

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statutes.

Issuer Name: **Town of Cumberland, Rhode Island**

Issue(s):

- \$ **3,000,000 General Obligation Bonds, Series 2006**
- \$ **91,920,000 RIHEBC Public Schools Revenue Bond Financial Program Revenue Bonds, 2008A**
- \$ **3,390,000 General Obligation Bonds, 2011 Refunding Series B**
- \$ **2,500,000 General Obligation Bonds, 2011 Series A**
- \$ **3,500,000 General Obligation Bonds, Series 2013A**
- \$ **2,370,000 General Obligation Refunding Bonds, Series 2013B**
- \$ **7,630,000 General Obligation Refunding Bonds, Series 2014A**
- \$ **2,380,000 General Obligation Bonds, 2015 Series A**
- \$ **12,500,000 General Obligation Bonds, S2018**

Filing Format electronic ___ paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

___ Six-digit number if information filed relates to all securities of the issuer

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe) _____

Fiscal Period Covered: FYE 2020

Monthly Quarterly Annual Other: _____

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Raymond Chauvin

Name: Raymond Chauvin Title: Finance Director

Employer: Town of Cumberland, Rhode Island

Telephone Number: 401-728-2400

Email Address: rchauvin@cumberlandri.org

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

General Obligation Bonds, Series 2006

Date	Principal	CUSIP
05/01/21	\$ 185,000	230777XU3
05/01/22	195,000	230777XV1
05/01/23	205,000	230777XW9
05/01/24	215,000	230777XX7
05/01/25	225,000	230777XY5
05/01/26	235,000	230777XZ2
	\$ 1,260,000	
	1,260,000	

RIHEBC Public Schools Revenue Bond Financial Program Revenue Bonds, 2008A

Date	Principal	CUSIP
05/15/21	\$ 5,035,000	762243E66
05/15/22	5,245,000	762243E74
05/15/23	5,480,000	762243E82
05/15/24	5,725,000	762243E90
05/15/25	5,980,000	762243F24
05/15/26	6,250,000	762243F32
05/15/29	14,860,000	762243F40
	\$ 48,575,000	
	48,575,000	

General Obligation Bonds, 2011 Refunding Series B

Date	Principal	CUSIP
10/01/21	\$ 345,000	230777A53
	\$ 345,000	
	345,000	

General Obligation Bonds, 2011 Series A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
11/01/21	\$ 125,000	230777ZP2
11/01/22	125,000	230777ZQ0
11/01/23	125,000	230777ZR8
11/01/27	500,000	230777ZS6
11/01/31	500,000	230777ZT4
	<u>\$ 1,500,000</u>	

General Obligation Bonds, Series 2013A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/01/21	\$ 155,000	230777B60
02/01/22	165,000	230777B78
02/01/23	170,000	230777B86
02/01/24	175,000	230777B94
02/01/25	185,000	230777C28
02/01/26	190,000	230777C36
02/01/33	1,615,000	230777C44
	<u>\$ 2,655,000</u>	

General Obligation Refunding Bonds, Series 2013B

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/01/21	\$ 235,000	230777D43
02/01/22	240,000	230777D50
02/01/23	235,000	230777D68
	<u>\$ 710,000</u>	

General Obligation Refunding Bonds, Series 2014A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
03/15/21	\$ 825,000	230777E67
03/15/22	865,000	230777E75
03/15/23	905,000	230777E83
03/15/24	945,000	230777E91
03/15/26	460,000	230777F33
	<u>\$ 4,000,000</u>	

General Obligation Bonds, 2015 Series A

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
10/01/21	\$ 285,000	230777G32
10/01/22	295,000	230777G40
10/01/23	310,000	230777G57
10/01/24	325,000	230777G65
10/01/25	335,000	230777G73
	<u>\$ 1,550,000</u>	

General Obligation Bonds, S2018

Date	Principal	Cusip
03/15/21	\$ 445,000	230777H31
03/15/22	465,000	230777H49
03/15/23	490,000	230777H56
03/15/24	515,000	230777H64
03/15/25	540,000	230777H72
03/15/26	565,000	230777H80
03/15/27	585,000	230777H98
03/15/28	610,000	230777J21
03/15/29	640,000	230777J39
03/15/30	675,000	230777J47
03/15/32	