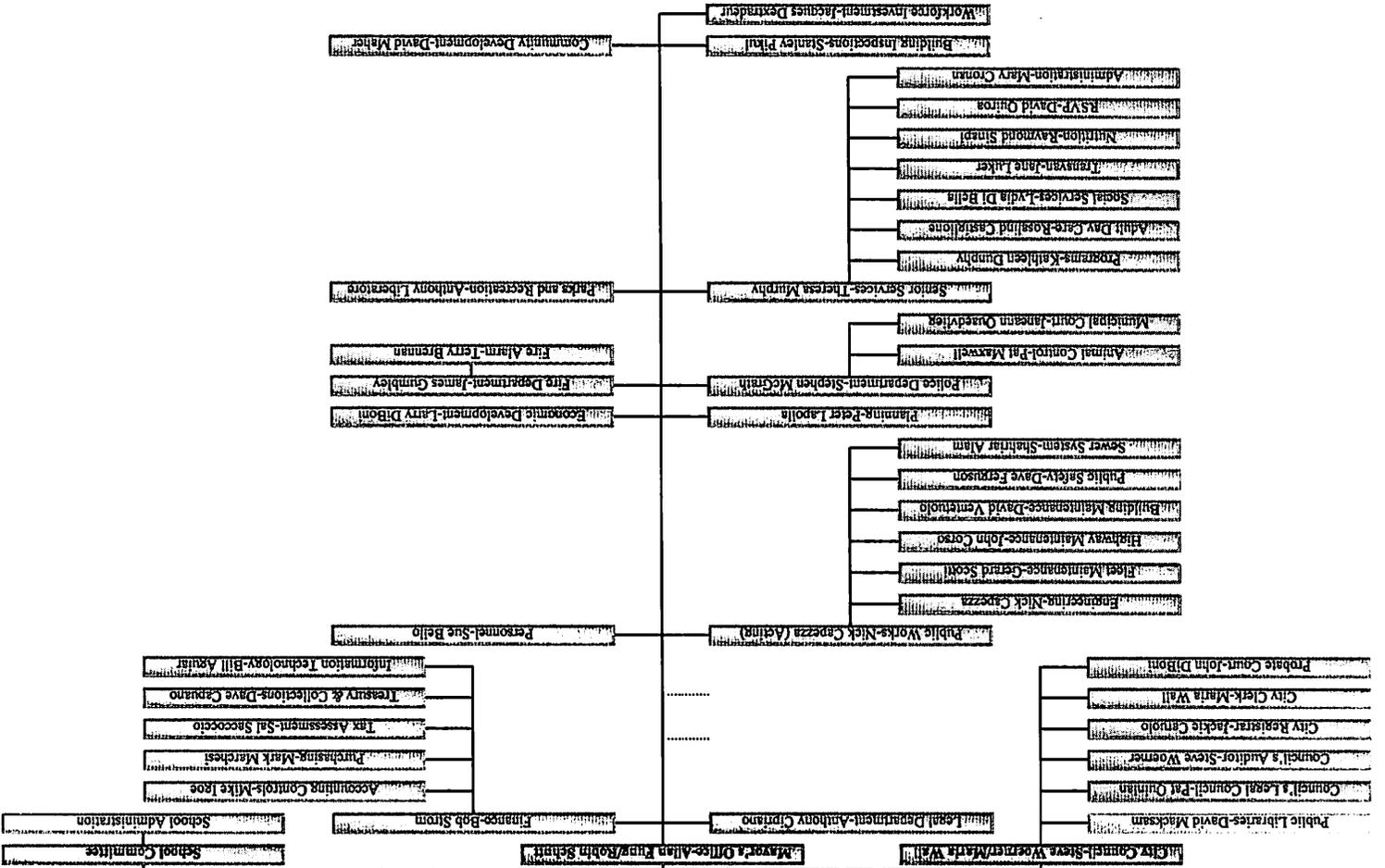
I want to extend the grateful appreciation of all Finance Department employees and to you, Mayor and members of the City Council, for the confidence you have shown in us.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Strom". The signature is written in a cursive style with a large initial "R".

Robert F. Strom,
Director of Finance

The Citizens of the City of Cranston



- Joint Appointments:**
1. Board of Canvassers
 2. Conservation Commission
 3. Housing Board
 4. Board of Contract Claims Committee
 5. Claims Committee
 6. Traffic Safety Comm.
 7. Planning Commission
 8. School Buildings Committee

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

- Mayoral Appointments:**
1. Parks & Rec. Adv. Bd.
 2. Redevelopment Agency
 3. Historic District Comm.
 4. Industrial Dev. Comm.
 5. Investment Committee

CITY OF CRANSTON, RHODE ISLAND

PRINCIPAL OFFICIALS
JUNE 30, 2009

MAYOR

Allan Fung

FINANCE DEPARTMENT

Robert F. Strom, Finance Director

Michael Igoe, CPA - City Controller

Salvatore Saccoccio - Tax Assessor

David Capuano - City Treasurer

Mark Marchesi - Purchasing Agent

William Aguiar - Information Technology Manager

CITY COUNCIL

John E. Lanni, Jr. - Council President

Terence Livingston - Council Vice President

Mario Aceto

Anthony J. Lupino

Emilio L. Navarro

Paul Archetto

Robert Pelletier

Richard Santamaria, Jr.

Michelle Bergin-Andrews

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cranston
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**Financial
Section**

INDEPENDENT AUDITOR'S REPORT

Board of Finance
City of Cranston, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cranston, Rhode Island, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Cranston, Rhode Island, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis, Schedule of Funding Progress - Cranston Retirement and OPEB Systems and budgetary comparison information on pages 11 through 25 and pages 82 through 87, respectively, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

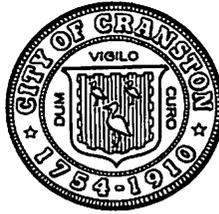
City of Cranston, Rhode Island
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cranston, Rhode Island's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Braver PC
Providence, Rhode Island
December 28, 2009

Allan W. Fung
MAYOR



Robert F. Strom
FINANCE DIRECTOR

Department of Finance

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

***MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009***

As management of the City of Cranston, Rhode Island, we offer readers of the City of Cranston's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009.

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

Financial Highlights

- The assets of the City of Cranston exceeded its liabilities at the close of the fiscal year ended June 30, 2009 by \$5.5 million (*net assets*).
- The City's total net assets decreased by \$6.6 million (or 54.5%). The governmental net assets decreased by \$6.0 million (or 20.9%) and the business-type net assets decreased by \$0.6 million (or 1.5%).
- The governmental activities revenue increased \$1.6 million (or 0.6%) and the net results from activities decreased from prior year by \$5.6 million as restated. In 2009, the results of activities produced a decrease in net assets of \$6.0 million and in 2008 the results of activities as restated, produced a decrease in net assets of \$0.4 million.
- The business-type activities revenue decreased by \$0.8 million (or 3.9%) and the net results from activities decreased from prior year by \$1.8 million (or 150.0%). In 2009, the results of activities produced a decrease in business-type net assets of \$0.6 million, while in 2008 the results of activities produced an increase of \$1.2 million in business-type net assets.
- The General Fund (the primary operating fund) reflected on a current financial resource basis reports a decrease in fund balance of \$1.7 million (or 7.4%), compared to an increase of \$4.3 million in the prior year as restated.
- The City's total debt increased by \$0.6 million. The increase is due primarily to the issuance of \$7.0 million of new debt less the scheduled repayment of \$6.4 million of outstanding debt.

Overview of the Basic Financial Statements

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

Government Wide Financial Statements

Reporting the City as a Whole

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

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

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

The City maintains 56 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 balances for the General Fund and School Department, both of which are considered to be major funds. Data from the other 54 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the other 54 governmental funds, which are consolidated into 22 funds for reporting purposes, is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds. The City of Cranston maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Cranston uses enterprise funds to account for its sewer operations, Public Facilities Management Foundation, and its school lunch program. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Cranston uses an internal service fund to account for certain self-insured risks. Because this fund predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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

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

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

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

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

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

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

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

Reporting the City's Most Significant Funds (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

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

Condensed Statement of Net Assets

**As of June 30
 (In Millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>(As Restated) 2008</u>	<u>2009</u>	<u>(As Restated) 2008</u>	<u>2009</u>	<u>(As Restated) 2008</u>
Assets:						
Current and other assets	\$ 211.2	\$ 58.0	\$ 27.8	\$ 13.4	\$ 239.0	\$ 71.4
Capital assets	125.7	122.5	67.3	69.5	193.0	192.0
Total assets	336.9	180.5	95.1	82.9	432.0	263.4
Liabilities:						
Long-term liabilities						
Outstanding	189.5	184.9	48.7	36.2	238.2	221.2
Other liabilities	182.1	24.3	6.2	5.9	188.3	30.1
Total liabilities	371.6	209.2	54.9	42.1	426.5	251.3
Net assets:						
Invested in capital assets,						
Net of debt	29.8	27.7	59.0	60.3	88.8	88.0
Restricted	0.7	3.2	0.5	0.5	1.2	3.7
Unrestricted	(65.2)	(59.6)	(19.3)	(20.0)	(84.5)	(79.6)
Total net assets	\$ (34.7)	\$ (28.7)	\$ 40.2	\$ 40.8	\$ 5.5	\$ 12.1

The composition of net assets and the changes in net assets over a period of time serves as a useful indicator of the City's financial position. The City's total assets at June 30, 2009, exceed liabilities by \$5.5 million. Of the net assets, \$(84.5) million are unrestricted net assets. The City's net assets are comprised of \$(34.7) million from governmental activities and \$40.2 million from business-type activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Condensed Statement of Net Assets (Continued)

Invested in capital assets, net of related debt comprises \$88.8 and \$88.0 million of net assets at June 30, 2009 and 2008, respectively. This category reflects the total invested in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The second category of net assets, restricted net assets, represents net assets that are subject to external restriction on how they may be used. Restricted net assets totaled \$0.7 million for governmental activities and \$0.5 million for business-type activities. Restricted net assets in governmental activities consisted predominantly of construction commitments for existing capital projects. Restricted net assets in business-type activities consisted of cash reserves required by bond agreement totaling \$0.5 million.

Normal Impacts

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

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

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

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

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

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

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

Governmental Activities-Condensed Statements of Net Assets

The major component of the "Current and Other Assets" category is "Receivables-Property Taxes" of \$168.6 million. This category is also comprised of "Cash" of \$20.7 million. "Receivables-Property Taxes" increased \$164.2 million due to a change on when the City recognized the subsequent year's tax levy as an asset.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities-Condensed Statements of Net Assets (Continued)

The long-term liabilities outstanding at fiscal year end was \$189.5 million, of which \$92.9 million consisted of general obligation bonds, leases payable, and certificates of participation. The proceeds from these obligations were used to fund various capital projects (such as school construction and playground construction and improvements).

Total net assets at June 30, 2009 was comprised of unrestricted net assets of \$(65.2) million with the balance consisting of "Restricted" of \$0.7 million and "Invested in Capital Assets Net of Related Debt" of \$29.8 million.

Business-Type Activities-Condensed Statements of Net Assets

For business-type activities, such as the Sewer Enterprise Fund, current and other assets consists of \$5.8 million in cash which was available to support the current operations of the Enterprise Funds. The remaining balance of current and other assets, \$22.0 million, consists primarily of receivables totaling \$15.6 million, a lease payment receivable of \$2.5 million and an intergovernmental receivable of \$4.0 million.

Long-term liabilities were comprised of \$38.7 million of unearned revenues and \$10.0 million representing the non-current portion of long-term liabilities, primarily general obligation bonds used to finance the capital operations of the Sewer Plant as well as SRF (state revolving fund) loan from Rhode Island Clean Water Finance Agency. Other liabilities consisted primarily of the current portion of unearned revenue of \$2.0 million, \$2.9 million of accounts payable, and \$1.3 million for the current portion of long-term bonds payable.

Invested in capital assets, net of related debt is the major component of net assets for business-type activities at a total of \$59.0 million. As stated above, in the government-wide analysis of the Statement of Net Assets, the total of \$0.5 million is for "Restricted Net Assets". The balance of \$(19.3) million comprises "Unrestricted Net Assets".

Statement of Activities

A condensed Statement of Activities for the City of Cranston is presented below listing the major categories of revenues and expenses for the fiscal years ended June 30, 2009 and 2008.

Condensed Statement of Activities
 Year Ended June 30 (In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 16.9	\$ 16.4	\$18.3	\$19.0	\$35.2	\$ 35.4
Operating grants and contributions	56.9	55.0	1.3	1.5	58.2	56.5
Capital grants and contributions.....	0.2	0.1			0.2	0.1
General Revenues:						
Property taxes.....	171.3	170.2			171.3	170.2
Grants and contributions not						
Restricted to specific programs	2.1	4.6			2.1	4.6
Unrestricted investment earnings	1.0	2.5	0.3	0.2	1.3	2.7
Other	2.0				2.0	0.0
Total revenues	250.4	248.8	19.9	20.7	270.3	269.5

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities (Continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
Program Expenses:						
General government.....	\$ 13.5	\$ 11.1	\$	\$	\$ 13.5	\$ 11.1
Public safety.....	69.9	64.9			69.9	64.9
Public works.....	14.4	13.6			14.4	13.6
Education.....	144.1	145.6			144.1	145.6
Parks and recreation.....	2.3	2.6			2.3	2.6
Libraries.....	3.2	3.1			3.2	3.1
Senior services.....	2.9	3.1			2.9	3.1
Other.....			3.1	3.3	3.1	3.3
Community development.....	1.1	0.9			1.1	0.9
Sewer.....			17.4	16.2	17.4	16.2
Interest and other costs.....	5.0	4.3			5.0	4.3
Total expenses	256.4	249.2	20.5	19.5	276.9	268.7
Change in net assets	(6.0)	(0.4)	(0.6)	1.2	(6.6)	0.8
Net assets – July 1 (as restated)	(28.7)	(28.3)	40.8	39.6	12.1	11.3
Net assets – June 30	\$(34.7)	\$(28.7)	\$ 40.2	\$ 40.8	\$ 5.5	\$ 12.1

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

Governmental Activities-Condensed Statement of Activities

General revenues include all revenues not required to be reported as “program revenue”. The other “general revenues” of \$181.5 and \$177.3 million includes \$171.3 and \$170.2 million in property taxes for the years ended June 30, 2009 and 2008, respectively.

“Program expenses” are presented in the Condensed Statement of Activities by function and total \$256.4 and \$249.2 million as restated (including interest on long-term debt) for the fiscal years June 30, 2009 and 2008, respectively.

“Changes in net assets” decreased \$5.6 million to \$(6.0) million from \$(0.4) million for the years ended June 30, 2009 and 2008, respectively. The change resulted primarily from an increase in program expenses.

Business-Type Activities – Condensed Statement of Activities

Business-Type Activities provided by the City of Cranston consists primarily of the operation of the wastewater facility commonly know as the Sewer Enterprise Fund. The majority of revenues for this fund consist of charges for services. In fiscal years 2009 and 2008, the City generated \$18.3 and \$19.0 million, respectively, in charges for services for all of its business-type activities.

The total amount of expenses for business-type activities were \$20.5 and \$19.5 million, for the fiscal years ended June 30, 2009 and 2008, respectively.

The “Change in Net Assets” resulted in an decrease of \$1.8 million to \$(0.6) million for the fiscal year ended June 30, 2009, as compared to \$1.2 million for the fiscal year ending June 30, 2008. The decrease was due primarily to less participants and increased costs associated with the school lunch program.

Financial Analysis of City’s Funds

Governmental Funds

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

Combined fund balances for all the Governmental Funds was \$26.3 million. Fund balance was comprised of \$16.6 million unreserved fund balances and \$9.7 million reserved fund balances. Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the City. Assets of \$215.9 million include primarily \$19.6 million in “Cash”, \$165.4 million in “Taxes Receivable”, \$12.3 million in “Intergovernmental Receivables”, \$2.2 million “Due From Other Governments”, “Advances” of \$9.0 million, “Due from Other Funds” of \$3.7 million, \$0.8 million in “Prepaid assets and the remaining \$2.9 million in “Other Current Assets”. Liabilities of \$189.6 million consisted of \$4.0 million in “Accounts Payable”, \$2.7 million in “Due to Other Funds”, \$169.3 million in “Unearned Revenue”, \$1.6 million of “Claims Payable”, \$3.0 million of other miscellaneous liabilities and \$9.0 million of Advances from other funds.

Condensed Balance Sheet

As of June 30
(In Millions)

	General Fund (As Restated)		School Department		Total Major Funds (As Restated)	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets:						
Current and other assets	\$192.5	\$35.9	\$5.3	\$3.6	\$197.8	\$39.5
Total assets	192.5	35.9	5.3	3.6	197.8	39.5
Liabilities:						
Other liabilities	171.2	12.9	13.5	8.2	184.7	21.1
Total liabilities	171.2	12.9	13.5	8.2	184.7	21.1
Fund Balance:						
Reserved	9.0	3.2	0.7	0.7	9.7	3.9
Unreserved	12.3	19.8	(8.9)	(5.3)	3.4	14.5
Total fund balance	<u>\$21.3</u>	<u>\$23.0</u>	<u>\$(8.2)</u>	<u>\$(4.6)</u>	<u>\$13.1</u>	<u>\$18.4</u>

General Fund - Condensed Balance Sheet

The General Fund's total assets of \$192.5 million consists primarily of \$8.1 million in "Cash", \$165.4 million of "Taxes Receivable" \$8.7 million of "Intergovernmental Receivables", "Advances" of \$9.0 million, "Other Receivables" of \$0.3 million and amounts "Due from Other Funds" of \$2.0 million.

Total liabilities for the General Fund were \$171.2 million. "Accounts payable" amounted to \$1.7 million; \$166.9 million represented "Unearned Revenue", \$0.4 million in "Due to Other Funds", \$0.5 million in "Claims Payable" and \$1.7 million of accrued liabilities.

The City's unreserved fund balance was \$12.3 million, at June 30, 2009.

School Department - Condensed Balance Sheet

The School Department's total assets were \$5.3 million. The majority of that consisted \$2.4 million in "Intergovernmental Receivables", \$0.8 million of "Advanced Deposits", and \$2.1 of "Due from other funds".

Liabilities for the School Department totaled \$13.6 million. The majority of that consisted of "Other Liabilities" of \$1.0 million, \$9.0 of advances from the general fund, "Accounts Payable" of \$1.5 million and, \$1.1 million in "Claims Payable" and \$1.0 million "Due to Other Funds". For the fiscal year ending June 30, 2009, the School Department had a fund balance of \$(8.2) million. This was comprised of \$0.7 million reserved fund balance and \$(8.9) million in unreserved fund balance. For the prior fiscal year ending June 30, 2008 the School Department had a fund balance of \$(4.6) million that was comprised of an unreserved fund balance of \$(5.3) million and reserved fund balance was \$0.7 million.

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

A condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the City of Cranston is presented below listing the major categories of revenues and expenditures for the fiscal years ended June 30, 2009 and 2008. The major funds for the City of Cranston are the "General Fund" and the "School Department."

The fund reporting format, also presented on a functional basis, presented in "Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds" presents all revenue types followed by the expenditures of the City. The fund financial statements report current year capital expenditures and do not report depreciation on capital assets. Likewise, principal payments on long-term liabilities are reported as current year expenditures and are not offset against the related long-term liability as within the Government-Wide Financial Statements. The major source of revenues for the City comes from "General Property Taxes". For the years ending June 30, 2009, and 2008 as restated, the City collected \$156.7, and \$156.2 million of property taxes, respectively. Total revenues for all major governmental funds for the years ended June 30, 2009 and 2008 as restated, were \$229.7, and \$223.7 million, respectively. For the major governmental funds, the total expenditures for the years ending June 30, 2009, and 2008, were \$244.5, and \$239.9 million, respectively. For the year ended June 30, 2009, General Fund revenues exceeded expenditures by \$75.2 million before other financing sources (uses) as compared to \$74.4 million for the period ending June 30, 2008 as restated.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances

	Year Ended June 30 (In Millions)				Total Major Governmental	
	General Fund		School Department		2009	2008
	2009	2008	2009	2008	2009	2008
Revenues:						
General Revenues:						
Property taxes.....	\$156.7	\$156.2	\$	\$	\$156.7	\$156.2
Intergovernmental	10.8	8.7	37.6	43.3	48.4	52.0
Charges for services.....	11.9	11.5	1.9	1.6	13.8	13.1
State fiscal stabilization funds.....			2.0		2.0	
State on behalf pension contributions			6.7		6.7	
Investment income	0.7	1.8			0.7	1.8
Other	1.4	0.3		0.3	1.4	0.6
Total revenues	181.5	178.5	48.2	45.2	229.7	223.7
Expenditures:						
Current:						
General government.....	7.9	8.1			7.9	8.1
Public safety	66.8	65.6			66.8	65.6
Public works.....	14.0	13.3			14.0	13.3
Education			138.2	135.8	138.2	135.8
Parks and recreation	2.3	2.1			2.3	2.1
Public libraries	3.1	3.1			3.1	3.1
Senior services	2.8	2.9			2.8	2.9
Other	0.2	0.2			0.2	0.2
Debt Service:						
Principal	5.1	5.0			5.1	5.0
Interest and other costs.....	4.1	3.8			4.1	3.8
Total expenditures	106.3	104.1	138.2	135.8	244.5	239.9
Excess (deficiency) of revenues over expenditures before other financing sources (uses).....	75.2	74.4	(90.0)	(90.6)	(14.8)	(16.2)
Other Financing Sources (Uses):						
Issuance of Debt.....		4.0				4.0
Bond Premium		0.1				0.1
Transfers in	9.5	12.4	86.4	85.4	95.9	97.8
Transfers out	(86.4)	(86.6)			(86.4)	(86.6)
Net other financing sources (uses)	(76.9)	(70.1)	86.4	85.4	9.5	15.3
Net change in fund balances	(1.7)	4.3	(3.6)	(5.2)	(5.3)	(0.9)
Fund balance July 1 (as restated).....	23.0	18.7	(4.6)	0.6	18.4	19.3
Fund balance June 30	\$ 21.3	\$ 23.0	\$ (8.2)	\$ (4.6)	\$ 13.1	\$ 18.4

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

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

The City's General Fund had revenues of \$181.5 million for the fiscal year ended June 30, 2009. This was comprised of \$156.7 million in "General Property Taxes", \$10.8 million of "Intergovernmental" revenues, \$11.9 million in "Charges for Services", \$0.7 million in "Investment Income", and \$1.4 million in "Other" revenue.

Expenditures for the General Fund for fiscal year ended June 30, 2009 were \$106.3 million. These expenditures consisted of \$7.9 million in "General Government" expenditures, \$66.8 million of "Public Safety" expenditures, \$14.0 million of "Public Works" expenditures, \$2.3 million of "Parks and Recreation" expenditures, \$3.1 million of "Public Libraries" expenditures, \$2.8 million of "Senior Services" expenditures, \$0.2 million of "Other" expenditures, \$5.1 million of "Debt Service Principal" expenditures, and \$4.1 million of "Interest and Other Costs".

In addition to general operating expenses, the General Fund also had "Net Other Financing Uses" of \$(76.9) million. This was composed of a \$(86.4) million transfers out, which was transferred to the "School Department". This also included \$9.5 million in "Transfers In" from "Other Governmental Funds" for excise tax phase-out.

The net change in fund balances was \$(1.7) million for the fiscal year ended June 30, 2009. This was primarily due to a mid-year reduction in state aid.

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

The "School Department" had revenues for the year ended June 30, 2009 of \$48.2 million. This was derived from \$37.6 million of "Intergovernmental" revenues, \$1.9 million of "Charges for Services", \$2.0 million for "State Fiscal Stabilization" and \$6.7 million of an on behalf pension contribution made by the state.

Expenditures for the School Department totaled \$138.2 million. This entire amount represents expenditures related to "Education".

In addition to general operating revenues, the School Department also received \$86.4 million of "Other Financing Sources" in the form of "Transfers In" from the "General Fund".

The net change in fund balances was \$(3.6) million for the fiscal year ended June 30, 2009. This was primarily due to an increase in salaries and benefits coupled with an increase in the cost of providing special education and transportation for those students.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Proprietary Funds

The Proprietary Funds consist of the Sewer Fund, the Public Facilities Management Foundation, the School Lunch Program, and the Internal Service Fund. The major source of revenues consists of "Charges for Usage and Service" of \$17.5 million. Total operating revenues were \$18.3 million. Total operating expenses for the year ending June 30, 2009, for the Proprietary Funds were \$20.2 million. The "Contract Payments" of \$14.2 million for sewer privatization comprise the majority of the expenses. Net "Non-Operating Revenues" for the year ending June 30, 2009 were \$1.3 million. The Proprietary Funds ended fiscal year 2009 with \$0.6 million more in expenses than revenues. Net Assets "Invested in Capital Assets, Net of Related Debt" was \$59.0 million at June 30, 2009. Unrestricted Net Assets were \$(19.3) million at June 30, 2009, compared to \$(20.0) million at June 30, 2008, an increase of \$0.7 million or 3.5%.

Analysis of Significant Budget Variations in the General Fund

For the year ended June 30, 2009, the General Fund Revenues exceeded budget projections by \$ 0.2 million or 0.1%. General Fund expenditures were over budget by \$1.9 million or 0.8%. This resulted in \$1.6 million of negative variance from revenues in excess of expenditures in the General Fund for the year ending June 30, 2009.

Significant revenue variances include:

- Property taxes – Favorable variance of \$1.4 million due to an aggressive collection policy.
- Departmental Income – Favorable variance of \$1.4 million due primarily to 3rd party rescue receipts.
- Other- Favorable variance of \$1.0 million from the reversal of legal accrual
- Intergovernmental – Unfavorable variance of \$1.8 million due to a mid-year decrease in state aid.
- Investment Income- Unfavorable variance of \$1.2 million due to the near collapse of financial industry.
- Licenses and permits-Unfavorable variance of \$0.6 million due to the decline in the real estate market.

Significant expenditure variances include:

- Public Works – Unfavorable variance of \$0.7 million due to a severe winter.
- Municipal Debt- Unfavorable variance of \$1.2 million due to unachievable goals set for attaining union concessions in a year that there was a change in administration.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

The City of Cranston’s investment in capital assets for its governmental and business-type activities as of June 30, 2009 and 2008 as restated amounted to \$192.9 and \$192.0 million, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, motor vehicles, machinery and equipment and office furniture and equipment, and infrastructure.

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

Capital Assets at Year End
(In Millions)

	<u>Governmental Activities</u> (As Restated)		<u>Business-Type Activities</u>		<u>Total</u> (As Restated)	
	2009	2008	2009	2008	2009	2008
Land	\$ 11.1	\$ 11.1	\$ 0.3	\$ 0.3	\$ 11.4	\$ 11.4
Construction in progress	4.1	0.9	0.1	2.3	4.2	3.2
Land improvements.....	13.9	11.4	0.3	0.3	14.2	11.7
Buildings	80.4	78.6			80.4	78.6
Motor vehicles	16.2	16.1			16.2	16.1
Equipment	10.1	9.7	0.5	0.5	10.6	10.2
Infrastructure.....	82.9	82.7			82.9	82.7
Leasehold improvements			0.1	0.1	0.1	0.1
Sewer lines			46.6	46.6	46.6	46.6
Treatment and pumping plant			83.5	81.1	83.5	81.1
Total assets	218.7	210.5	131.4	131.2	350.1	341.7
Less: accumulated depreciation	<u>(93.1)</u>	<u>(88.0)</u>	<u>(64.1)</u>	<u>(61.7)</u>	<u>(157.2)</u>	<u>(149.7)</u>
Net capital assets	\$ 125.6	\$ 122.5	\$ 67.3	\$ 69.5	\$ 192.9	\$ 192.0

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2009 were \$350.1 million less accumulated depreciation of \$157.2 million for a net investment in capital assets of \$192.9 million.

Governmental Activities:

Major capital asset additions during the fiscal year ended June 30, 2009 included the following:

- \$2.6 million of paving of roads.
- \$3.7 million for cost associated with construction project in process to upgrade schools facilities.

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Capital Assets (Continued)

Business-Type Activities:

Major capital asset additions during the fiscal year ended June 30, 2009 included the following:

- \$2.5 million of completed infrastructure improvements placed in service.

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

Long-Term Liabilities

As of June 30, 2009, the governmental activities had total long-term obligations of \$197.2 million. Of that, \$92.9 million related to bonded debt guaranteed by the City's assets. The City currently has \$2.9 million in leases payable. The business-type activities had total long-term obligations of \$11.3 million. Of that, \$8.4 million related to State Revolving Loans (SRF) from Rhode Island Clean Water Finance Agency and \$2.9 million related to Certificates of Participation that relate to the Public Facilities Management Foundation. The (SRF) funds are available for projects related to clean water. The \$2.9 million of Certificates of Participation relate to acquisition and improvements of the Public Works Facility. See Note III.F.1. for further explanation of outstanding debt.

Based on an actuarial valuations completed as of July 1, 2009, the net pension obligation liability for unpaid pension contributions increased by \$0.4 million from \$87.9 million at June 30, 2008 to \$88.3 million at June 30, 2009. Also, the net other post-employment benefit obligation (OPEB) liability was \$0.4 million at June 30, 2008 as restated and increased \$1.7 million to \$2.1 million as of June 30, 2009.

Additional information can be found in Note III.F.1.

Debt Outstanding

For the year ending June 30, 2009, the City had \$107.1 million in debt (bonds, notes, etc.) outstanding as compared to \$106.5 million at June 30, 2008, a net increase of \$0.6 million or 0.6% (considering debt retirement and new issues). The key factors for this increase were \$7.0 million in additional borrowings, less \$6.4 million in principal payments made during fiscal year 2009.

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

	<u>2009</u>	<u>2008</u>
<i>Governmental:</i>		
General obligation bonds	\$ 92.9	\$90.8
Capital lease	2.9	3.3
<i>Subtotal</i>	<u>95.8</u>	<u>94.1</u>
<i>Business-type:</i>		
Sewer revolving loans	8.4	9.2
Certificates of participation.....	2.9	3.2
<i>Subtotal</i>	<u>11.3</u>	<u>12.4</u>
<i>Total</i>	<u>\$ 107.1</u>	<u>\$106.5</u>

Principal payments of \$5.3 million and \$1.1 million were made in the governmental and business-type activities, respectively, during fiscal year 2009.

CAPITAL ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt that would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the city subject to the 3% debt limit. The current 3% debt limit of the City is \$259 million based on taxable property as of December 31, 2007, of approximately \$8.6 billion. On June 30, 2009, the City had \$87.9 million of debt outstanding that is outside the 3% debt limit.

The City's bond ratings are as follows:

- Standard & Poor's : "A"
- Fitch Ratings: "BBB+"
- Moody's Investors Service : "Baa1"

Economic Factors and Next Year's Budget and Rates

- As noted previously, the Fiscal Year 2010 operating budget was passed by a majority vote of the City Council. Property tax collections were assumed to be collected at 98.1% of the current levy.
- The City budgeted approximately \$19.1 million for Police and Fire Pension Fund contributions.

Unemployment Statistics

The most recent labor market information summary indicates that annualized unemployment for the years indicated was as shown in the following table:

	Annualized									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
City of Cranston.....	4.4%	4.0%	4.2%	4.6%	5.0%	5.8%	5.2%	5.1%	5.1%	7.8%
State of Rhode Island.....	4.1	4.1	4.4	5.1	5.3	5.2	5.0	5.1	5.0	7.7
United States.....	4.2	4.0	4.8	5.8	6.0	5.5	5.1	4.6	4.6	5.6

Source: Rhode Island Department of Labor and Training.

Request for Information

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

Finance Director
 City of Cranston
 869 Park Avenue
 Cranston RI 02910

**Basic
Financial
Statements**

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 20,711,682	\$ 5,775,317	\$ 26,486,999
Investments.....	23,454		23,454
Receivables:			
Property taxes.....	168,597,455		168,597,455
Sewer assessments and user fees, net.....		15,580,621	15,580,621
Intergovernmental.....	12,259,299	3,956,890	16,216,189
Loans.....	2,232,236		2,232,236
Other.....	2,825,519	352,407	3,177,926
Prepays.....	836,384		836,384
Bond issue costs - current.....	231,599		231,599
Internal balances.....	1,115,717	(1,115,717)	-
Other.....	863	41,326	42,189
Total current assets.....	208,834,208	24,590,844	233,425,052
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash.....		501,302	501,302
Total restricted assets.....	-	501,302	501,302
Receivables (net):			
Other.....		2,510,000	2,510,000
Other assets.....		500	500
Bond issue costs - noncurrent.....	2,440,379	152,752	2,593,131
Total receivables and other assets.....	2,440,379	2,663,252	5,103,631
Capital assets (net of accumulated depreciation):			
Land.....	11,051,635	342,712	11,394,347
Construction in progress.....	4,113,871	73,468	4,187,339
Land improvements.....	6,612,065	59,792	6,671,857
Buildings and leasehold improvements.....	45,947,117	93,863	46,040,980
Sewer service to customers.....		18,627,797	18,627,797
Treatment and pumping plant.....		48,084,054	48,084,054
Vehicles.....	3,527,275	10,882	3,538,157
Machinery, equipment and furniture.....	2,145,186	46,754	2,191,940
Infrastructure.....	52,246,752		52,246,752
Total net capital assets (net of accumulated depreciation).....	125,643,901	67,339,322	192,983,223
Total noncurrent assets.....	128,084,280	70,503,876	198,588,156
TOTAL ASSETS.....	336,918,488	95,094,720	432,013,208

(Continued)

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
LIABILITIES:			
Current liabilities:			
Accounts payable.....	\$ 4,358,139	\$ 2,904,583	\$ 7,262,722
Accrued liabilities.....	1,133,570		1,133,570
Accrued payroll.....	1,681,241	1,761	1,683,002
Accrued interest payable.....	1,645,370	57,024	1,702,394
Retainage payable.....	183,421		183,421
Unearned revenue.....	163,702,931	1,958,644	165,661,575
Claims payable.....	1,616,387		1,616,387
Long-term liabilities due within one year.....	7,800,278	1,309,692	9,109,970
Total current liabilities.....	182,121,337	6,231,704	188,353,041
Noncurrent liabilities:			
Unearned revenue.....		38,660,713	38,660,713
Long-term liabilities due in more than one year.....	189,447,330	9,997,690	199,445,020
Total noncurrent liabilities.....	189,447,330	48,658,403	238,105,733
TOTAL LIABILITIES.....	371,568,667	54,890,107	426,458,774
NET ASSETS			
Invested in capital assets, net of related debt.....	29,807,163	58,955,899	88,763,062
Restricted for:			
Commitments per trust agreements.....	125,557		125,557
Debt service.....		501,302	501,302
Other purposes.....	629,302		629,302
Unrestricted.....	(65,212,201)	(19,252,588)	(84,464,789)
TOTAL NET ASSETS.....	\$ (34,650,179)	\$ 40,204,613	\$ 5,554,434

(Concluded)

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUES (EXPENSES) AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General government.....	\$ 13,504,802	\$ 5,396,283	\$ 5,004,839	\$	\$ (3,103,680)	\$	\$ (3,103,680)
Public safety.....	69,891,470	6,162,035	298,014		(63,431,421)		(63,431,421)
Public works.....	14,384,105	481,865		182,166	(13,720,074)		(13,720,074)
Education.....	144,056,769	2,805,729	50,037,088		(91,213,952)		(91,213,952)
Parks and recreation.....	2,349,144	320,967			(2,028,177)		(2,028,177)
Public libraries.....	3,210,102	100,000	642,066		(2,468,036)		(2,468,036)
Senior services.....	2,948,510	1,670,440			(1,278,070)		(1,278,070)
Community development.....	1,095,367		952,353		(143,014)		(143,014)
Interest expense.....	4,962,888				(4,962,888)		(4,962,888)
TOTAL GOVERNMENTAL ACTIVITIES.....	256,403,157	16,937,319	56,934,360	182,166	(182,349,312)	-	(182,349,312)
BUSINESS-TYPE ACTIVITIES:							
Sewer fund.....	17,381,311	16,888,433				(492,878)	(492,878)
Public facilities management foundation.....	228,248	211,061				(17,187)	(17,187)
School lunch fund.....	2,900,867	1,222,604	1,300,849			(377,414)	(377,414)
TOTAL BUSINESS-TYPE ACTIVITIES.....	20,510,426	18,322,098	1,300,849	-	-	(887,479)	(887,479)
TOTALS.....	\$ 276,913,583	\$ 35,259,417	\$ 58,235,209	\$ 182,166	(182,349,312)	(887,479)	(183,236,791)
GENERAL REVENUES:							
Property taxes.....					171,334,746	-	171,334,746
Grants and contributions not restricted to specific programs.....					2,086,520		2,086,520
Investment income.....					1,065,331	268,956	1,334,287
Other.....					1,912,658		1,912,658
TOTAL GENERAL REVENUES.....					176,399,255	268,956	176,668,211
CHANGE IN NET ASSETS.....					(5,950,057)	(618,523)	(6,568,580)
NET ASSETS - JULY 1, 2008 (AS RESTATED).....					(28,700,122)	40,823,136	12,123,014
NET ASSETS - JUNE 30, 2009.....					\$ (34,650,179)	\$ 40,204,613	\$ 5,554,434

The notes to the financial statements are an integral part of this statement

CITY OF CRANSTON, RHODE ISLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL FUND	SCHOOL DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents.....	\$ 8,189,124	\$ 666	\$ 11,447,128	\$ 19,636,918
Investments.....			23,454	23,454
Receivables:				
Taxes, net.....	165,361,725			165,361,725
Intergovernmental.....	8,686,747		3,572,553	12,259,300
Loans.....			2,232,238	2,232,238
Other.....	324,681	2,371,824	129,012	2,825,517
Prepays.....			24,384	24,384
Advance deposits - hospitalization.....		812,000		812,000
Due from other funds.....	948,242	2,124,469	656,580	3,729,291
Other Assets.....		863		863
Advances to other funds.....	8,990,340			8,990,340
TOTAL ASSETS.....	\$ 192,500,859	\$ 5,309,822	\$ 18,085,349	\$ 215,896,030
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable.....	\$ 1,738,247	\$ 1,454,348	\$ 778,631	\$ 3,971,226
Accrued payroll.....	1,661,541		18,008	1,679,549
Accrued liabilities.....	25,954			25,954
Retainage payable.....			183,421	183,421
Due to other funds.....	422,319	1,005,237	1,316,524	2,744,080
Unearned revenue.....	166,846,571		2,435,676	169,282,247
Claims payable.....	514,805	1,093,640		1,608,445
Other liabilities.....		1,012,616	95,000	1,107,616
Advances from other funds		8,990,340		8,990,340
TOTAL LIABILITIES.....	171,209,437	13,556,181	4,827,260	189,592,878
FUND BALANCES:				
Reserved for:				
Advances.....	8,990,340			8,990,340
Encumbrances.....		578,059		578,059
Commitments.....			125,557	125,557
Article 18.....		51,243		51,243
Unreserved:				
Undesignated.....	12,301,082			12,301,082
Unreserved:				
Special revenue funds.....		(8,875,661)	6,443,618	(2,432,043)
Capital project funds.....			6,688,914	6,688,914
TOTAL FUND BALANCES.....	21,291,422	(8,246,359)	13,258,089	26,303,152
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 192,500,859	\$ 5,309,822	\$ 18,085,349	\$ 215,896,030

(Continued)

CITY OF CRANSTON, RHODE ISLAND

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	26,303,152
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Beginning capital assets and current additions.....		130,976,131
Depreciation expense.....		(5,286,069)
Disposal of capital assets.....		(46,161)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:		
Property tax, interest and lien accrual, (net).....		3,235,730
Property tax receivable - accrual basis change.....		5,579,316
Bond issue costs.....		2,671,978
INTERNAL SERVICE FUND IS USED BY MANAGEMENT TO CHARGE THE COST OF SELF-INSURANCE TO INDIVIDUAL DEPARTMENTS:		
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.....		808,722
SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Bonds and notes payable.....		(92,928,815)
Leases payable.....		(2,907,923)
Compensated absences.....		(9,594,873)
Deferred salary.....		(257,572)
Net pension obligation.....		(88,325,767)
Net OPEB obligation.....		(2,142,658)
Claims and judgements.....		(1,090,000)
Accrued interest payable.....		(1,645,370)
NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>(34,650,179)</u>

(Concluded)

CITY OF CRANSTON, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	GENERAL FUND	SCHOOL DEPARTMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
General property taxes.....	\$ 156,759,624	\$	\$	\$ 156,759,624
Intergovernmental.....	10,832,979	37,534,540	14,312,808	62,680,327
Charges for services.....	11,861,098	1,932,450	2,543,372	16,336,920
Investment income.....	670,578		214,724	885,302
State fiscal stabilization funds.....		2,090,303		2,090,303
State on-behalf pension contributions.....		6,661,428		6,661,428
Other.....	1,382,760		443,074	1,825,834
TOTAL REVENUES	181,507,039	48,218,721	17,513,978	247,239,738
EXPENDITURES:				
Current:				
General government.....	7,897,348		591,144	8,488,492
Public safety.....	66,797,442		1,808,285	68,605,727
Public works.....	13,963,806			13,963,806
Education.....		138,268,013	4,331,075	142,599,088
Parks and recreation.....	2,287,973			2,287,973
Public libraries.....	3,125,403		64,849	3,190,252
Senior services.....	2,846,277		99,940	2,946,217
Community development.....			1,095,364	1,095,364
Other.....	161,411			161,411
Debt Service:				
Principal.....	5,115,000			5,115,000
Interest and other costs.....	4,188,631		286,047	4,474,678
Capital Outlay:				
Capital expenditures.....			7,942,434	7,942,434
TOTAL EXPENDITURES	106,383,291	138,268,013	16,219,138	260,870,442
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES..	75,123,748	(90,049,292)	1,294,840	(13,630,704)
OTHER FINANCING SOURCES (USES):				
Issuance of debt.....			7,000,000	7,000,000
Bond premium.....			73,734	73,734
Transfers in.....	9,538,555	86,413,637		95,952,192
Transfers out.....	(86,413,637)		(9,538,555)	(95,952,192)
NET OTHER FINANCING SOURCES (USES).....	(76,875,082)	86,413,637	(2,464,821)	7,073,734
NET CHANGE IN FUND BALANCES	(1,751,334)	(3,635,655)	(1,169,981)	(6,556,970)
FUND BALANCES - JULY 1, 2008 (AS RESTATED)	23,042,756	(4,610,704)	14,428,070	32,860,122
FUND BALANCES - JUNE 30, 2009	\$ 21,291,422	\$ (8,246,359)	\$ 13,258,089	\$ 26,303,152

The notes to the financial statements are an integral part of this statement

CITY OF CRANSTON, RHODE ISLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (6,556,970)

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

Capital outlay.....	8,536,443
Depreciation expense.....	<u>(5,286,069)</u>

Total..... 3,250,374

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.....

(46,161)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

Change in property tax receivable - accrual basis change.....	1,311,763
Change in property tax interest and lien revenue.....	<u>1,034,349</u>

Total 2,346,112

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

Debt issued or incurred:	
Bonds and capital lease.....	(7,073,734)
Principal repayments:	
General obligation bonds.....	4,780,000
Capital lease.....	<u>356,390</u>

Total (1,937,344)

(Continued)

CITY OF CRANSTON, RHODE ISLAND

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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

Compensated absences and deferred salary.....	870,405
Net pension obligation.....	(382,516)
Net OPEB asset.....	(270,641)
Net OPEB obligation.....	(1,716,692)
Amortization of bond issuance costs.....	(157,865)
Amortization of bond premium.....	168,286
Claims payable.....	(1,030,000)
Accrued interest payable.....	<u>(330,345)</u>
Total	<u>(2,849,368)</u>
The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	<u>(156,700)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ (5,950,057)</u>

(Concluded)

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	MAJOR FUNDS		NONMAJOR		INTERNAL SERVICE FUND
	SEWER	PUBLIC FACILITIES MANAGEMENT FOUNDATION	SCHOOL LUNCH PROGRAM	TOTALS	
ASSETS					
Current Assets:					
Cash and cash equivalents.....	\$ 5,515,653	\$ -	\$ 259,664	\$ 5,775,317	\$ 1,074,765
Receivables (net):					
Sewer assessments and user fees, net.....	15,580,621			15,580,621	
Other.....			2,407	2,407	
Capital lease.....		350,000		350,000	
Intergovernmental.....	3,839,428		117,462	3,956,890	
Due from other funds.....					130,507
Inventory.....			41,326	41,326	
Total Current Assets	24,935,702	350,000	420,859	25,706,561	1,205,272
Noncurrent Assets:					
Restricted cash.....		501,302		501,302	
Capital lease receivable.....		2,510,000		2,510,000	
Bond issuance costs.....	40,230	112,522		152,752	
Other assets.....		500		500	
Subtotal Noncurrent Assets	40,230	3,124,324	-	3,164,554	-
Capital Assets:					
Capital assets, net of accumulated depreciation.....	67,206,355	99,050	33,917	67,339,322	
Total Noncurrent Assets	67,246,585	3,223,374	33,917	70,503,876	-
TOTAL ASSETS	92,182,287	3,573,374	454,776	96,210,437	1,205,272
LIABILITIES					
Current Liabilities:					
Accounts payable.....	2,794,091	411	110,081	2,904,583	3,093
Accrued payroll.....	1,761			1,761	1,692
Accrued interest.....	32,949	24,075		57,024	
Due to other funds.....	123,739		991,978	1,115,717	
Claims payable.....				-	391,765
Unearned revenue.....	1,958,644			1,958,644	
Bonds, notes payable and compensated absences.....	955,737	350,000	3,955	1,309,692	
Total Current Liabilities	5,866,921	374,486	1,106,014	7,347,421	396,550
Noncurrent Liabilities:					
Unearned revenue.....	38,660,713			38,660,713	
Bonds, notes payable and compensated absences.....	7,467,916	2,494,183	35,591	9,997,690	
Total Noncurrent Liabilities	46,128,629	2,494,183	35,591	48,658,403	-
TOTAL LIABILITIES	51,995,550	2,868,669	1,141,605	56,005,824	396,550
NET ASSETS					
Invested in capital assets, net of related debt.....	58,822,932	99,050	33,917	58,955,899	
Restricted:					
Debt service.....		501,302		501,302	
Unrestricted.....	(18,636,195)	104,353	(720,746)	(19,252,588)	808,722
TOTAL NET ASSETS	\$ 40,186,737	\$ 704,705	\$ (686,829)	\$ 40,204,613	\$ 808,722

The notes to the financial statements are an integral part of this statement

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	SEWER	PUBLIC FACILITIES MANAGEMENT FOUNDATION	NONMAJOR SCHOOL LUNCH PROGRAM	TOTALS	INTERNAL SERVICE FUND
OPERATING REVENUES:					
Charges for usage and service.....	\$ 16,225,931	\$ 33,571	\$ 1,201,727	\$ 17,461,229	\$ 600,400
Miscellaneous.....	662,502	177,490	20,877	860,869	86,822
TOTAL OPERATING REVENUES.....	16,888,433	211,061	1,222,604	18,322,098	687,222
OPERATING EXPENSES:					
Operations.....	579,970	57,837	1,509,390	2,147,197	461,907
Personnel.....	81,383		1,371,827	1,453,210	79,997
Claims.....					313,763
Contract payments.....	14,231,659			14,231,659	
Depreciation.....	2,379,629		19,650	2,399,279	
TOTAL OPERATING EXPENSES.....	17,272,641	57,837	2,900,867	20,231,345	855,667
OPERATING INCOME (LOSS).....	(384,208)	153,224	(1,678,263)	(1,909,247)	(168,445)
NONOPERATING REVENUES (EXPENSES):					
Interest expense.....	(101,116)	(149,896)		(251,012)	
Investment income.....	267,948	75	933	268,956	11,745
Amortization.....	(7,554)	(20,515)		(28,069)	
Grants.....			1,300,849	1,300,849	
NET NONOPERATING REVENUES (EXPENSES).....	159,278	(170,336)	1,301,782	1,290,724	11,745
CHANGE IN NET ASSETS.....	(224,930)	(17,112)	(376,481)	(618,523)	(156,700)
NET ASSETS - JULY 1, 2008	40,411,667	721,817	(310,348)	40,823,136	965,422
NET ASSETS - JUNE 30, 2009.....	\$ 40,186,737	\$ 704,705	\$ (686,829)	\$ 40,204,613	\$ 808,722

The notes to the financial statements are an integral part of this statement

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	SEWER	PUBLIC FACILITIES MANAGEMENT FOUNDATION	NONMAJOR SCHOOL LUNCH PROGRAM	TOTALS	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers.....	\$ 15,071,662	\$ 211,061	\$ 1,221,993	\$ 16,504,716	\$ 687,224
Cash paid to suppliers.....	(13,872,751)		(1,395,154)	(15,267,905)	
Cash paid to employees.....	(81,014)		(1,361,772)	(1,442,786)	(79,755)
Cash paid for claims.....					(305,822)
Cash paid for other operating expenses.....	(479,348)	(46,247)	(61,873)	(587,468)	(467,783)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	638,549	164,814	(1,596,806)	(793,443)	(166,136)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Nonoperating grants received.....			1,262,889	1,262,889	
Change in interfund loans.....	(16,408)		447,229	430,821	76,964
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES.....	(16,408)	-	1,710,118	1,693,710	76,964
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets.....	(219,985)	(13,564)	(1,695)	(235,244)	
Collection of capital lease payment.....		335,000		335,000	
Bond proceeds.....				-	
Principal paid on bonds.....	(804,433)	(335,000)		(1,139,433)	
Interest paid on bonds.....	(89,626)	(152,618)		(242,244)	
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,114,044)	(166,182)	(1,695)	(1,281,921)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Income from investments.....	267,948	75	933	268,956	11,745
NET INCREASE (DECREASE) IN CASH	(223,955)	(1,293)	112,550	(112,698)	(77,427)
CASH - JULY 1, 2008 (INCLUDING RESTRICTED CASH).....	5,739,608	502,595	147,114	6,389,317	1,152,192
CASH - JUNE 30, 2009 (INCLUDING RESTRICTED CASH).....	\$ 5,515,653	\$ 501,302	\$ 259,664	\$ 6,276,619	\$ 1,074,765
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss).....	\$ (384,208)	\$ 153,224	\$ (1,678,263)	\$ (1,909,247)	\$ (168,445)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation.....	2,379,629	16,135	19,650	2,415,414	
Amortization.....	-			-	
(Increase) decrease in accounts receivable.....	(15,048,806)		(610)	(15,049,416)	
Decrease in inventory.....			916	916	
(Increase) decrease in intergovernmental receivables.....	(145,469)			(145,469)	
Increase (decrease) in accounts payable.....	459,529	(4,545)	51,446	506,430	(5,875)
Increase (decrease) in accrued payroll.....	369		10,055	10,424	242
Increase (decrease) in prepaid assessments.....	15,297,505			15,297,505	
Decrease in claims payable.....				-	7,942
Decrease in unearned revenue.....	(1,920,000)			(1,920,000)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 638,549	\$ 164,814	\$ (1,596,806)	\$ (793,443)	\$ (166,136)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations or other governments.

Pension Trust Funds

A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Postemployment Healthcare Trust Fund

This fund is used to account for postemployment benefits for public safety employees.

Private-Purpose Trust Funds

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

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

Unclaimed Estates in Probate - This fund was established to account for unclaimed estates that are in probate.

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

Student Activity Funds - This fund was established to account for the receipt and disbursement of school student activity programs.

CITY OF CRANSTON, RHODE ISLAND

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	PENSION TRUST FUND	OPEB TRUST FUND	PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS:				
Cash and cash equivalents.....	\$ 27,074,513	\$ 14,340	\$ 1,819	\$ 1,263,393
Investments:				
Equity Mutual Funds.....	10,112,696			
Money Market Mutual Funds.....	1,675			
Bond Mutual Funds.....	6,215,487			
Total Investments.....	16,329,858	-	-	-
Accounts Receivable		430,544		
TOTAL ASSETS.....	43,404,371	444,884	1,819	1,263,393
LIABILITIES:				
Accounts payable.....		47,557	3,643	
Deposits held in custody for others.....				1,263,393
TOTAL LIABILITIES.....	-	47,557	3,643	1,263,393
NET ASSETS HELD IN TRUST FOR PENSION AND OPEB BENEFITS AND OTHER PURPOSES.....	\$ 43,404,371	\$ 397,327	\$ (1,824)	\$ -

CITY OF CRANSTON, RHODE ISLANDSTATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	PENSION TRUST FUND	OPEB TRUST FUND	PRIVATE PURPOSE TRUST FUND
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 19,087,000	\$ 3,086,418	\$ 16,132
Plan member contributions.....	588,949	180,983	
Other.....		2,928	
Total contributions.....	19,675,949	3,270,329	16,132
Investment income:			
Interest and dividends.....	48,990	3,514	
Net appreciation in the fair value of investments.....	(7,388,824)		
Total investment income.....	(7,339,834)	3,514	-
TOTAL ADDITIONS.....	12,336,115	3,273,843	16,132
DEDUCTIONS:			
Benefits.....	19,586,193	3,366,996	15,451
Administrative expenses.....	306,330	15,065	
TOTAL DEDUCTIONS.....	19,892,523	3,382,061	15,451
CHANGE IN NET ASSETS.....	(7,556,408)	(108,218)	681
NET ASSETS - JULY 1, 2008.....	50,960,779	505,545	(2,505)
NET ASSETS - JUNE 30, 2009.....	\$ 43,404,371	\$ 397,327	\$ (1,824)

CITY OF CRANSTON, RHODE ISLANDNOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**HISTORY AND ORGANIZATION**

The City of Cranston, Rhode Island (the City) was incorporated in 1910 and covers an area of 28 square miles. The City operates under a Mayor-Council form of government as prescribed by the City's home rule charter, which was adopted in 1962. The Mayor is elected by the voters of the City to a two-year term limited to four consecutive terms. City Council members are elected to two-year terms, limited to five consecutive terms. The City provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, sewers and water, a free public library, and education encompassing grades PreK-12.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Reporting Entity**

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

Blended Component Unit – The Public Facilities Management Foundation (the Foundation), a non-profit corporation, was created by the City on November 28, 2000. The Foundation consists of five members who are elected by or work for the City of Cranston. These members include the President of the Cranston City Council, the City Solicitor, the Director of Public Works, the Director of Finance and the Director of Administration. The Foundation provides exclusive rights, by a term lease as entered into with the City on November 1, 2000, to the use of land and buildings located in the City to be used as a storage and maintenance facility by the Public Works Department. The Foundation is reported as an enterprise fund.

B. Recently Issued Accounting Standards

The District will adopt the following new accounting pronouncement in future years:

- GASB Statement No. 51 – Accounting and Financial Reporting for Intangible Assets, effective for the City's fiscal year end June 30, 2010.
- GASB Statement No. 53 – Accounting and Financial Reporting for Derivative Instruments, effective for the City's fiscal year end June 30, 2010.
- GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, effective for the City's fiscal year ending June 30, 2011.

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

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The *School Department Fund* accounts for the financial transactions of the City's School Department which are not required to be accounted for in another fund.

The City reports the following major proprietary funds:

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

The *Public Facilities Management Foundation*, a blended component unit of the City, accounts for the activities that support and facilitate multiple divisions of the Public Works Department.

Additionally, the City reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes.

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

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

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

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

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

The *Agency Funds* account for monies held on behalf of students and amounts held for performance bonds.

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City also has the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

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

E. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments (Continued)

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

Investments for the City are reported at fair value.

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, and sewer use are shown net of an allowance for uncollectibles. Allowance percentages range from 5 to 100% of outstanding receivable balances at June 30, 2009, and are calculated upon prior collection history.

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

Property taxes are assessed on property as of December 31. Taxes are billed on or about June 1 (for the subsequent fiscal year) based on the assessed value for all real property, tangible property, and motor vehicles located in the City. Taxes are due in four installments in July, October, January and April. Rhode Island general laws restrict the City's ability to increase either its total tax levy or its tax rates by more than 5.5% over those of the preceding year. Recently the State of Rhode Island passed a law, which went into effect for fiscal year 2008, which would decrease this cap by .25% each year until it has been lowered to a maximum of 4% of the prior year's tax levy by fiscal year 2013. Overdue taxes are assessed penalties and will be collected through the sale of tax titles if required.

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

3. Inventories and Prepaid Items

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

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

4. Restricted Assets

The restricted assets for the City are restricted for debt reserve requirements, building improvements and minor maintenance costs associated with the Public Facilities Management Foundation.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 in the City and \$5,000 in the School Department for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

(CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Compensated Absences

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

7. Long-Term Obligations

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

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

8. Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

Restricted Net Assets

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets

This category presents the net assets of the City which are not restricted.

9. Estimates

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

(CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

It is the responsibility of the Mayor, with the cooperation of the Director of Finance, to submit a proposed budget for the following fiscal year to the City Council not later than the first day of April of each year. The City Council acts on the budget not later than the 15th day of May. Public hearings are conducted on the recommended budget and the final recommended budget is legally enacted through an ordinance at the Financial City Council Meeting. Budget appropriations lapse at the end of the fiscal year, with the exception of capital project funds.

The level of budgetary control for the General Fund (that is, the level at which expenditures cannot legally exceed appropriations) is fixed by resolution of the annual Financial City Council Meeting. The resolution authorizes the City Council to spend within the total sum appropriated for municipal purposes. While this restriction prohibits spending in excess of the authorized budget, the policy enables the City Council to use surplus funds within the overall appropriations budget to offset over expenditures that may arise within a specific budgeted account. Amendments to the budget during the year totaled a decrease of \$3,866,927, due to cutbacks in education grants from the State of Rhode Island.

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

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

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Budget - GAAP Reconciliation

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

	GENERAL FUND			SCHOOL DEPARTMENT FUND		
	REVENUES	EXPENDITURES	FUND BALANCE	REVENUES	EXPENDITURES	FUND BALANCE
BALANCE, BUDGETARY BASIS						
JUNE 30, 2009.....	\$ 226,177,499	\$ 227,928,833	\$ 21,291,422	\$ 37,273,021	\$ 127,250,127	\$ (8,747,399)
Revenues/Expenditures accounted for on the budgetary basis associated with Education funds	(35,131,907)	(121,545,544)				
Encumbrances outstanding at June 30, 2008 liquidated during the year June 30, 2009					573,226	
Encumbrances outstanding at June 30, 2009 Charged to budgetary expenditures					(550,839)	550,839
Reclassifications to transfers out to school department Carryover	(9,538,553)	2		(76,911)		(76,911)
Revenue/Expenditure pass-thru				4,361,183	4,334,071	27,112
State Teachers' Retirement on-behalf payment				6,661,428	6,661,428	
BALANCE, GAAP BASIS, JUNE 30, 2009 EXHIBIT D	\$ 181,507,039	\$ 106,383,291	\$ 21,291,422	\$ 48,218,721	\$ 138,268,013	\$ (8,246,359)

C. Capital Projects Authorizations

The following is a summary of projects recorded in the Capital Projects Fund at June 30, 2009:

PROJECT NAME	PROJECT AUTHORIZATION	CURRENT YEAR		CUMULATIVE EXPENDITURE	BALANCE JUNE 30, 2009
		EXPENDITURES	EXPENDITURES		
GOVERNMENTAL FUNDS:					
School bond fund	\$ 24,918,772	\$ 4,581,652	\$ 22,625,680	\$ 2,293,092	
Police and fire bond fund	7,942,166	167,852	7,177,487	764,679	
Public building bond fund	1,500,000	73,294	716,774	783,226	
Recreation bond fund	4,863,932	622,613	3,809,379	1,054,553	
Highway bond fund	8,699,674	2,743,978	7,585,262	1,114,412	
Storm drains bond fund	496,893	-	496,800	93	
Neighborhood infrastructure fund	1,531,223	53,800	1,409,520	121,703	
Open space bond fund	996,090	392	438,934	557,156	
ENTERPRISE FUNDS:					
Sewer system project	3,000,000	172,512	735,529	2,264,471	

(CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

D. Deficit Fund Balance

During the year ended June 30, 2009, the City had a deficit fund balance in the following funds:

<u>Major Governmental Funds</u>	
School Department Unrestricted Fund	\$ 8,246,359
<u>Non-Major Governmental Funds</u>	
Community Development Block Grant	\$ 30,632
WIA Job Development Fund	10,594
School Lunch Fund	686,829

The deficits will be eliminated through future intergovernmental grant receipts, repayment of program loans or inter-fund contributions.

III. DETAILED NOTES

A. Cash and Investments

- Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires that deposits be placed in financial institutions that are FDIC insured up to \$250,000 and rated "well capitalized" on the institution's most recent audited financial statements/SEC filings, if deposits exceed \$250,000. As of June 30, 2009, the City's bank balance of \$55,892,185 was insured and collateralized as follows:

Insured.....	\$ 33,742,035
Uninsured	14,586,302
Collateralized:	
Collateral held by the pledging banks' trust departments, not in the City's name.....	7,563,848
Total amount subject to custodial credit risk.....	\$ 55,892,185

- Certain investments are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES

A. Cash and Investments (Continued)

At June 30, 2009, the City's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)		
		N/A	LESS THAN 1	1-5 YEARS
Mutual Funds:				
Equity Mutual Funds.....	\$ 10,112,696	\$ 10,112,696	\$	\$
Bond Mutual Funds.....	6,215,487			6,215,487
Certificates of Deposit.....	23,454		23,454	
Money Market Mutual Funds	1,675		1,675	
TOTAL.....	\$ 16,353,312	\$ 10,112,696	\$ 25,129	\$ 6,215,487

Interest rate risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

The City's investments subject to credit risk had average ratings by Standard & Poor's as follows:

<u>AVERAGE RATING</u>	<u>MONEY MARKET FUNDS</u>	<u>BOND MUTUAL FUNDS</u>	<u>EQUITY MUTUAL FUNDS</u>
A+	\$1,675	\$6,215,487	\$10,112,696

Custodial credit risk - The City does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

B. Receivables

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

	<u>PROPERTY TAXES</u>			<u>TOTAL</u>
	<u>TAXES</u>	<u>INTEREST & PENALTIES</u>		
Current Portion	\$ 166,351,442	\$ 4,349,516		\$170,700,958
Less Allowance for Uncollectibles	<u>(989,717)</u>	<u>(1,113,786)</u>		<u>(2,103,503)</u>
Total Receivable	<u>\$ 165,361,725</u>	<u>\$ 3,235,730</u>		<u>\$ 168,597,455</u>
	<u>CONNETTA PARK LOAN</u>	<u>ECONOMIC DEVELOPMENT LOANS</u>	<u>CDBG LOANS</u>	<u>TOTAL</u>
Gross Receivable	<u>\$ 71,216</u>	<u>\$ 893,526</u>	<u>\$ 1,267,494</u>	<u>\$ 2,232,236</u>
			<u>SEWER USE CHARGES</u>	
Gross Receivable				\$ 15,620,713
Less Allowance for Uncollectibles				<u>(40,092)</u>
Net Receivable				<u>\$ 15,580,621</u>

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

DEFERRED REVENUE:	
Property taxes receivable (general fund).....	\$160,496,868
UNEARNED REVENUE:	
Advance tax collections.....	634,311
Unearned developer security deposits.....	136,075
Grant draw-downs prior to meeting all eligibility requirements.....	<u>2,435,677</u>
TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS.....	<u>\$163,702,931</u>
Sewer	<u>\$ 40,619,357</u>

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 11,051,635	\$	\$	\$ 11,051,635
Construction in progress.....	869,883	4,448,534	(1,204,546)	4,113,871
Total Capital Assets, not being Depreciated	11,921,518	4,448,534	(1,204,546)	15,165,506
<u>Capital Assets, being Depreciated:</u>				
Land improvements.....	11,366,548	2,589,456		13,956,004
Buildings	78,590,538	1,848,287		80,438,825
Machinery and equipment.....	3,689,570	382,254	(53,432)	4,018,392
Office furniture and equipment.....	6,084,545	44,072	(17,242)	6,111,375
Vehicles	16,052,055	316,508	(208,161)	16,160,402
Infrastructure	82,749,496	111,878		82,861,374
Total Capital Assets, being Depreciated	198,532,752	5,292,455	(278,835)	203,546,372
Total Capital Assets.....	210,454,270	9,740,989	(1,483,381)	218,711,878
<u>Less Accumulated Depreciation for:</u>				
Land improvements.....	6,658,654	685,286		7,343,940
Buildings	33,116,832	1,374,878		34,491,710
Machinery and equipment.....	2,194,919	347,081	(50,141)	2,491,859
Office furniture and equipment.....	5,254,241	238,482		5,492,723
Vehicles	11,391,033	1,424,625	(182,533)	12,633,125
Infrastructure	29,398,903	1,215,717		30,614,620
Total Accumulated Depreciation	88,014,582	5,286,069	(232,674)	93,067,977
Total Capital Assets, being Depreciated, net	110,518,170	6,386	(46,161)	110,478,395
Governmental Activities Capital Assets, net.....	\$ 122,439,688	\$ 4,454,920	\$(1,250,707)	\$125,643,901

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)**C. Capital Assets (Continued)**

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 342,712	\$	\$	\$ 342,712
Construction in progress.....	2,343,106	261,778	(2,531,416)	73,468
Total Capital Assets, not being Depreciated	2,685,818	261,778	(2,531,416)	416,180
<u>Capital Assets, being Depreciated:</u>				
Land improvements.....	266,795			266,795
Leasehold improvements.....	122,310	13,563		135,873
Collection systems.....	46,600,460			46,600,460
Treatment and pumping plant	81,064,977	2,531,416	(41,793)	83,554,600
Machinery and equipment.....	492,809	1,698		494,507
Total Capital Assets, being Depreciated	128,547,351	2,546,677	(41,793)	131,052,235
Total Capital Assets.....	131,233,169	2,808,455	(2,573,209)	131,468,415
<u>Less Accumulated Depreciation for:</u>				
Land improvements.....	193,663	13,340		207,003
Leasehold improvements.....	28,423	13,587		42,010
Collection systems.....	27,391,894	613,547		28,005,441
Treatment and pumping plant	33,722,619	1,747,928		35,470,547
Machinery and equipment.....	377,079	27,013		404,092
Total Accumulated Depreciation	61,713,678	2,415,415	-	64,129,093
Total Capital Assets, being Depreciated, net	66,833,673	131,262	(41,793)	66,923,142
Business-Type Capital Assets, net	\$ 69,519,491	\$ 393,040	\$ (2,573,209)	\$ 67,339,322

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

Governmental Activities:

General government.....	\$ 3,249,201
Public safety	1,091,913
Public works.....	505,158
Education	326,223
Parks and recreation.....	83,926
Public libraries	19,102
Senior services	10,546
Total Depreciation Expense – Governmental Activities.....	<u>\$ 5,286,069</u>

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

Business-Type Activities:

Sewer.....	\$ 2,379,629
Public facilities management foundation.....	16,136
School lunch.....	19,650
Total Depreciation Expense – Business-Type Activities.....	<u>\$ 2,415,415</u>

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

The City has active construction projects as of June 30, 2009. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Governmental Activities:	
School construction	\$ 302,982
Public Works	503,609
Total.....	<u>\$ 806,591</u>
Business-Type Activities:	
Allan Randall project	\$ 51,791
Total.....	<u>\$ 51,791</u>

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2009 is as follows:

	<u>CORRESPONDING</u>	<u>FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>MAJOR FUNDS:</u>				
<u>GENERAL FUND:</u>				
School Unrestricted Fund.....	N/A		\$ 595,908	\$
Senior Services Fund.....	N/A		2,023	
Emergency Management Fund.....	N/A		5,836	
Community Development Fund.....	N/A		47,096	
Special Duty Fire Fund.....	N/A		22,556	
Special Duty Police Fund.....	N/A		122,677	
WIA Job Development Fund.....	N/A		28,407	
Library Fund.....	N/A			291,812
Internal Service Fund.....	N/A			130,507
Sewer Fund.....	N/A		<u>123,739</u>	
TOTAL GENERAL FUND.....			<u>\$ 948,242</u>	<u>\$ 422,319</u>

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

I. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2009 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
SCHOOL SPECIAL REVENUE			
UNRESTRICTED:			
General Fund	N/A	\$	\$ 595,908
School Lunch Fund	N/A	991,978	
Restricted School Funds	N/A	<u>1,132,491</u>	<u>409,329</u>
TOTAL SCHOOL SPECIAL REVENUE			
UNRESTRICTED		<u>2,124,469</u>	<u>1,005,237</u>
SEWER:			
General Fund	N/A		<u>123,739</u>
NONMAJOR FUNDS:			
Restricted School Funds	School Unrestricted Fund	360,676	1,083,838
Emergency Management Fund	General Fund		5,836
Community Development Block Grant Fund	General Fund		47,096
Special Duty Fire Fund	General Fund		22,556
Special Duty Police Fund	General Fund		122,677
Library Fund	General Fund	291,812	
Highway Bond Fund	Neighborhood Infrastructure		4,092
Neighborhood Infrastructure	Highway Bond Fund	4,092	
WIA Job Development Fund	General Fund		28,407
Senior Services Funds	General Fund		<u>2,023</u>
TOTAL NONMAJOR FUNDS			
		<u>656,580</u>	<u>1,316,525</u>
ENTERPRISE FUND:			
School Lunch Fund	School Unrestricted Fund		<u>991,978</u>
INTERNAL SERVICE FUND:			
Insurance Risk Management Fund	General Fund	<u>130,507</u>	
GRAND TOTAL			
		<u>\$ 3,859,798</u>	<u>\$ 3,859,798</u>

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

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

2. **Interfund Transfers**

A summary of interfund transfers as of June 30, 2009 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL FUND:			
Excise Tax Phase Out Fund.....	N/A	\$ 9,177,514	\$
School Unrestricted Fund.....	N/A		86,413,637
Budget Stabilization Fund.....	N/A	191,730	
Parks and Recreation.....	N/A	8,824	
Public Service Funds.....	N/A	<u>160,487</u>	
TOTAL GENERAL FUND.....		<u>9,538,555</u>	<u>86,413,637</u>
SCHOOL UNRESTRICTED:			
General Fund.....	N/A	<u>86,413,637</u>	
NONMAJOR FUNDS:			
Budget Stabilization Fund.....	General Fund		191,730
Public Service Funds.....	General Fund		6
Restitution Fund.....	General Fund		94,486
Substance Abuse Prevention.....	General Fund		58,126
Cranston Fall Harvest Festival.....	General Fund		8,824
Police Home Land Security.....	General Fund		131
Police Surplus Revolving Loan...	General Fund		6,616
Police Block Grant.....	General Fund		124
Special Grants and Projects.....	General Fund		998
Excise Tax Phase Out Fund.....	General Fund		<u>9,177,514</u>
TOTAL NONMAJOR FUNDS.....		<u>-</u>	<u>9,538,555</u>
GRAND TOTAL		<u>\$ 95,952,192</u>	<u>\$ 95,952,192</u>

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

<u>ADVANCE FROM:</u>	<u>CORRESPONDING FUND</u>	<u>AMOUNT</u>
General Fund	School Special Revenue Fund	\$ 8,990,340

The City's General Fund advanced the School Special revenue Unrestricted Fund, \$8,990,340 during the year to finance the over expenditure of the School Special Revenue Unrestricted Fund budget. The School Special Revenue Unrestricted Fund has a plan in place to repay the advance over the next four years.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

E. Short-Term Obligations – Bond Anticipation Notes

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

There was no short-term obligation activity for the year ended June 30, 2009.

F. Changes in Long-Term Obligations

1. Summary of Changes

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

Governmental Activities:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
GENERAL OBLIGATION:									
Public improvement	\$ 17,540,000	06/15/98	07/15/18	4.4-6.0%	\$ 820,000	\$	\$ 820,000	\$ -	\$ -
Public improvement	16,115,000	11/15/99	11/15/19	4.5-5.45%	1,440,000		700,000	740,000	740,000
Refunding	13,320,000	12/01/00	07/01/15	4.5-5.5%	6,700,000		1,355,000	5,345,000	950,000
Public improvement	27,050,000	02/15/04	02/15/24	2.0-5.0%	21,630,000		955,000	20,675,000	1,355,000
Advance refunding	22,280,000	05/13/05	07/15/19	3.0-5.0%	22,110,000		110,000	22,000,000	970,000
Public improvements	23,900,000	6/14/06	4/1/2026	4.0-5.0%	22,100,000		840,000	21,260,000	870,000
Public improvements	13,075,000	6/18/08	7/1/2028	4.0-5.0%	13,075,000			13,075,000	400,000
School borrowing..	13,075,000	8/07/08	4/01/29	N/A	-	7,000,000		7,000,000	225,000
Total General Obligation Bonds.....					87,875,000	7,000,000	4,780,000	90,095,000	5,510,000
Bond Premiums.....					2,928,367	73,734	168,286	2,833,815	171,973
TOTAL BONDS AND RELATED LIABILITIES					90,803,367	7,073,734	4,948,286	92,928,815	5,681,973
LEASES PAYABLE:									
Public Facilities Management									
Foundation Lease	5,130,000	11/01/00	11/01/15	4.75 – 5.25%	3,195,000		335,000	2,860,000	350,000
Musical Instruments	114,811	10/16/06	12/01/10	7.81%	69,313		21,390	47,923	23,061
Total Leases Payable.....					3,264,313		356,390	2,907,923	373,061
TOTAL BONDS AND NOTES AND RELATED LIABILITIES					94,067,680	7,073,734	5,304,676	95,836,738	6,055,034
COMPENSATED ABSENCES.....					10,426,876	1,558,641	2,390,644	9,594,873	959,487
DEFERRED SALARY.....					295,974		38,402	257,572	25,757
NET PENSION OBLIGATION					87,943,251	382,516		88,325,767	N/A
NET OPEB OBLIGATION (AS RESTATED)					425,966	1,716,692		2,142,658	N/A
CLAIMS AND JUDGMENTS.....					60,000	1,090,000	60,000	1,090,000	760,000
TOTAL LONG-TERM OBLIGATIONS					\$ 193,219,747	\$ 11,821,583	\$ 7,793,722	\$ 197,247,608	\$ 7,800,278

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

Capital assets obtained from capital leases totaled \$7,567,356.

Business-Type Activities:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
ENTERPRISE FUNDS									
SEWER:									
RI Clean Water.....	\$ 3,242,000	09/01/93	09/01/15	3.0%	\$ 1,296,800	\$	\$ 162,100	\$ 1,134,700	\$ 162,100
RI Clean Water.....	700,000	08/25/99	09/01/15	3.0%	409,287		46,333	362,954	47,637
RI Clean Water.....	2,000,000	11/13/03	09/01/24	0.0%	1,700,000		100,000	1,600,000	100,000
RI Clean Water.....	3,400,000	12/30/04	09/01/11	0.0%	1,942,000		486,000	1,456,000	486,000
RI Clean Water.....	900,000	09/01/05	09/01/25	3.0%	880,000		10,000	870,000	10,000
RI Clean Water.....	3,000,000	09/01/07	09/01/28	3.0%	3,000,000			3,000,000	150,000
TOTAL SEWER.....					9,228,087	-	804,433	8,423,654	955,737
PUBLIC FACILITIES MANAGEMENT FOUNDATION:									
Certificates of participation.....									
	5,130,000	11/01/00	11/01/15	4.75-5.25%	3,195,000		335,000	2,860,000	350,000
Certification of participation unamortized discount.....					(20,257)		(4,440)	(15,817)	
TOTAL BONDS AND RELATED LIABILITIES.....					12,402,830	-	1,134,993	11,267,837	1,305,737
COMPENSATED ABSENCES.....					27,991	10,054		38,045	3,805
DEFERRED SALARY.....					1,500			1,500	150
TOTAL ENTERPRISE FUNDS.....					\$ 12,432,321	\$ 10,054	\$ 1,134,993	\$ 11,307,382	\$ 1,309,692

The following is a summary of annual debt service requirements to maturity for the retirement of general obligation debt, leases and certificates of participation:

YEAR ENDING JUNE 30,	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			
	GENERAL OBLIGATION DEBT		LEASES PAYABLE		CERTIFICATES OF PARTICIPATION		CLEAN WATER BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2010	\$ 5,510,000	\$ 4,150,413	\$ 373,061	\$ 139,795	\$ 350,000	\$ 136,053	\$ 955,737	\$ 128,927
2011	5,655,000	3,917,035	389,862	120,652	365,000	118,710	957,077	117,078
2012	5,815,000	3,663,001	385,000	100,143	385,000	100,143	956,454	105,161
2013	5,975,000	3,402,036	405,000	80,393	405,000	80,393	523,871	93,904
2014	6,140,000	3,131,914	430,000	59,303	430,000	59,303	525,327	83,297
2015-2019	29,855,000	11,349,850	925,000	49,107	925,000	49,106	1,985,188	282,932
2020-2024	20,815,000	5,227,943					1,550,000	153,931
2025-2028	10,330,000	1,168,046					970,000	42,410
TOTALS	\$ 90,095,000	\$ 36,010,238	\$ 2,907,923	\$ 549,393	\$ 2,860,000	\$ 543,708	\$ 8,423,654	\$ 1,007,640

(CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Lease Commitment

The City is obligated under various operating leases to make the following aggregate annual lease payments. Lease expenditures approximated \$1,360,000 for fiscal year ended June 30, 2009.

Year Ended June 30

2010	\$	1,358,537
2011		1,357,605
2012		1,357,605
2013		1,065,000
2014		1,065,000
2015 - 2019		5,325,000
2020 - 2024		5,325,000
2025 - 2029		5,325,000
Totals	\$	22,178,747

3. Statutory Debt Limitations

Debt Limit

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. There is currently no outstanding debt of the City subject to the 3% debt limit. The current 3% debt limit of the City is \$259 million based on taxable property as of December 31, 2007, of approximately \$8.6 billion.

The State of Rhode Island General Assembly ("General Assembly") may by special act permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 2009, the City had \$90,095,000 of debt outstanding, none of which is subject to the 3% debt limit.

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

(CONTINUED)

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

4. Prior Year Debt Refundings

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2009, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements, was approximately \$10,315,000.

5. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is as follows:

General purposes	\$ 51,190,022
Schools	<u>12,401,228</u>
TOTAL	<u>\$ 63,591,250</u>

6. Deferred Salary

Deferred salary represents an agreement Cranston Public Schools made with the teachers union in 1992. Under the agreement any teacher who was employed by the school system prior to and inclusive of the 1991-1992 school year is eligible, upon departure from the Cranston Public School system, for a stipend. The amount of the stipend is based on the salary step held by the teacher during the 1991-1992 school year. The deferral, not to exceed \$1,500 per teacher will be paid in a lump sum upon each teacher's separation from service. In the event a teacher dies while in the employ of the Cranston Public Schools the benefit will be paid to the teacher's estate. As of June 30, 2009, there were 242 teachers eligible for the benefit, with an outstanding balance of \$257,572.

IV. OTHER INFORMATION

A. Risk Management

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

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

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The City of Cranston contributes to a separate account an amount per covered employee which would otherwise have been paid to an insurance carrier. These amounts are determined by an independent third party consultant hired by the City of Cranston who works with the provider to examine past experience and determine an adequate amount for each type of plan offered by the City. Factors considered by the plan administrator include the amount of claims paid during the previous year, claims administration costs and projected insurance industry inflation rates. The City of Cranston, including Cranston Public Schools, incurred approximately \$26 million for fiscal year 2009 under this plan.

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

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

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

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

Changes in the self-insurance liability for the fiscal years ended June 30, 2009 are as follows:

	<u>2009</u>	<u>2008</u>
July 1	\$ 2,924,672	\$ 8,158,240
Add: incurred claims	27,125,040	28,648,341
Less: payments of claims attributable to events of both the current and prior fiscal years:		
Health and life	26,388,323	29,865,301
Other claims	2,045,002	4,016,608
June 30	<u>\$ 1,616,387</u>	<u>\$ 2,924,672</u>

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

B. Lease of Wastewater Treatment Facility

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

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

At June 30, 2009, the balance of unearned revenue related to this was \$24,960,000, which is comprised of a short-term portion of \$1,920,000 and a long-term portion of \$23,040,000.

During the term of the agreement, the City pays the Company a service fee, which is calculated based on definitive components and amounts, as adjusted in accordance with guidelines established in the agreement. The service fee is generally fixed at the beginning of each fiscal year. During 2009, the City paid service fees totaling \$14 million. The City also recognized 4% of the lease payment (\$1,920,000) as revenue for the year ended June 30, 2009.

C. Commitments and Litigation

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

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

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

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems

Summary

The City contributes to five defined benefit pension plans - the Police and Fire Employees' Pension Plan of the City of Cranston ("PFERS"), a single-employer plan; the Municipal Employees' Retirement System ("MERS"), an agent multiple-employer plan; the Employees' Retirement System of the State of Rhode Island ("ERS"), a cost-sharing multiple employer plan; the National (Industrial) Pension Plan, a cost-sharing multi-employer defined benefit plan; and the New England Teamsters & Trucking Industry Pension Plan, a cost-sharing multiple-employer plan. The PFERS is presented in the accompanying financial statements as a fiduciary fund. MERS, ERS, the National Industrial Pension Plan and the New England Teamsters & Trucking Industry Pension Plan are not included in the City's financial statements.

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

a. Summary of Significant Accounting Policies and Plan Asset Matters

(i) Basis of Accounting

PFERS' financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contract requirements and investment income is recognized when earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the plan.

(ii) Valuation of Investments

Investments are valued at fair value. There are no investments of 5% or greater in any one organization.

b. Classes of Employees Covered

As of July 1, 2009, the plans' membership consists of:

	<u>Fire</u>	<u>Police</u>	<u>Total</u>
Retirees, disability retirees and beneficiaries receiving benefits.....	221	205	426
Active plan members vested.....	50	20	70
Active plan members non vested.....	—	—	—
TOTALS.....	<u>271</u>	<u>225</u>	<u>496</u>

c. Benefit Provisions

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

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IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

c. Benefit Provisions (Continued)

Contributions

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

d. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009 (the date of the most recent actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$287,655,000
Actuarial value of plan assets	<u>43,418,000</u>
Unfunded actuarial accrued liability (UAAL)	244,237,000
Funded ratio (actuarial value of plan assets/AAL)	15.1 %
Covered payroll (active plan members)	5,416,000
UAAL as a percentage of covered payroll	4,510.0%

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

e. Schedule of Employer Contributions

FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTION
6/30/2007	\$ 21,723,021	\$ 21,723,021	100%
6/30/2008	20,785,343	19,889,000	96%
6/30/2009	20,062,219	19,087,000	95%

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

f. Actuarial Assumptions

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

VALUATION DATE.....	JULY 1, 2009
ACTUARIAL COST METHOD	ATTAINED AGE NORMAL
ASSET VALUATION METHOD.....	FAIR VALUE
ACTUARIAL ASSUMPTIONS:	
Investment Rate of Return	8%
PROJECTED SALARY INCREASES:	
Merit	3%
Cost-of-living adjustment.....	3%
Inflation	3%
AMORTIZATION METHOD	OPEN LEVEL DOLLAR
REMAINING AMORTIZATION PERIOD	25 YEARS

g. Annual Pension Cost and Net Pension Obligation (NPO)

The changes in the net pension obligation of PFERS as of June 30, 2009, were as follows:

Annual required contribution.....	\$ 20,062,219
Interest on net pension obligation.....	8,640,438
Adjustments to ARC.....	(9,233,141)
Annual pension cost.....	19,469,516
Contribution made	(19,087,000)
Change in net pension obligation.....	(382,516)
Net pension obligation - July 1, 2008.....	<u>87,943,251</u>
Net pension obligation - June 30, 2009	<u>\$ 88,325,767</u>

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

h. Three Year Trend Information

FISCAL YEAR ENDED	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
6/30/2007	\$ 20,709,227	100%	\$ 87,541,920
6/30/2008	20,290,331	96%	87,943,251
6/30/2009	19,469,516	95%	88,325,767

2. Municipal Employees' Retirement System of the State of Rhode Island ("MERS")

a. Plan Description

Upon the date of hire, all full-time City, non-certified school employees and police and fire personnel hired on or after July 1, 1995, are eligible to participate in MERS, an agent multiple-employer plan administered by the Employees' Retirement System of the State of Rhode Island. Employees who retire at or after age 58 with 10 years of credited service or at any age after 30 years of credited service are entitled to a retirement benefit payable monthly for life. The retirement benefit is 2% of final average salary multiplied by the number of years of total service up to a maximum of 75%. Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses or severance pays. MERS also provides death and disability benefits. Benefits are established by State Statute. Financial statements for MERS can be obtained by contacting the Employees' Retirement System of the State of Rhode Island, 40 Fountain Street, Providence, RI 02903, or by accessing their website at www.ersri.org.

b. Funding Policy

General employees are required by Rhode Island General Law Section 45-21-41 to contribute 6% of their salary to the plan and contribute an additional 1% for a cost-of-living provision. Annual required contributions are actuarially determined for each separate employer and are assessed to each as a percentage of their participating employees' payroll. The annual required contribution covers normal cost and, where applicable, a payment to amortize the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized as a level percent of payroll over a close period of 30 years measured from June 30, 1999. Police contribute 10% and fire personnel are required to contribute 11.5% of their salary with the excess contribution (1.5%) offsetting the City's required contribution. For 2009, the City's contribution rate for police personnel was 15.25% and 15.46% for fire personnel, resulting in a net contribution by the City for fire personnel of 13.96%.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

2. Municipal Employees' Retirement System of the State of Rhode Island ("MERS")

b. Funding Policy (Continued)

A variety of significant actuarial assumptions are used and these assumptions are summarized below:

VALUATION DATE.....	JUNE 30, 2008
ACTUARIAL COST METHOD	ENTRY AGE NORMAL
AMORTIZATION METHOD	LEVEL PERCENT OF PAYROLL – CLOSED
EQUIVALENT SINGLE REMAINING AMORTIZATION PERIOD.....	22 YEARS
ASSET VALUATION METHOD.....	5 YEAR SMOOTHED MARKET
ACTUARIAL ASSUMPTIONS:	
Investment Rate of Return	8.25%
Inflation	3%
Cost of Living Adjustments	3% (non-compounded with a few exceptions)
PROJECTED SALARY INCREASES:	
General Employees.....	4.5 – 8.5%
Police and Fire Employees.....	4.75 – 14.75%
Payroll Growth Rate.....	4.25%

In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 4.25% per year. This increase is solely due to the effect of wage inflation on salaries, with no allowance for future membership growth.

MORTALITY 1994 Group Annuity Mortality Table with mortality for disable persons set equal to the age 65 under the PBGC Table Via and Va.

RETIREMENT AGE Employees are assumed to retire at the later of age 65 or completion of the service requirements.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

2. Municipal Employees' Retirement System of the State of Rhode Island ("MERS")

D. Employee Retirement Systems (Continued)

c. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2008 (the date of the most recent actuarial valuation) was as follows:

	<u>General Employees</u>
Actuarial accrued liability (AAL)	\$120,962,612
Actuarial value of plan assets	<u>129,012,096</u>
Unfunded actuarial accrued liability (UAAL)	8,049,484
Funded ratio (actuarial value of plan assets/AAL)	106.7 %
Covered payroll (active plan members)	26,974,527
UAAL as a percentage of covered payroll	29.8%
	<u>Police</u>
Actuarial accrued liability (AAL)	\$ 18,518,471
Actuarial value of plan assets	<u>14,761,420</u>
Unfunded actuarial accrued liability (UAAL)	(3,757,051)
Funded ratio (actuarial value of plan assets/AAL)	79.7 %
Covered payroll (active plan members)	6,130,562
UAAL as a percentage of covered payroll	-61%
	<u>Fire</u>
Actuarial accrued liability (AAL)	\$ 29,342,709
Actuarial value of plan assets	<u>24,866,263</u>
Unfunded actuarial accrued liability (UAAL)	(4,476,446)
Funded ratio (actuarial value of plan assets/AAL)	84.7%
Covered payroll (active plan members)	7,440,104
UAAL as a percentage of covered payroll	60%

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

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

2. Municipal Employees' Retirement System of the State of Rhode Island ("MERS") (Continued)

d. Contributions

The City's contribution rate for general employees was 6.32%.

<u>FISCAL YEAR ENDED</u>	<u>ANNUAL REQUIRED CONTRIBUTION</u>	<u>ACTUAL CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTION</u>
<u>General Employees</u>			
6/30/2007	\$ 395,156	\$ 395,156	100%
6/30/2008	702,295	702,295	100%
6/30/2009	793,730	793,730	100%
<u>Police</u>			
6/30/2007	\$ 1,024,180	\$ 1,024,180	100%
6/30/2008	1,108,565	1,108,565	100%
6/30/2009	986,464	986,464	100%
<u>Fire</u>			
6/30/2007	\$ 1,247,321	\$ 1,247,321	100%
6/30/2008	1,313,050	1,313,050	100%
6/30/2009	1,147,745	1,147,745	100%

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

a. Plan Description

All full-time teachers including superintendents, principals, school nurses and certain other school officials ("classified employees") in the Cranston Public Schools participate in the ERS, a cost-sharing multiple-employer public retirement system. ERS provides retirement, death and disability and health care benefits, all of which are established by State Statute. ERS issues a publicly available financial statement that includes the financial statements and required supplementary information for ERS. That report may be obtained by contacting the Employees' Retirement System of Rhode Island, 40 Fountain Street, Providence, RI 02903, or by accessing their website at www.ersri.org.

The ERS was established under section two of chapter 2334 of the Rhode Island Public Laws of 1951 and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, or title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of title 16 of the Rhode Island General Laws. The plan provides a two tier benefit structure referred to as schedules A and B as follows:

Schedule A Benefits: Classified employees who retire at or after age 60 with 10 years of credited service on or before July 1, 2005, or at any age with 28 years of credited service are entitled to a retirement benefit payable monthly for life. The retirement benefit is a percentage of final average salary per year of credited service with a maximum benefit of 80% of "final average" salary. Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses or severance pays. The percent of earnings related to each year of credited service is as follows:

<u>Years of Credited Service</u>	<u>Percent/Year</u>
1 - 10	1.7%
11 - 20	1.9%
21 - 34	3.0%
35	2.0%

Benefit accrual rates: The percentage accrual a Schedule A member has earned as of September 30, 2009 will be frozen. Future accruals will be earned under Schedule B. The member's benefit will be based on the sum of these credits, multiplied by his/her Final Average Salary.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

a. Plan Description (Continued)

Schedule B Benefits: Classified employees who were hired after July 1, 2005, or current employees with less than 10 years of contributory services on or before July 1, 2005, who attain at least 10 years of credited service, will become entitled to a retirement benefit payable monthly for life. The retirement benefit is a percentage of final average salary per year of credited service with a maximum benefit of 75% of "final average" salary. Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses or severance pays. An unreduced retirement benefit becomes available at age 65 and 10 years of service; actuarially reduced retirement benefits become available at age 55 and 20 years of service. The percent of earnings related to each year of credited service is as follows:

<u>Years of Credited Service</u>	<u>Percent/Year</u>
1 - 10	1.60%
11 - 20	1.80%
21 - 25	2.00%
26 -30	2.25%
31 -37	2.50%

The ERS plan also provides a survivor benefit to public school teachers via a "Teachers Survivor Benefits Fund" in lieu of Social Security. The details of the survivor death benefits and other death benefits are provided in the financial section of the Annual Financial Report of the Employees' Retirement System of Rhode Island for the fiscal year ending June 30, 2008 which can be found at www.ersri.org.

b. Funding Policy

Rhode Island General Laws set the contribution rates for participating State employees at 9.5% of salary. Annual contributions by both employees and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. Plan members are required by State statute to contribute 9.5% of their salary to the plan. The School Department contributions are based on a percentage of annual compensation of active members, half of which is payable by the State of Rhode Island. The School Department contributions made for the years ended June 30, 2009, 2008, and 2007 are listed under contributions below and were equal to the required contributions for each year.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

b. Funding Policy (Continued)

The employer contribution rates for ERSRI are determined actuarially. Separate rates are determined for State Employees and for Teachers. Due to the adoption of Article 7 SUB A, the rates from this valuation will be effective for the three year period beginning July 1, 2008 and ending June 30, 2011. The rate consists of two pieces: the normal cost rate and the amortization rate. The normal cost rate is the Employer's Entry Age normal cost, expressed as a percent of pay. The amortization rate is the contribution required to amortize the unfunded actuarial liability over 21 years as a level percent of pay. For the Teachers, the State of Rhode Island pays 40% of the rate, adjusted so that the State pays the entire amortization charge for the 1990/91 and 1991/92 deferrals, and the city employing the Teacher pays the balance. The School Department was required to contribute 14.86%, 13.04%, and 11.62% for all full-time employees for fiscal years 2009, 2008 and 2007, respectively. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 1999 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability.

A variety of significant actuarial assumptions are used and these assumptions are summarized below:

VALUATION DATE.....	JUNE 30, 2008
ACTUARIAL COST METHOD	ENTRY AGE NORMAL
AMORTIZATION METHOD.....	LEVEL PERCENT OF PAYROLL – CLOSED
EQUIVALENT SINGLE REMAINING AMORTIZATION PERIOD.....	22 YEARS
ASSET VALUATION METHOD.....	5 YEAR SMOOTHED MARKET
ACTUARIAL ASSUMPTIONS:	
Investment Rate of Return	8.25%
Inflation	3%
Cost of Living Adjustments	Schedule A members – 3% compounded, Schedule B members – 2.5%
PROJECTED SALARY INCREASES:	
Teachers.....	4.5 – 13.25%
MORTALITY	1994 Group Annuity Mortality Table with mortality for disable persons set equal to the age 65 under the PBGC Table Via and Va.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

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

RETIREMENT AGE Teachers are assumed to retire at the later of age 61 or completion of the service requirements. Article 7 establishes a minimum retirement age of 62 for all future hires, but this age must not be less than under prior law.

POST-RETIREMENT BENEFIT INCREASE For members with at least 10 years of contributory service as of June 2005 and for all members receiving a disability benefit, the post-retirement benefit increases are equal to 3% by statute. They are not a function of the actual increases in the cost of living. For members with less than 10 years of contributory service as of June 30, 2005, members receive a compound increase each year equal to the increase in the CPI, but limited to 3%. This limit lowers the expected increases granted in each year below the inflation assumption of 3%. The assumed average increase received for this group of employees is 2.5%.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. For fiscal year 2009, actuarial required contributions were 25.03% of the participant's salary. This resulted in contribution rates paid by the State on behalf of the School Department of 10.17% of non-federally reimbursable payrolls totaling \$65,817,361 for the year ended June 30, 2009, which has been included as revenues and expenditures in the School Department's unrestricted fund. The School Department contributed the remaining 14.86% of the required 25.03%.

The School Department does not have any investments on related party investments with the State Plan. The School Department's (employer) contribution represented 6.2% of total (employer) contributions required of all participating entities for the fiscal year ended June 30, 2008 (latest available information).

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the School District has determined that there is and has been no net pension obligation or assets related to the Plan.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Employee Retirement Systems (Continued)

c. Contributions

The School Department's required contributions and actual contributions made for the years ended June 30, 2009, 2008, and 2007 were as follows:

FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTION
6/30/2007	\$ 7,951,182	\$ 7,951,182	100%
6/30/2008	9,374,331	9,374,331	100%
6/30/2009	7,671,187	7,671,187	100%

4. National (Industrial) Pension Plan

a. Plan Description

Upon the date of hire, most of the City's public works' employees and all School Department bus drivers are eligible to participate in the National (Industrial) Pension Fund, a cost-sharing multiple-employer defined benefit plan. The plan also provides the following types of pensions which pay benefits to a retired participant during their lifetime and thereafter pay benefits to the participant's surviving spouse or other beneficiary: husband-and-wife pension, survivor's option pension, and 120 certain payments option pension.

The Plan also provides for a widow/widower's pension. Employees who retire at or after age 62 with at least 5 years of pension credit and have earned at least one of the years of pension credit during the period that their employer is contributing to the pension fund are eligible for benefits through the regular pension that is payable monthly for life. The retirement benefit is determined by the highest contribution rate at which the employee earned pension credit and the years of pension credits they have earned (up to a maximum of 30 years of pension credits). The Plan also provides death and disability benefits. Benefits are established by the Board of Trustees of the Pension Fund. Financial statements for the Plan can be obtained by contacting the Laborers' National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC, 20106.

b. Funding Policy

Covered employees are not required to contribute to the Plan. For Fiscal Year ended June 30, 2009, the City was required to contribute \$1.09 per hour, and the School Department was required to contribute \$.54 per hour for each hour worked by the employees to the Plan.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

IV. OTHER INFORMATION (CONTINUED)

4. National (Industrial) Pension Plan (Continued)

c. Contributions

Contributions for the past three years were as follows:

FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTION
<u>City</u>			
6/30/2007	\$ 139,661	\$ 139,661	100%
6/30/2008	155,080	155,080	100%
6/30/2009	149,136	149,136	100%
<u>School Department</u>			
6/30/2007	85,540	85,540	100%
6/30/2008	92,833	92,833	100%
6/30/2009	82,672	82,672	100%

5. New England Teamsters & Trucking Industry Pension Plan

a. Plan Description

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

b. Funding Policy

Covered employees are currently not required to contribute to the Plan. For the Fiscal Year ended June 30, 2009, the City was required to contribute \$0.60 per hour for each hour worked by the employees to the Plan.

c. Contributions

FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTION
6/30/2007	\$ 165,352	\$ 165,352	100%
6/30/2008	176,198	176,198	100%
6/30/2009	168,338	168,338	100%

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefits (OPEB) – Public Safety Employees

1. Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all public safety employees. The plan provides health benefits and life insurance benefits to eligible retired police and fire employees and their beneficiaries. The plans provisions may be amended by the City and the Trustees of the plan. The trust is accounted for as an OPEB trust fund in the City's financial statements.

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

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

b. Valuation of Investments

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

c. Classes of Employees Covered

As of July 1, 2009 (date of the last actuarial valuation) membership data was as follows:

Active employees	335
Inactive Employees:	
Retirees	201
Spouses	161
Retiree (Life only)	<u>208</u>
Total plan members	<u>905</u>

3. Funding Policy

The City established an Irrevocable Trust Agreement (OPEB Trust) effective July 1, 2006, and has started to pre-fund OPEB liabilities. The City pays certain medical premiums for a retiree and certain dependents until they reach the age of 65 years unless they are not covered by Medicare benefits, in that case, coverage continues for life. If a firefighter dies before reaching normal retirement age, the City pays for the benefit of the firefighter's family, if any, the full cost of family medical coverage (as in effect at the time of the firefighter's death) until the firefighter's normal retirement date. In addition, the City pays the premium for life insurance for its retirees having a coverage amount of \$17,000.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

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

4. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer and employees who elect dependent coverage (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 4,047,835
Interest on net OPEB obligation	(7,538)
Adjustment to annual required contribution	<u>4,864</u>
Annual OPEB cost (expense)	4,045,161
Contributions made	<u>3,273,843</u>
Increase in net OPEB obligation	771,318
Net OPEB asset - July 1, 2008 (as restated)	<u>270,641</u>
Net OPEB obligation - June 30, 2009	<u>\$ 500,677</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset/(Obligation)</u>
6/30/2007	\$ 3,515,765	105%	\$ 176,411
6/30/2008	3,606,418	103%	270,641
6/30/2009	4,045,161	81%	(500,677)

5. Funded Status and Funding Progress

The required supplementary information, which follows the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the OPEB – Public Safety Employees with a valuation date of July 1, 2009, which is the most recent report available.

Actuarial accrued liability (AAL)	\$ 50,533,441
Actuarial value of plan assets	<u>397,327</u>
Unfunded actuarial accrued liability (UAAL)	50,136,114
Funded ratio (actuarial value of plan assets/AAL)	0.79 %
Covered payroll (active plan members)	n/a
UAAL as a percentage of covered payroll	n/a

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

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

5. Funded Status and Funding Progress (Continued)

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

6. Actuarial Methods and Assumptions

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit cost method was used in the July 1, 2009 actuarial valuation. Actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses). Only assets that have been contributed to the OPEB Trust are considered available for liabilities for purposes of the valuation. The City does use other assets to pay the liabilities on a pay-as-you-go basis at the present time. The actuarial assumptions for healthcare cost trend is growth of 8% for 2009 and declining by 1% per year until 5% is reached. The 5% growth is used on a go-forward basis. The UAAL will be amortized over a closed thirty year period.

F. Other Post-Employment Benefits (OPEB) – Board of Education Employees

1. Plan Description

The City maintains and administers a single-employer OPEB benefit plan that covers all School Department employees. The plan provides health benefits and dental insurance benefits to eligible retired employees and their beneficiaries. The plans provisions may be amended by the Cranston School Committee and the Trustees of the plan. The OPEB activity is accounted for in the School Unrestricted Fund in the City's financial statements.

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

F. Other Post-Employment Benefits (OPEB) – Board of Education Employees (Continued)

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

a. Basis of Accounting

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

b. Valuation of Investments

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

c. Classes of Employees Covered

As of July 1, 2008 (date of the last actuarial valuation) membership data was as follows:

Active employees	981
Inactive Employees:	
Retirees	<u>358</u>
Total plan members	<u>1,339</u>

3. Funding Policy

The School Department has not yet established a Trust to pre-fund OPEB liabilities. The amounts due for these benefits are funded on a pay as you go basis. The School Department pays 100% of the cost of individual health care insurance and dental insurance benefits for all retired eligible employees retiring before September 1, 2005 until the employee reaches the age of 65. Cost shares have been negotiated for teachers (5% of plan cost) and administrators (10% of plan cost) retiring after September 1, 2005. Administrators retiring on and after July 1, 2008 are responsible for a 20% cost share of their benefits. No benefits are paid for employees retiring prior to 1988.

The School Department funds post retirement benefits on a pay as you go basis. Expenditures for the benefits described above for the year ended June 30, 2009 were \$2,288,090.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

IV. OTHER INFORMATION (CONTINUED)

F. Other Post-Employment Benefits (OPEB) – Board of Education Employees (Continued)

4. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 3,504,375
Interest on net OPEB obligation	65,690
Adjustment to annual required contribution	<u>(65,690)</u>
Annual OPEB cost (expense)	3,504,375
Contributions made	<u>2,288,090</u>
Increase in net OPEB obligation	1,216,285
Net OPEB obligation - July 1, 2008 (as restated)	<u>425,966</u>
Net OPEB obligation - June 30, 2009	<u>\$ 1,642,251</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset/(Obligation)</u>
6/30/08	\$ 2,548,187	83%	\$ (425,966)
6/30/09	3,504,375	65%	(1,642,251)

5. Funded Status and Funding Progress

The required supplementary information, which follows the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the ERS with a valuation date of July 1, 2008, which is the most recent report available.

Actuarial accrued liability (AAL)	\$ 35,821,039
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	35,821,039
Funded ratio (actuarial value of plan assets/AAL)	0 %
Covered payroll (active plan members)	n/a
UAAL as a percentage of covered payroll	n/a

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

(CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

F. Other Post-Employment Benefits (OPEB) – Board of Education Employees (Continued)

6. Actuarial Methods and Assumptions

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit cost method was used in the July 1, 2008 actuarial valuation. Actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses). Only assets that have been contributed to the OPEB Trust are considered available for liabilities for purposes of the valuation. The City does use other assets to pay the liabilities on a pay-as-you-go basis at the present time. The actuarial assumptions for healthcare cost trend is growth of 8% for 2009 and declining by 1% per year until 5% is reached. The 5% growth is used on a go-forward basis. The UAAL will be amortized over a closed thirty year period.

Medical costs are adjusted to reflect expected cost increases related to age. The increase in the net costs assumed to be:

<u>Age</u>	<u>Annual Increase Retiree</u>
49 and below	2.6%
50-54	3.2%
55-59	3.4%
60-64	3.7%
65-69	3.2%
70-74	2.4%
75-79	1.8%
80 and over	0.0%

G. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State on behalf of the City's teachers to the Employees' Retirement System of the State of Rhode Island was \$6,661,428.

H. Subsequent Events

The City subsequently settled labor contract negotiations for the Local Union 1322 and the IAFF Local 1363, resulting in future savings of approximately \$225,000 and \$3,140,000, respectively through fiscal year 2012.

The City has settled a lawsuit with Karleetor, LLC Cullion Concrete Corporation on June 3, 2009 in the amount of \$1,900,000. The settlement was accrued as a long – term obligation as of June 30, 2009.

(CONTINUED)

CITY OF CRANSTON, RHODE ISLAND
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2009

IV. OTHER INFORMATION (CONTINUED)

I. Restatements

Government-Wide Financial Statements:

The beginning net assets for the governmental activities were restated as follows:

	<u>GOVERNMENTAL ACTIVITIES</u>
Net assets, June 30, 2008, as previously reported	\$ (31,656,678)
Adjustment on governmental financials	1,242,595
Adjustment to record deferred charges.....	751,017
Adjustment to increase OPEB asset	184,882
Adjustment to decrease OPEB obligation	128,082
Adjustment to record prior year unrecorded fixed asset additions in governmental funds	<u>649,980</u>
Net assets, July 1, 2008, as restated.....	<u>\$ (28,700,122)</u>

Governmental Financial Statements:

The beginning net assets for the general fund activities were restated as follows:

	<u>GENERAL FUND ACTIVITIES</u>
Net assets, June 30, 2008, as previously reported	\$ 22,103,405
Adjustment to adjust receivables	<u>939,351</u>
Net assets, July 1, 2008, as restated.....	<u>\$ 23,042,756</u>

Non – Major Governmental Financial Statements:

The beginning net assets for the other governmental fund activities were restated as follows:

	<u>OTHER GOVERNMENTAL ACTIVITIES</u>
Net assets, June 30, 2008, as previously reported	\$ 14,124,826
Adjustment to record library reserves.....	173,329
Adjustment to correct legal accrual	<u>129,915</u>
Net assets, July 1, 2008, as restated.....	<u>\$ 14,428,070</u>

(CONCLUDED)

**Required
Supplementary
Information**

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
General property taxes.....	\$ 155,563,148	\$ 155,563,148	\$ 156,759,624	\$ 1,196,476
Intergovernmental	22,028,460	22,128,460	20,371,534	(1,756,926)
Charges for Services:				
Licenses and permits.....	3,310,220	3,310,220	2,683,922	(626,298)
Fines and forfeitures.....	1,575,000	1,575,000	1,605,395	30,395
Departmental.....	6,215,076	6,215,076	7,571,781	1,356,705
Investment income.....	1,850,000	1,850,000	670,576	(1,179,424)
Education.....	38,926,411	35,131,907	35,131,907	-
Other.....	412,375	312,375	1,382,760	1,070,385
TOTAL REVENUES.....	229,880,690	226,086,186	226,177,499	91,313
EXPENDITURES:				
Current:				
Executive.....	521,947	521,947	443,290	78,657
City Council.....	272,326	272,326	272,272	54
Law.....	430,500	430,500	508,786	(78,286)
Personnel.....	150,506	150,506	135,032	15,474
City Clerk.....	1,128,898	1,128,898	943,446	185,452
Probate Court.....	19,339	19,339	19,106	233
Municipal Court.....	259,405	259,405	245,214	14,191
Board of Canvassers.....	355,496	355,496	284,589	70,907
City Planning.....	378,168	378,168	364,794	13,374
Economic Development.....	244,922	244,922	208,123	36,799
Finance.....	4,428,539	4,428,539	4,472,694	(44,155)
Fire.....	25,933,090	25,933,090	25,905,211	27,879
Inspections.....	1,195,588	1,195,588	1,083,017	112,571
Police.....	20,993,001	20,993,001	20,503,581	489,420
Public works.....	13,253,784	13,253,784	13,963,806	(710,022)
Parks and recreation.....	2,201,770	2,201,770	2,287,973	(86,203)
Public libraries.....	3,197,826	3,125,403	3,125,403	-
Community Grants.....	140,500	140,500	140,500	-
Senior services.....	3,035,005	3,035,005	2,846,277	188,728
Municipal Debt.....	7,728,490	7,728,490	8,984,337	(1,255,847)
Long-Term Debt.....	17,569,251	17,569,251	17,569,251	-
Boards and Commissions.....	30,600	30,600	17,050	13,550
Harbor Master.....	5,191	5,191	3,861	1,330
Sealer of Weights and Measures.....	-	-	-	-
Rescue Fund.....	1,066,500	1,066,500	2,055,676	(989,176)
Education.....	125,340,048	121,545,544	121,545,544	-
TOTAL EXPENDITURES.....	229,880,690	226,013,763	227,928,833	(1,915,070)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ 72,423	(1,751,334)	\$ (1,823,757)
FUND BALANCE - JULY 1, 2008 (AS RESTATED).....			23,042,756	
FUND BALANCE - JUNE 30, 2009.....			<u>\$ 21,291,422</u>	

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND - SCHOOL UNRESTRICTED
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
State aid.....	\$ 35,475,911	\$ 35,475,911	\$ 30,558,540	\$ (4,917,371)
Federal through State.....	1,500,000	1,600,000	1,789,299	189,299
Tuition.....	1,662,500	1,862,500	1,932,450	69,950
Carryover.....	-	76,911	76,911	-
State Fiscal Stabilization.....	-	-	2,090,303 *	2,090,303
Miscellaneous.....	288,000	1,355,054	825,518	(529,536)
TOTAL REVENUES.....	38,926,411	40,370,376	37,273,021	(3,097,355)
EXPENDITURES:				
Salaries.....	82,366,902	77,781,098	80,933,898	(3,152,800)
Employee benefits.....	34,490,840	34,110,539	31,399,409	2,711,130
Purchased services.....	9,648,582	9,162,916	10,155,818	(992,902)
Supplies and materials.....	5,383,044	4,895,327	3,990,172	905,155
Capital outlay.....	720,865	641,017	578,264	62,753
Other.....	200,497	193,126	192,566	560
TOTAL EXPENDITURES.....	132,810,730	126,784,023	127,250,127	(466,104)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES..	(93,884,319)	(86,413,647)	(89,977,106)	(3,563,459)
OTHER FINANCING SOURCES:				
Transfers in City of Cranston.....	93,884,319	86,413,647	86,413,637	(10)
APPROPRIATION OF FUND BALANCE				
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	(3,563,469)	\$ (3,563,469)
FUND BALANCE - JULY 1, 2008.....			(5,183,930)	
FUND BALANCE - JUNE 30, 2009.....			<u>\$ (8,747,399)</u>	

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

CRANSTON RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

POLICE AND FIRE PLAN

ACTUARIAL VALUATION DATE JULY1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2002	\$ 19,237,000	\$ 256,292,000	\$ (237,055,000)	7.5%	\$ 10,654,000	-2225%
2003	17,960,000	218,407,000	(200,447,000)	8.2%	9,596,000	-2089%
2004	27,622,000	242,850,000	(215,228,000)	11.4%	9,446,000	-2279%
2005	31,641,000	252,222,000	(220,581,000)	12.5%	7,879,000	-2800%
2006	39,606,000	257,475,000	(217,869,000)	15.4%	7,013,000	-3107%
2007	51,372,000	259,643,000	(208,271,000)	19.8%	6,678,000	-3119%
2008	50,961,000	278,857,000	(227,896,000)	18.3%	6,093,000	-3740%
2009	43,418,000	287,655,000	(244,237,000)	15.1%	5,416,000	-4510%

PUBLIC SAFETY OFEB TRUST PLAN

ACTUARIAL VALUATION DATE JULY1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(B-A)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2007	\$ 127,670	\$ 47,222,807	\$ (47,095,137)	0.3%	N/A	N/A
2008	505,545	52,191,492	(51,685,947)	1.0%	N/A	N/A
2009	397,327	50,533,441	(50,136,114)	0.8%	4,638,936	-1081%

(Continued)

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

CRANSTON RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

DEPARTMENT OF EDUCATION OPEB PLAN

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2007	\$ -	\$ 25,950,366	\$ (25,950,366)	0.0%	\$ 68,573,674	-37.84%
2008	-	35,821,039	(35,821,039)	0.0%	69,144,049	-51.81%

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(B-A)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2002	\$ 115,259,090	\$ 91,029,401	\$ 24,229,689	126.6%	\$ 23,440,036	103.37%
2003	110,439,637	92,892,158	17,547,479	118.9%	21,675,306	80.96%
2004	106,967,754	97,050,042	9,917,712	110.2%	23,035,308	43.05%
2005	105,082,284	102,678,224	2,404,060	102.3%	23,531,717	10.22%
2006	108,693,423	107,772,769	920,654	100.9%	24,701,259	3.73%
2007	119,233,735	114,975,371	4,258,364	103.7%	26,200,633	16.25%
2008	129,012,096	120,962,612	8,049,484	106.7%	26,974,527	29.84%

(Continued)

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

CRANSTON RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM - POLICE						
ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2002	\$ 4,343,311	\$ 5,155,337	\$ (812,026)	84.2%	\$ 2,942,792	-28%
2003	5,260,034	8,047,991	(2,787,957)	65.4%	3,695,706	-75%
2004	6,440,242	9,491,992	(3,051,750)	67.8%	4,327,084	-71%
2005	7,618,309	10,721,320	(3,103,011)	71.1%	4,336,935	-72%
2006	9,366,178	11,172,239	(1,806,061)	83.8%	4,962,030	-36%
2007	12,036,859	14,016,539	(1,979,680)	85.9%	5,919,968	-33%
2008	14,761,420	18,518,471	(3,757,051)	79.7%	6,130,562	-61%

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM - FIRE						
ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(B-A)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROL
2002	\$ 7,870,598	\$ 10,697,631	\$ (2,827,033)	73.6%	\$ 5,061,806	-56%
2003	9,511,014	13,143,435	(3,632,421)	72.4%	5,722,530	-63%
2004	11,599,490	17,852,641	(6,253,151)	65.0%	6,481,038	-96%
2005	13,698,011	17,789,858	(4,091,847)	77.0%	5,608,096	-73%
2006	16,395,438	19,313,922	(2,918,484)	84.9%	6,408,970	-46%
2007	20,613,833	22,445,308	(1,831,475)	91.8%	7,177,565	-26%
2008	24,866,263	29,342,709	(4,476,446)	84.7%	7,440,104	-60%

(Concluded)

CITY OF CRANSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

CRANSTON RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS**POLICE AND FIRE PLAN**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION (ARC)	ACTUAL CONTRIBUTION	% OF ARC CONTRIBUTED
2003	24,945,408	14,949,999	60%
2004	21,877,449	23,876,569	109%
2005	22,147,958	20,024,158	90%
2006	21,723,021	21,339,876	98%
2007	21,723,021	21,723,021	100%
2008	20,785,343	19,889,000	96%
2009	20,062,219	19,087,000	95%

PUBLIC SAFETY OPEB TRUST PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION (ARC)	ACTUAL CONTRIBUTION	% OF ARC CONTRIBUTED
2007	\$ 3,515,765	\$ 3,692,176	105%
2008	3,606,418	3,700,648	103%
2009	4,047,835	3,273,843	81%

DEPARTMENT OF EDUCATION OPEB PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION (ARC)	ACTUAL CONTRIBUTION	% OF ARC CONTRIBUTED
2008	\$ 2,548,187	\$ 2,122,221	83%
2009	3,504,375	2,288,090	65%

**Supplemental
Schedules**

**Nonmajor
Governmental
Funds**

Special Revenue Funds

Special Revenue Funds are used to account for revenues from specific taxes and other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

Education - This fund accounts for education programs financed with grants from private parties and the federal and state government, which are restricted as governed by the grant agreements.

Budget Stabilization - This fund was established to create a reserve to offset significant budget fluctuations in the General Fund from year to year (ordinance specifies items that can be appropriated).

Hospital Stabilization - This fund was established to eliminate future deficits generated by the risks related to being self-insured for health care.

Community Development Block Grant - This fund accounts for Federal Community Development Block Grants.

Public Service - This fund accounts for public safety activities financed by grants received from private parties and federal and state agencies.

Restitution - To account for monies received in restitution of charges.

Cultural Services - This fund accounts for parks and recreation activities financed by grants received from private parties and federal and state agencies.

Public Works - Insurance fund for snow and ice removal costs.

Excise Tax Phase-Out - This fund accounts for excise phase-out receipts received from the State of Rhode Island.

Governmental Special Revenue - This fund accounts for special grants and non-capital projects.

Economic Development Revolving Loan - This fund accounts for the repayment of principal and interest payments from commercial loans funded by a grant from the Department of Housing and Urban Development.

Special Revenue Funds (Continued)

Capital Facilities Development Impact Fees - This fund accounts for fees charged by the City to real estate developers. The fees are to be used for infrastructure capital assets.

WIA Job Development - This fund is a joint venture with the City of Providence to help unemployed and underemployed individuals.

Senior Services - The following funds were established to account for the receipt and disbursement of funds for specific activities sponsored by the Senior Citizens Center:

RSVP
Multipurpose Center
Adult Day Care
Senior Service Special Project

Capital Project Funds

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

School Bond Fund - This fund accounts for the construction and improvements to school buildings, and for the acquisition of equipment for the Cranston School District.

Police and Fire Bond Fund - This fund accounts for the construction and improvements to police and fire stations and for the acquisition of police and fire equipment.

Public Building Bond Fund - This fund accounts for the construction and improvements of City buildings and the acquisition of equipment for City Hall.

Recreation Bond Fund - This fund accounts for the construction and improvements of the City's recreation facilities and for the acquisition of open space.

Highway Bond Fund - This fund accounts for construction and improvements to roads and highways within the City.

Storm Drains Bond Fund - This fund accounts for the installation and repair of storm drains within the City.

Neighborhood Infrastructure Bond Fund - This fund accounts for neighborhood improvement projects.

Open Space Bond Fund - This fund accounts for the acquisition of open space.

CITY OF CRANSTON, RHODE ISLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds				
	Education	Budget Stabilization	Hospital Stabilization	Community Development Block Grant	Public Service
ASSETS:					
Cash and cash equivalents	\$ 331,159	\$ 188,378	\$ 1,236,699	\$ 23,200	\$ 485,437
Investments					
Receivables:					
Intergovernmental	1,096,136				
Loans				1,267,496	
Other	92,847				36,165
Prepays	24,384				
Due from:					
Other funds	\$ 360,676				
TOTAL ASSETS	\$ 1,905,202	\$ 188,378	\$ 1,236,699	\$ 1,290,696	\$ 521,602
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
Accounts payable	\$ 35,368	\$ -	\$ -	\$ 252	\$ 1,705
Accrued payroll				6,486	2,484
Retainage payable					
Due to other funds	1,083,838			47,096	151,069
Unearned revenues	195,563			1,267,494	546
Other liabilities					
TOTAL LIABILITIES	1,314,769	-	-	1,321,328	155,804
FUND BALANCES:					
Reserved for trust commitments	125,557				
Unreserved, reported in:					
Special revenue funds	464,876	188,378	1,236,699	(30,632)	365,798
Capital project funds					
TOTAL FUND BALANCES	590,433	188,378	1,236,699	(30,632)	365,798
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,905,202	\$ 188,378	\$ 1,236,699	\$ 1,290,696	\$ 521,602

CITY OF CRANSTON, RHODE ISLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds					
	Restitution	Cultural Services	Public Works	Excise Tax Phase-out	Governmental Special Revenue Funds	Economic Development Revolving Loan
ASSETS:						
Cash and cash equivalents	\$ -	\$ 319,861	\$ 281,494	\$ -	\$ 749,164	\$ 714,913
Investments						
Receivables:						
Intergovernmental						
Loans					71,216	893,526
Other						
Prepays						
Due from:						
Other funds		291,812				
TOTAL ASSETS	\$ -	\$ 611,673	\$ 281,494	\$ -	\$ 820,380	\$ 1,608,439
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ -	\$ 2,851	\$ -	\$ -	\$ 44,072	\$ 52
Accrued payroll						
Retainage payable						
Due to other funds						
Unearned revenues					74,057	893,526
Other liabilities					95,000	
TOTAL LIABILITIES	-	2,851	-	-	213,129	893,578
FUND BALANCES:						
Reserved for trust commitments						
Unreserved, reported in:						
Special revenue funds	-	608,822	281,494	-	607,251	714,861
Capital project funds						
TOTAL FUND BALANCES	-	608,822	281,494	-	607,251	714,861
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 611,673	\$ 281,494	\$ -	\$ 820,380	\$ 1,608,439

CITY OF CRANSTON, RHODE ISLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds			Capital Project Funds		
	Capital Facilities Development Impact Fees	WIA Job Development	Senior Services	School Bond Fund	Police and Fire Bond Fund	Public Building Bond Fund
ASSETS:						
Cash and cash equivalents	\$ 1,735,024	\$ 27,538	\$ 269,073	\$ 83,701	\$ 764,679	\$ 783,929
Investments			23,454			
Receivables:						
Intergovernmental				2,476,417		
Loans						
Other						
Prepays						
Due from:						
Other funds						
TOTAL ASSETS	\$ 1,735,024	\$ 27,538	\$ 292,527	\$ 2,560,118	\$ 764,679	\$ 783,929
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ 2,742	\$ 687	\$ 1,632	\$ 181,054	\$ -	\$ 704
Accrued payroll		9,038				
Retainage payable				85,972		
Due to other funds		28,407	2,022			
Unearned revenues	4,490					
Other liabilities						
TOTAL LIABILITIES	7,232	38,132	3,654	267,026	-	704
FUND BALANCES:						
Reserved for trust commitments						
Unreserved, reported in:						
Special revenue funds	1,727,792	(10,594)	288,873			
Capital project funds				2,293,092	764,679	783,225
TOTAL FUND BALANCES	1,727,792	(10,594)	288,873	2,293,092	764,679	783,225
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,735,024	\$ 27,538	\$ 292,527	\$ 2,560,118	\$ 764,679	\$ 783,929

CITY OF CRANSTON, RHODE ISLAND

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Capital Project Funds					Total Nonmajor Governmental Funds
	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Neighborhood Infrastructure Bond Fund	Open Space Bond Fund	
ASSETS:						
Cash and cash equivalents	\$ 1,054,553	\$ 1,721,265	\$ 93	\$ 119,812	\$ 557,156	\$ 11,447,128
Investments						23,454
Receivables:						
Intergovernmental						3,572,553
Loans						2,232,238
Other						129,012
Prepays						24,384
Due from:						
Other funds				4,092		656,580
TOTAL ASSETS	\$ 1,054,553	\$ 1,721,265	\$ 93	\$ 123,904	\$ 557,156	\$ 18,085,349
LIABILITIES AND FUND BALANCES:						
LIABILITIES:						
Accounts payable	\$ -	\$ 505,312		\$ 2,200	\$ -	\$ 778,631
Accrued payroll						18,008
Retainage payable		97,449				183,421
Due to other funds		4,092				1,316,524
Unearned revenues						2,435,676
Other liabilities						95,000
TOTAL LIABILITIES	-	606,853	-	2,200	-	4,827,260
FUND BALANCES:						
Reserved for trust commitments						125,557
Unreserved, reported in:						
Special revenue funds						6,443,618
Capital project funds	1,054,553	1,114,412	93	121,704	557,156	6,688,914
TOTAL FUND BALANCES	1,054,553	1,114,412	93	121,704	557,156	13,258,089
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,054,553	\$ 1,721,265	\$ 93	\$ 123,904	\$ 557,156	\$ 18,085,349

CITY OF CRANSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds				
	Education	Budget Stabilization	Hospital Stabilization	Community Development Block Grant	Public Service
REVENUES:					
Intergovernmental	\$ 3,750,817	\$	\$	\$ 952,354	\$ 182,166
Charges for services	873,279				894,524
Investment income	-			139,332	4,259
Other	159,555				
TOTAL REVENUES	4,783,651	-	-	1,091,686	1,080,949
EXPENDITURES:					
Current:					
General government					
Public safety		84,247	320,000		1,151,509
Education	4,331,075				
Public libraries					
Senior services					
Community development				1,095,364	
Debt service:					
Interest and other costs					
Capital:					
Capital expenditures					
TOTAL EXPENDITURES	4,331,075	84,247	320,000	1,095,364	1,151,509
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	452,576	(84,247)	(320,000)	(3,678)	(70,560)
OTHER FINANCING SOURCES (USES):					
Issuance of general obligation bond					
Bond premium					
Transfers out		(191,730)			(65,003)
NET OTHER FINANCING SOURCES (USES)	-	(191,730)	-	-	(65,003)
NET CHANGE IN FUND BALANCES	452,576	(275,977)	(320,000)	(3,678)	(135,563)
FUND BALANCES - JULY 1, 2008 - AS RESTATED	137,857	464,355	1,556,699	(26,954)	501,361
FUND BALANCES - JUNE 30, 2009	\$ 590,433	\$ 188,378	\$ 1,236,699	\$ (30,632)	\$ 365,798

CITY OF CRANSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds					
	Restitution	Cultural Services	Public Works	Excise Tax Phase-out	Governmental Special Revenue Funds	Economic Development Revolving Loan
REVENUES:						
Intergovernmental	\$	\$	\$	\$ 9,174,942	\$	\$
Charges for services					163,939	
Investment income	234	2,354	2,692	2,280	6,607	36,882
Other		283,519				
TOTAL REVENUES	234	285,873	2,692	9,177,222	170,546	36,882
EXPENDITURES:						
Current:						
General government		11,540			153,637	25,338
Public safety						
Education						
Public libraries		64,849				
Senior services						
Community development						
Debt service:						
Interest and other costs						
Capital:						
Capital expenditures						
TOTAL EXPENDITURES	-	76,389	-	-	153,637	25,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	234	209,484	2,692	9,177,222	16,909	11,544
OTHER FINANCING SOURCES (USES):						
Issuance of general obligation bond						
Bond premium						
Transfers out	(94,486)	(8,824)		(9,177,514)	(998)	
NET OTHER FINANCING SOURCES (USES)	(94,486)	(8,824)	-	(9,177,514)	(998)	-
NET CHANGE IN FUND BALANCES	(94,252)	200,660	2,692	(292)	15,911	11,544
FUND BALANCES - JULY 1, 2008 - AS RESTATED	94,252	408,162	278,802	292	591,340	703,317
FUND BALANCES - JUNE 30, 2009	\$ -	\$ 608,822	\$ 281,494	\$ -	\$ 607,251	\$ 714,861

CITY OF CRANSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			Capital Project Funds		
	Capital Facilities Development Impact Fees	WIA Job Development	Senior Services	School Bond Fund	Police and Fire Bond Fund	Public Building Bond Fund
REVENUES:						
Intergovernmental	\$ 252,529	\$	\$	\$	\$ -	\$
Charges for services	53,558	414,136	143,936			
Investment income	16,695	177	3,212			
Other						
TOTAL REVENUES	322,782	414,313	147,148	-	-	-
EXPENDITURES:						
Current:						
General government		400,629				
Public safety	252,529					
Education						
Public libraries						
Senior services			99,940			
Community development						
Debt service:						
Interest and other costs				77,611	61,298	
Capital:						
Capital expenditures				4,504,041	106,554	73,294
TOTAL EXPENDITURES	252,529	400,629	99,940	4,581,652	167,852	73,294
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,253	13,684	47,208	(4,581,652)	(167,852)	(73,294)
OTHER FINANCING SOURCES (USES):						
Issuance of general obligation bond				7,000,000		
Bond premium				73,734		
Transfers out						
NET OTHER FINANCING SOURCES (USES)	-	-	-	7,073,734	-	-
NET CHANGE IN FUND BALANCES	70,253	13,684	47,208	2,492,082	(167,852)	(73,294)
FUND BALANCES - JULY 1, 2008 - AS RESTATED	1,657,539	(24,278)	241,665	(198,990)	932,531	856,519
FUND BALANCES - JUNE 30, 2009	\$ 1,727,792	\$ (10,594)	\$ 288,873	\$ 2,293,092	\$ 764,679	\$ 783,225

CITY OF CRANSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Capital Project Funds					Total Non-Major Governmental Funds
	Recreation Bond Fund	Highway Bond Fund	Storm Drains Bond Fund	Neighborhood Infrastructure Bond Fund	Open Space Bond Fund	
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,312,808
Charges for services						2,543,372
Investment income						214,724
Other						443,074
TOTAL REVENUES	-	-	-	-	-	17,513,978
EXPENDITURES:						
Current:						
General government						591,144
Public safety						1,808,285
Education						4,331,075
Public libraries						64,849
Senior services						99,940
Community development						1,095,364
Debt service:						
Interest and other costs	107,798	39,340				286,047
Capital:						
Capital expenditures	514,815	2,704,637	(15,100)	53,800	393	7,942,434
TOTAL EXPENDITURES	622,613	2,743,977	(15,100)	53,800	393	16,219,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(622,613)	(2,743,977)	15,100	(53,800)	(393)	1,294,840
OTHER FINANCING SOURCES (USES):						
Issuance of general obligation bond						7,000,000
Bond premium						73,734
Transfers out						(9,538,555)
NET OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(2,464,821)
NET CHANGE IN FUND BALANCES	(622,613)	(2,743,977)	15,100	(53,800)	(393)	(1,169,981)
FUND BALANCES - JULY 1, 2008 - AS RESTATED	1,677,166	3,858,389	(15,007)	175,504	557,549	14,428,070
FUND BALANCES - JUNE 30, 2009	\$ 1,054,553	\$ 1,114,412	\$ 93	\$ 121,704	\$ 557,156	\$ 13,258,089

CITY OF CRANSTON, RHODE ISLAND

NONMAJOR BUDGETARY FUNDS
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET BASIS
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

COMMUNITY DEVELOPMENT BLOCK GRANT

	ORIGINALLY ADOPTED BUDGET	FINAL APPROVED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES:				
Program Income	\$ 120,000	\$ 120,000	\$ 139,332	\$ 19,332
Federal Grants	1,057,635	1,057,635	952,354	(105,281)
Total Revenues	1,177,635	1,177,635	1,091,686	(85,949)
EXPENDITURES:				
Current:				
Program Activities	1,177,635	1,177,635	1,095,366	82,269
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ (3,680)	\$ (3,680)

WORKFORCE INVESTMENT ACT

	ORIGINALLY ADOPTED BUDGET	FINAL APPROVED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES:				
Program Income	\$ 396,757	\$ 396,757	\$ 414,136	\$ 17,379
Investment Income			177	177
Total Revenues	396,757	396,757	414,313	17,556
EXPENDITURES:				
Current:				
Program Activities	396,757	396,757	400,629	3,872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 13,684	\$ 13,684

CITY OF CRANSTON, RHODE ISLAND

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009
<u>Unclaimed Estates in Probate Court</u>				
ASSET				
Cash and cash equivalents	\$ 127,777	\$ 96	\$ -	\$ 127,873
LIABILITY				
Deposits Held in Custody for Others	\$ 127,777	\$ 96	\$ -	\$ 127,873
<u>Performance Bonds</u>				
ASSET				
Cash and cash equivalents	\$ 902,424	\$ 25,231	\$ 298,300	\$ 629,355
LIABILITY				
Deposits Held in Custody for Others	\$ 902,424	\$ 25,231	\$ 298,300	\$ 629,355
<u>Student Activity Funds</u>				
ASSET				
Cash and cash equivalents	\$ 513,393	\$ 1,488,511	\$ 1,495,739	\$ 506,165
LIABILITY				
Deposits Held in Custody for Others	\$ 513,393	\$ 1,488,511	\$ 1,495,739	\$ 506,165
<u>TOTALS</u>				
ASSET				
Cash and cash equivalents	\$ 1,543,594	\$ 1,513,838	\$ 1,794,039	\$ 1,263,393
LIABILITY				
Deposits Held in Custody for Others	\$ 1,543,594	\$ 1,513,838	\$ 1,794,039	\$ 1,263,393

**Capital Assets
Used in the Operation of Governmental
Funds**

CITY OF CRANSTON, RHODE ISLAND

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2009**

	LAND	LAND IMPROVEMENTS	BUILDINGS	MACHINERY AND EQUIPMENT	VEHICLES	INFRASTRUCTURE (INCLUDING CIP)	TOTAL
General government.....	\$ 11,051,635	\$ 13,956,004	\$ 79,624,105	\$ 750,908	\$ 760,265	\$ 86,975,245	\$ 193,118,162
Public safety.....				3,097,753	8,550,455		11,648,208
Public works.....				747,224	3,757,976		4,505,200
Education.....			814,720	1,061,127	2,239,201		4,115,048
Parks and recreation.....				1,096,929	466,108		1,563,037
Public libraries.....				3,281,592	17,458		3,299,050
Senior services.....				94,234	368,938		463,172
TOTAL.....	\$ 11,051,635	\$ 13,956,004	\$ 80,438,825	\$ 10,129,767	\$ 16,160,401	\$ 86,975,245	\$ 218,711,877

CITY OF CRANSTON, RHODE ISLAND

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2009**

	BALANCE JULY 1, 2008	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2009
General government.....	\$ 184,928,246	\$ 8,929,892	\$ 739,977	\$ 193,118,161
Public safety.....	11,660,151	466,357	478,299	11,648,209
Public works.....	4,565,279	144,842	204,920	4,505,201
Education.....	4,050,914	98,420	34,286	4,115,048
Parks and recreation.....	1,496,216	84,020	17,199	1,563,037
Public libraries.....	3,290,292	17,458	8,700	3,299,050
Senior services.....	463,172			463,172
TOTAL CAPITAL ASSETS	\$ 210,454,270	\$ 9,740,989	\$ 1,483,381	\$ 218,711,878

**Statistical
Section**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY (TABLES 5 - 7)

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY (TABLES 8 - 11)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION (TABLES 14 - 16)

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

CITY OF CRANSTON, RHODE ISLAND

**NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR							
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002
Governmental activities:								
Invested in capital assets, net of related debt	\$ 29,807,163	\$ 27,722,028	\$ 28,499,098	\$ 12,863,084	\$ 36,731,439	\$ 36,571,258	\$ 65,847,258	\$ (35,603,725)
Restricted	754,859	3,219,448	2,530,430	9,468,021			621,085	5,963,118
Unrestricted	(65,212,201)	(59,641,599)	(59,323,748)	(42,514,069)	(60,538,517)	(67,245,897)	(127,626,157)	(132,708,572)
Total Governmental activities	(34,650,179)	(28,700,123)	(28,294,220)	(20,182,964)	(23,807,078)	(30,674,639)	(61,157,814)	(162,349,179)
Business-type activities:								
Invested in capital assets, net of related debt	58,955,899	60,339,186	63,828,596	63,684,992	61,785,287	61,892,799	61,013,636	61,364,446
Restricted	501,302	507,594	954,040	504,624	500,267	500,267	820,751	819,358
Unrestricted	(19,252,588)	(20,023,658)	(25,204,693)	(24,602,130)	(27,861,982)	(30,724,644)	(29,490,872)	(39,125,642)
Total Business-type activities	40,204,613	40,823,122	39,577,943	39,587,486	34,423,572	31,668,422	32,343,515	23,058,162
Total City:								
Invested in capital assets, net of related debt	88,763,062	88,061,214	92,327,694	76,548,076	98,516,726	98,464,057	126,860,894	25,760,721
Restricted	1,256,161	3,727,042	3,484,470	9,972,645	500,267	500,267	1,441,836	6,782,476
Unrestricted	(84,464,789)	(79,665,257)	(84,528,441)	(67,116,199)	(88,400,499)	(97,970,541)	(157,117,029)	(171,834,214)
Total City	\$ 5,554,434	\$ 12,122,999	\$ 11,283,723	\$ 19,404,522	\$ 10,616,494	\$ 993,783	\$ (28,814,299)	\$(139,291,017)

NOTE: Prior to implementation of GASB 34 in 2002, this information was not compiled and is unavailable.

CITY OF CRANSTON, RHODE ISLAND

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR							
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002
EXPENSES:								
Governmental activities:								
General government	\$ 13,504,802	\$ 11,071,588	\$ 14,667,120	\$ 10,038,244	\$ 15,849,140	\$ 12,264,371	\$ 14,054,259	\$ 11,315,504
Public safety	69,891,470	64,867,512	69,816,686	66,103,904	61,212,863	58,737,753	48,600,836	54,311,983
Public works	14,384,105	13,603,612	13,111,503	12,353,799	12,500,813	11,556,583	8,428,595	8,492,030
Education	144,056,769	145,639,712	139,954,890	128,470,859	123,345,770	115,118,837	114,486,888	104,666,500
Parks and recreation	2,349,144	2,604,501	2,617,354	2,384,414	2,059,016	1,848,297	1,801,404	2,007,121
Public libraries	3,210,102	3,159,253	3,142,534	2,824,696	2,761,476	2,790,619	2,662,535	2,559,200
Senior services	2,948,510	3,122,575	2,913,263	2,611,039	2,564,049	2,564,641	2,959,335	3,040,382
Community development	1,095,367	866,181	1,901,604	1,962,445	1,606,187	1,273,293	1,293,739	1,459,680
Interest expense	4,962,888	4,318,495	3,873,139	6,672,049	3,203,381	2,254,851	5,169,683	3,476,705
Total Governmental activities	256,403,157	249,253,429	251,998,093	233,421,449	225,102,695	208,409,245	199,457,274	191,329,105
Business-type activities:								
Sewer	17,381,311	16,174,140	16,233,984	16,221,383	15,052,454	15,612,521	13,553,258	15,305,821
Public Facilities Management Foundation	228,248	246,029	270,154	275,798	309,662	78,078	357,990	324,228
Water								18,608
School lunch	2,900,867	3,023,413	2,957,021	2,688,143	2,586,402	2,488,766	2,547,767	2,393,349
Total Business-type activities	20,510,426	19,443,582	19,461,159	19,185,324	17,948,518	18,179,365	16,459,015	18,042,006
Total City expenses	276,913,583	268,697,011	271,459,252	252,606,773	243,051,213	226,588,610	215,916,289	209,371,111

(Continued)

NOTE: Prior to implementation of GASB 34 in 2002, this information was not compiled and is unavailable.

CITY OF CRANSTON, RHODE ISLAND

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR							
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government	\$ 5,396,283	\$ 5,474,802	\$ 8,725,161	\$ 9,339,781	\$ 10,094,738	\$ 14,279,624	\$ 7,167,456	\$ 3,835,199
Public safety	6,162,035	5,475,823	3,131,896	3,364,334	3,250,181	2,930,328	1,138,141	2,531,055
Public works	481,865	523,339	166,623	124,564	79,485	110,771		
Education	2,805,729	2,859,296	3,069,830	2,719,123		2,267,150	2,992,832	4,598,157
Parks and recreation	320,967	277,125	229,801	192,971	218,346	214,878		
Public libraries	100,000	68,500	85,000		179,232	124,987		
Senior services	1,670,440	1,580,788	1,442,583	1,392,072	1,264,135	1,461,805		
Other activities							3,622,184	1,126,311
Operating grants and contributions	56,934,360	55,043,215	55,006,239	51,704,145	53,592,333	49,494,352	46,172,804	45,397,783
Capital grants and contributions	182,166	103,305	694,453	114,596	342,051			243,949
Total Governmental activities program revenues	74,053,845	71,406,193	72,551,586	69,034,086	69,020,501	70,883,895	61,093,417	57,732,454
Business-type activities:								
Charges for services:								
Sewer	16,888,433	17,517,895	17,259,536	18,411,799	16,133,909	16,456,479	17,478,196	16,053,597
Public Facilities Management Foundation	211,061	187,849	256,199	247,419	304,306	45,000	319,699	452,161
Water								3,118
School lunch	1,222,604	1,329,552	1,586,519	1,417,343	1,490,280	1,483,555	1,571,470	1,536,637
Operating grants and contributions	1,300,849	1,436,380	1,170,646	1,101,082	1,036,970	939,419	911,614	886,491
Capital grants and contributions				2,030,980	836,249			
Total Business-type activities program revenues	19,622,947	20,471,676	20,272,900	23,208,623	19,801,714	18,924,453	20,280,979	18,932,004
Total City revenues	93,676,792	91,877,869	92,824,486	92,242,709	88,822,215	89,808,348	81,374,396	76,664,458
Net (expenses) revenues:								
Governmental activities	(182,349,312)	(177,847,236)	(179,446,507)	(164,387,363)	(156,082,194)	(137,525,350)	(138,363,857)	(133,596,651)
Business-type activities	(887,479)	1,028,094	811,741	4,023,299	1,853,196	745,088	3,821,964	889,998
Total City net expense	(183,236,791)	(176,819,142)	(178,634,766)	(160,364,064)	(154,228,998)	(136,780,262)	(134,541,893)	(132,706,653)

(Continued)

NOTE: Prior to implementation of GASB 34 in 2002, this information was not compiled and is unavailable.

CITY OF CRANSTON, RHODE ISLAND

**CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR							
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental activities:								
General Revenues:								
Property taxes and other	\$ 171,334,746	\$ 169,279,075	\$ 162,010,764	\$ 158,960,204	\$ 158,547,041	\$ 155,870,057	\$ 140,791,381	\$ 118,179,277
Grants and contributions not restricted to specific programs	2,086,520	4,599,682	5,473,326	5,599,200				
State revenue sharing					3,199,670	3,293,868	2,898,349	2,662,371
Unrestricted investment earnings	1,065,331	2,449,896	3,851,161	2,323,533	1,203,044	477,653	346,950	327,699
Miscellaneous	1,912,658							4,908,858
Transfers						1,450,000	(495,919)	
Total Governmental activities	176,399,255	176,328,653	171,335,251	166,882,937	162,949,755	161,091,578	143,540,761	126,078,205
Business-type activities:								
Unrestricted investment earnings	268,956	217,085	188,091	131,240	253,271	29,819	49,403	119,581
Transfers						(1,450,000)	495,919	
Total Business-type activities	268,956	217,085	188,091	131,240	253,271	(1,420,181)	545,322	119,581
Total City	176,668,211	176,545,738	171,523,342	167,014,177	163,203,026	159,671,397	144,086,083	126,197,786
CHANGE IN NET ASSETS:								
Governmental activities	(5,950,057)	(1,518,583)	(8,111,256)	2,495,574	6,867,561	23,566,228	5,176,904	(7,518,446)
Business-type activities	(618,523)	1,245,179	999,832	4,154,539	2,106,467	(675,093)	4,367,286	1,009,579
Total City change in net assets	\$ (6,568,580)	\$ (273,404)	\$ (7,111,424)	\$ 6,650,113	\$ 8,974,028	\$ 22,891,135	\$ 9,544,190	\$ (6,508,867)

(Concluded)

NOTE: Prior to implementation of GASB 34 in 2002, this information was not compiled and is unavailable.

CITY OF CRANSTON, RHODE ISLAND

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR							
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002
General Fund:								
Reserved	\$ 8,990,340	\$ 3,193,052	\$ 170,709	\$	\$	\$	\$ 211,806	\$ 3,027,829
Unreserved	12,301,082	19,849,704	18,493,224	19,932,283	19,599,361	16,098,058	5,465,068	(4,454,508)
Total General Fund	21,291,422	23,042,756	18,663,933	19,932,283	19,599,361	16,098,058	5,676,874	(1,426,679)
All Other Governmental Funds:								
Reserved	754,859	3,792,674	2,359,721	9,468,021	449,705	770,552	409,279	2,935,289
Unreserved, designated - school		450,000	450,000	900,000	667,588	942,942	(4,193,715)	(2,871,535)
Unreserved, reported in:								
Special revenue funds	(2,432,043)	797,940	8,405,339	15,449,182	12,269,184	8,155,009	4,423,779	5,948,959
Capital project funds	6,688,914	4,776,751	5,338,216	12,896,071	1,238,208	2,444,469	(21,667,080)	(12,308,135)
Total All Other Governmental Funds	-5,011,730	9,817,365	16,553,276	38,713,274	14,624,685	12,312,972	(21,027,737)	(6,295,422)
GRAND TOTAL	\$ 26,303,152	\$ 32,860,121	\$ 35,217,209	\$ 58,645,557	\$ 34,224,046	\$ 28,411,030	\$ (15,350,863)	\$ (7,722,101)

NOTE: Prior to implementation of GASB 34 in 2002, this information was not compiled and is unavailable.

CITY OF CRANSTON, RHODE ISLAND

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

	FISCAL YEAR									
	2009	2008 (As Restated)	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Property taxes	\$ 156,759,624	\$ 156,152,762	\$ 147,243,054	\$ 145,906,925	\$ 146,687,442	\$ 142,444,687	\$ 130,881,284	\$ 108,564,553	\$ 103,540,505	\$ 102,322,000
Intergovernmental revenue	62,680,327	73,022,744	75,289,523	69,768,119	61,446,056	59,413,263	55,200,184	52,692,416	47,639,030	46,612,000
Charges for services	16,336,920	15,731,489	14,030,153	14,460,130						
Licenses and permits					3,630,513	3,196,325	2,127,280	1,688,575	1,595,317	1,255,000
Fines and interest on late payments					1,680,163	1,727,841	1,168,927	1,244,372	1,142,520	938,000
Interest on investments	885,302	2,260,933	3,635,196	2,111,701	1,104,514	449,364	346,950	327,699	826,411	1,462,000
Departmental					2,194,673	2,191,986	3,111,410			
State fiscal stabilization funds	2,090,303									
State on-behalf pension contributions	6,661,428									
Other revenues	1,825,834	996,030	2,468,895	2,352,465	13,049,659	18,247,736	20,182,135	18,971,771	11,665,144	12,508,000
Total revenues	247,239,738	248,163,958	242,666,821	234,599,340	229,793,020	227,671,202	213,018,170	183,489,386	166,408,927	165,097,000
Expenditures:										
Current:										
General government	8,488,491	8,874,157	11,427,653	9,237,728	10,222,585	9,173,000	12,714,754	10,061,207	8,154,772	5,331,000
Public safety	68,605,728	69,339,328	67,854,283	61,030,024	59,779,344	57,502,834	48,209,827	43,597,698	42,976,586	37,229,000
Public works	13,963,806	13,320,943	12,544,966	12,486,760	12,242,411	11,130,019	8,243,944	8,400,200	8,374,354	9,394,000
Education	142,599,086	144,629,043	139,558,319	128,541,976	123,115,632	114,916,387	114,225,766	105,030,656	98,363,576	91,703,000
Parks and recreation	2,287,973	2,526,612	2,516,148	2,347,676	1,945,381	1,730,551	1,775,134			
Public libraries	3,190,251	3,161,096	3,039,202	2,822,353	2,690,940	2,659,809	2,658,217			
Senior services	2,946,217	3,086,360	2,852,395	2,576,829	2,486,770	2,503,444	2,883,992			
Community development	1,095,367	876,379	1,916,946	1,974,504	1,606,187	1,273,293	1,293,739			
Other	161,411	163,802	175,183	156,257	771,881	470,759	8,142,700	9,787,400	10,382,250	15,949,000
Capital outlay	7,942,434	8,955,447	15,970,638	3,229,249	1,977,655	4,452,313	10,414,157	7,065,558	8,875,169	9,102,000
Debt service:										
Principal	5,115,000	4,980,000	4,520,000	3,845,000	3,820,000	2,954,563	4,398,667	4,995,383	3,819,234	4,888,000
Interest	4,474,678	4,039,572	3,719,436	6,103,447	5,779,525	2,385,125	3,595,173	3,564,541	2,738,431	2,976,000
Total expenditures	260,870,442	263,954,739	266,095,169	234,351,803	226,438,311	211,152,097	218,556,070	192,502,643	183,684,372	176,572,000
Excess of revenues over expenditures	(13,630,704)	(15,790,781)	(23,428,348)	247,537	3,354,709	16,519,105	(5,537,900)	(9,013,257)	(17,275,445)	(11,475,000)
Other financing sources (uses):										
Issuance of debt	7,000,000	13,075,000		23,900,000	22,280,000	27,050,000			13,320,000	15,023,000
Bond premium	73,734	358,693		273,974	1,933,307	877,652				
Proceeds from leasing							705,057	2,521,436		
Transfers in	96,272,192	99,002,633	98,534,821	94,700,327	88,857,289	86,467,243	70,382,293	68,211,228	55,535,987	54,482,000
Repayment of debt to escrow agent					(21,755,000)				(13,141,029)	
Transfers out	(96,272,192)	(99,002,633)	(98,534,821)	(94,700,327)	(88,857,289)	(87,473,612)	(73,178,212)	(68,211,228)	(55,535,987)	(54,482,000)
Net other financing sources (uses)	7,073,734	13,433,693	-	24,173,974	2,458,307	26,921,283	(2,090,862)	2,521,436	178,971	15,023,000
Net change in fund balances	\$ (6,556,970)	\$ (2,357,088)	\$ (23,428,348)	\$ 24,421,511	\$ 5,813,016	\$ 43,440,388	\$ (7,628,762)	\$ (6,491,821)	\$ (17,096,474)	\$ 3,548,000
Debt service as a percentage of noncapital expenditures	3.8%	3.5%	3.3%	4.3%	4.3%	2.6%	3.8%	4.6%	3.8%	4.7%

(1) This schedule includes expenditures of the General Fund, Special Revenue Funds and Capital Project Funds

CITY OF CRANSTON, RHODE ISLAND

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (1)
(UNAUDITED)

YEAR ENDED JUNE 30,	REAL PROPERTY					PERSONAL PROPERTY					TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE (1)	DIRECT TAX RATE	COMMERCIAL ASSESSED VALUE (2)	DIRECT TAX RATE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE (1)	DIRECT TAX RATE TANGIBLE	DIRECT TAX RATE MOTOR VEHICLE	DIRECT TAX RATE INVENTORY	ESTIMATED ACTUAL VALUE	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE	
2000	\$ 3,387,033,100	32	N/A	N/A	\$ 4,354,329,990	\$ 672,320,596	32	42	29	\$ 672,320,596	\$ 4,059,353,696	\$ 5,026,650,586	0.808
2001	3,425,766,400	32	N/A	N/A	4,720,107,081	670,265,695	32	42	25	670,265,695	4,096,032,095	5,390,372,776	0.760
2002	3,471,476,900	33	N/A	N/A	4,770,268,926	726,632,739	33	42	22	726,632,739	4,198,109,639	5,496,901,665	0.764
2003	3,526,107,500	34	N/A	N/A	4,822,036,230	763,362,568	34	42	19	763,362,568	4,289,470,068	5,585,398,798	0.768
2004	4,120,580,900	22	929,951,300	\$30	5,357,818,034	787,898,647	34	42	16	787,898,647	5,838,430,847	6,145,716,681	0.950
2005	4,152,937,000	23	950,396,900	31	5,613,667,290	794,638,753	35	42	13	794,638,753	5,897,972,653	6,408,306,043	0.920
2006	4,196,433,200	23	959,929,900	31	5,929,817,565	835,667,975	35	42	10	835,667,975	5,992,031,075	6,765,485,540	0.886
2007	6,812,384,100	15	1,425,772,400	22	8,238,156,500	866,598,879	22	42	6	866,598,879	9,104,755,379	9,104,755,379	1.000
2008	6,853,894,200	15	1,460,469,600	23	8,314,363,800	848,079,164	23	42	3	848,079,164	9,162,442,964	9,162,442,964	1.000
2009	6,886,982,312	15	1,474,304,800	23	8,361,287,112	801,388,590	23	42	N/A	801,388,590	9,162,675,702	9,162,675,702	1.000

(1) Gross amount is reflected without deduction for exemptions.

(2) In 2004, the tax assessment for real property was split for the first time.

TABLE 6

CITY OF CRANSTON, RHODE ISLAND

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

NAME	NATURE OF BUSINESS	GRAND LIST YEAR					
		2009			2000		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (2)
Carpionato Alfred	Real Estate Management	\$ 104,361,083	1	1.14%	\$		
Gateway Woodside Inc.	Real Estate Management	82,404,667	2	0.90%	35,240,433	1	0.90%
Piceme Properties	Real Estate Management	63,468,482	3	0.69%	8,659,002	9	0.22%
National Grid	Utility	52,788,808	4	0.58%	36,626,317	2,3	0.94%
Brewery Parkade	Real Estate Management	38,468,700	5	0.42%			
Cox Communications Inc.	Cable Communications	21,702,766	8	0.24%	8,392,150	10	0.22%
Independence Way	Real Estate Management	27,515,500	6	0.30%			
BFMIT II Cranston LLC	Real Estate Management	23,770,330	7	0.26%			
Lowes	Retail Hardware	15,866,200	10	0.17%			
Independence Park Property	Real Estate Management	18,842,000	9	0.21%	10,597,500	6	0.27%
Amalgamated Financials Equities	Real Estate				12,036,400	4	0.31%
Providence Water	Utility				11,177,761	5	0.29%
RWF Inc. - Supervalue	Real Estate				8,687,742	8	0.22%
Eppley Realty Co. - Stop & Shop	Real Estate				8,752,707	7	0.22%
TOTAL		<u>\$ 449,188,536</u>		<u>4.91%</u>	<u>\$ 140,170,012</u>		<u>3.59%</u>

Source: Town Assessor Department.

(1) Based on a net taxable Grand List of \$9,162,675,702

(2) Based on a net taxable Grand List of \$3,897,081,200

TABLE 7

CITY OF CRANSTON, RHODE ISLAND
TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	NET DELINQUENT TAX COLLECTIONS SUBSEQUENT YEARS	TOTAL NET TAXES COLLECTED ALL YEARS	PERCENTAGE OF TOTAL TAX COLLECTED TO TOTAL TAX LEVY	PERCENTAGE OF DELINQUENT TAXES TO TOTAL TAX LEVY
2000	\$ 102,313,877	\$ 98,472,257	96.2%	\$ 1,308,163	\$ 99,780,420	97.5%	2.5%
2001	101,763,544	100,124,698	98.4%	255,826	100,380,524	98.6%	0.1%
2002	105,644,501	102,588,301	97.1%	1,013,208	103,601,509	98.1%	0.1%
2003	129,179,767	125,690,321	97.3%	1,302,977	126,993,298	98.3%	0.0%
2004	136,756,194	135,075,140	98.8%	1,057,784	136,132,924	99.5%	0.1%
2005	142,694,201	140,405,075	98.4%	1,284,450	141,689,525	99.3%	0.3%
2006	145,337,455	140,893,257	96.9%	1,438,743	142,332,000	97.9%	0.2%
2007	144,155,093	141,859,549	98.4%	1,278,343	143,137,892	99.3%	0.7%
2008	151,718,441	150,177,124	99.0%	898,879	151,076,003	99.6%	1.5%
2009	153,150,874	151,086,526	98.7%		151,086,526	98.7%	1.5%

Source: City's audit reports.

(1) This represents the City's mill rate per \$1,000 of taxable property.

CITY OF CRANSTON, RHODE ISLAND

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES				TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CLEAN WATER NOTES	TOTAL	TOTAL		
2000	\$ 53,716,000	\$ 1,318,000	\$ 55,034,000	\$ 4,094,101	\$ -	\$ 3,293,600	\$ 7,387,701	\$ 62,421,701	N/A	\$ 821
2001	50,853,542	7,106,668	57,960,210	2,817,056	5,130,000	3,131,500	11,078,556	69,038,766	N/A	869
2002	46,098,154	7,459,150	53,557,304	1,517,438	4,890,000	2,931,245	9,338,683	62,895,987	N/A	786
2003	42,025,156	7,065,400	49,090,556	335,437	4,640,000	2,729,916	7,705,353	56,795,909	N/A	701
2004	66,360,000	6,202,345	72,562,345		4,375,000	4,527,484	8,902,484	81,464,829	N/A	998
2005	63,340,000	5,322,425	68,662,425		4,100,000	7,723,917	11,823,917	80,486,342	N/A	982
2006	83,685,000	4,436,836	88,121,836		3,810,000	7,833,184	11,643,184	99,765,020	N/A	1,222
2007	79,465,000	3,842,828	83,307,828		3,510,000	7,031,252	10,541,252	93,849,080	N/A	1,152
2008	87,875,000	3,264,313	91,139,313		3,195,000	9,228,087	12,423,087	103,562,400	N/A	1,271
2009	90,095,000	2,907,923	93,002,923		2,860,000	8,423,654	11,283,654	104,286,577	N/A	1,277

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

**RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL		
2000	\$ 53,716,000	\$ 1,318,000	\$ 55,034,000	1.07%	724
2001	50,853,542	7,106,668	57,960,210	0.94%	730
2002	46,098,154	7,459,150	53,557,304	0.84%	669
2003	42,025,156	7,065,400	49,090,556	0.75%	606
2004	66,360,000	6,202,345	72,562,345	1.08%	889
2005	63,340,000	5,322,425	68,662,425	0.99%	837
2006	83,685,000	4,436,836	88,121,836	1.24%	1,088
2007	79,465,000	3,842,828	83,307,828	0.87%	1,030
2008	87,875,000	3,264,313	91,139,313	0.96%	1,133
2009	90,095,000	2,907,923	93,002,923	0.98%	1,139

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF CRANSTON, RHODE ISLAND

COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2009
 (UNAUDITED)

Assessed value	\$ 9,162,675,702
Less: exemptions	<u>(531,294,252)</u>
NET TOTAL TAXABLE ASSESSED VALUE	<u><u>\$ 8,631,381,450</u></u>
Debt limit - 3 percent of total assessed value	\$ 258,941,444
Amount of debt applicable to debt limit:	
Total bonded debt	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 258,941,444</u></u>

Note: The City has no debt issues outstanding under the Maximum Aggregate Indebtedness provision (3% Debt Limit) - Rhode Island General Law 45-12-2. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

The State Legislature may by special act permit the City to incur indebtedness in excess of the three percent (3%) limit in accordance with Rhode Island General Law 45-12-11. The City of Cranston has never requested authorization under the Authority for the issuance of Indebtedness Excess - Rhode Island General Law 45-12-11.

TABLE 11**CITY OF CRANSTON, RHODE ISLAND****LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN
2000	\$ 93,672,789	-	\$ 93,672,789
2001	93,797,178	-	93,797,178
2002	95,374,621	-	95,374,621
2003	100,615,221	-	100,615,221
2004	166,419,556	-	166,419,556
2005	165,502,160	-	165,502,160
2006	168,212,526	-	168,212,526
2007	257,080,899	-	257,080,899
2008	258,894,710	-	258,894,710
2009	258,941,444	-	258,941,444

CITY OF CRANSTON, RHODE ISLAND

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(5) PERSONAL INCOME	(2) PER CAPITA INCOME	(1) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2000	76,060	N/A	15,922	39	N/A	10,906	4.0%
2001	79,426	N/A	21,978	39	N/A	11,042	4.2%
2002	80,052	N/A	21,978	39	N/A	11,155	4.6%
2003	81,005	N/A	21,978	39	N/A	11,269	5.0%
2004	81,617	N/A	21,978	39	N/A	11,218	5.8%
2005	81,990	N/A	21,978	39	N/A	11,102	5.2%
2006	80,983	N/A	21,978	39	N/A	11,018	5.5%
2007	80,904	N/A	21,978	39	N/A	10,911	4.9%
2008	80,463	N/A	21,978	39	N/A	10,718	4.9%
2009	81,679	N/A	21,978	39	N/A	10,658	4.9%

(1) Rhode Island Economic Development Corporation.

(2) PER CAPITA INCOME - Figures obtained from the Rhode Island Census Data Center derived from the 1990 and 2000 census.

(3) Cranston School Department

(4) Rhode Island Department of Labor and Training.

(5) N/A - Information not available

CITY OF CRANSTON, RHODE ISLAND

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2009			2000		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
State of Rhode Island	3,927	1	10.69%	3,378	1	9.67%
City of Cranston	2,513	2	6.84%	2,133	2	6.11%
Citizens Bank	1,601	3	4.36%			
US Security Associates	300	8	0.82%			
North Safety Products	314	6	0.86%	327	10	0.94%
Taco, Inc.	395	5	1.08%	487	7	1.39%
CranstonARC	400	4	1.09%			
Swarovski Consumer Goods Ltd.	300	7	0.82%	473	8	1.35%
The Stop & Shop Co., Inc.	280	9	0.76%			
Ross-Simons of Warwick	264	10	0.72%	608	5	1.74%
JanCo				1,192	3	3.41%
Swarovski Jewelry US Ltd.				783	4	2.24%
Davol Square Partners				587	6	1.68%
Wetterau, Inc.				378	9	1.08%
TOTAL	10,294		28.04%	10,346		29.61%

SOURCE: State Department of Labor

TABLE 14

CITY OF CRANSTON, RHODE ISLAND

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)**

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GENERAL GOVERNMENT:										
Mayor.....	7	7	7	7	7	7	7	7	6	6
Operations.....	-	-	-	-	-	-	-	-	4	
Information Technology.....	8	8	8	8	7	7	7	7	3	3
Department of Personnel.....	2	2	3	3	3	3	3	2	2	2
City Clerk.....	8	9	9	9	9	9	9	9	9	9
Probate Court.....	1	1	1	1	1	1	1	1	1	1
Municipal Court.....	5	5	5	4	4	4	4	4	4	4
Board of Canvassers.....	6	6	6	6	6	6	6	9	9	6
City Planning.....	5	5	5	5	5	5	5	5	5	5
Economic Development.....	2	2	2	2	2	2	2	2	2	2
Finance.....	3	4	4	4	4	4	3	4	4	4
Division of Accounting & Control.....	5	5	5	5	4	4	4	5	5	4
Division of Assessment.....	8	9	9	9	9	9	9	9	9	9
Division of Contracts & Purchasing.....	4	4	4	4	5	5	5	5	5	5
Division of Treasury & Collection.....	6	7	7	7	7	7	7	8	8	7
POLICE:										
Officers.....	153	153	153	151	150	149	149	149	149	149
Civilians.....	29	30	30	30	32	30	30	30	30	30
Animal Control.....	5	5	5	5	5	5	5	5	5	5
FIRE:										
Chief.....	1	1	1	1	1	1	1	1	1	1
Uniformed.....	200	200	200	200	201	201	201	201	201	201
Civilians.....	7	7	7	7	6	6	6	6	6	6
INSPECTIONS.....	16	16	13	13	12	12	12	12	12	12
PUBLIC WORKS:										
Administration.....	4	4	4	4	5	5	5	5	6	6
Engineering.....	0	8	8	8	8	8	8	8	8	8
Highway.....	44	41	41	41	39	39	39	39	46	46
Building.....	26	26	26	26	26	26	26	27	25	25
Fleet Management.....	10	10	10	10	10	10	10	10	9	9
Traffic Safety.....	0	4	4	4	5	5	5	5	3	3
PARKS AND RECREATION.....	21	21	21	21	22	22	22	22	22	22
PUBLIC LIBRARIES.....	32	32	32	32	32	32	32	32	33	33
SENIOR SERVICES.....	32	32	32	32	32	32	32	32	30	30
COMMUNITY DEVELOPMENT.....	4	4	4	4	4	4	4	4	4	4
OTHER.....	8	7	9	10	11	11	11	11	11	11
EDUCATION.....	1,570	1,486	1,546	1,635	1,626	1,669	1,681	1,675	1,677	1,683
TOTAL.....	2,232	2,161	2,221	2,308	2,300	2,340	2,351	2,351	2,354	2,351

SOURCE: City Budget

CITY OF CRANSTON, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GOVERNMENTAL ACTIVITIES										
PUBLIC SAFETY:										
Fire:										
Total incidents.....	14,065	13,991	13,980	11,872	12,144	12,019	N/A	N/A	N/A	N/A
Rescue/medical calls.....	8,965	9,568	10,148	10,706	10,973	10,721	N/A	N/A	N/A	N/A
Rescue/non-medical calls.....	5,100	4,423	3,832	1,166	1,171	1,298	N/A	N/A	N/A	N/A
Police:										
Number of calls.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total 911 calls received.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Formal investigations.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOWN CLERK:										
Number of documents recorded.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HEALTH AND WELFARE:										
Number of food service facilities inspections.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New homes built.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LAND USE:										
Total subdivisions approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total commercial applications approved.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BUILDING:										
Residential permits issued.....	30	36	48	73	150	147	N/A	N/A	N/A	N/A
Commercial permits issued.....	8	12	19	19	8	10	N/A	N/A	N/A	N/A
Total permits.....	38	48	67	92	158	157	-	-	-	-
PUBLIC WORKS:										
Highway department										
Streets (miles).....										
Paved Town roads.....	315	315	315	315	311	313	N/A	N/A	N/A	N/A
Paved State roads.....	64	64	64	64	64	64	N/A	N/A	N/A	N/A
Private roads.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Roads under construction (maintained by Town).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sidewalks (miles).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water department										
Water mains (miles).....										
Fire hydrants.....	1,922	1,903	1,903	1,914	2,156	1,850	N/A	N/A	N/A	N/A
Storage capacity (thousands of gallons).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EDUCATION:										
Enrollment:										
High School Grades 9-12.....	3,478	3,469	3,657	3,646	3,633	3,514	N/A	N/A	N/A	N/A
Middle School Grades 7-8.....	1,713	2,620	2,627	2,672	2,707	2,764	N/A	N/A	N/A	N/A
Elementary Schools Grades K-6.....	5,467	4,629	4,627	4,614	4,759	4,944	N/A	N/A	N/A	N/A

BUSINESS-TYPE ACTIVITIES

SOURCES: Various City Departments

(1) Information not available due to the construction and consolidation of schools and related grade levels.

N/A - Information not available

CITY OF CRANSTON, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GOVERNMENTAL ACTIVITIES										
PARKS AND RECREATION:										
Acreage (includes all open space)										
Parks and Public Squares.....	11	11	11	10	10	10	10	10	10	10
Marinas.....	3	3	3	3	3	3	3	3	3	3
Playgrounds.....	35	35	35	35	35	35	35	35	35	35
Walking tracks.....	8	8	8	7	7	7	7	7	7	7
Basketball courts.....	21	21	21	21	21	17	17	17	17	17
Tennis courts.....	24	24	24	24	24	24	24	24	24	24
Baseball fields.....	27	27	27	27	27	27	27	27	27	27
Softball fields.....	11	11	11	11	11	11	11	11	11	11
Other fields.....	22	22	22	22	22	22	22	22	22	22
Ice Rink.....	2	2	2	1	1	1	1	1	1	1
Stadium and Field House.....	1	1	1	1	1	1	1	1	1	1
PUBLIC SAFETY:										
Fire Stations	6	6	6	6	6	6	6	6	6	6
Fire alarm boxes.....	149	149	149	149	139	146	146	146	146	146
Fire hydrants.....	1,922	1,903	1,903	1,914	2,156	1,850	1,850	1,850	1,850	1,850
Police department:										
Stations.....	4	4	4	4	4	4	4	4	4	4
Animal Control Building.....	1	1	1	1	1	1	1	1	1	1
PUBLIC WORKS:										
Highway department:										
Streets (miles).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sidewalks (miles).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PUBLIC LIBRARIES:										
Number of branches	6	6	6	6	6	6	6	6	6	6
EDUCATION:										
Number of High Schools.....	2	2	2	2	2	2	2	2	2	2
Number of Middle Schools.....	3	3	3	3	3	3	3	3	3	3
Number of Elementary Schools.....	17	17	17	18	19	19	19	19	19	19
Number of Charter Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Adult Education Buildings.....	1	1	1	1	1	1	1	1	1	1
SENIOR SERVICES:										
Senior Citizens Center.....	1	1	1	1	1	1	1	1	1	1
COMMUNITY DEVELOPMENT:										
Number of loans issued.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BUSINESS TYPE ACTIVITIES										
SEWER FUND										
Sewer mains (miles).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Treatment capacity (thousands of gallons).....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sewerage Disposal Plant.....	1	1	1	1	1	1	1	1	1	1
Pumping Stations.....	22	22	22	22	22	22	22	22	22	22

SOURCES: Various Town Departments

N/A - Information not available

NOTE: Indicators are not available for the General Government, Selectman, Building Maintenance, Library, Health and Welfare and XXXX departments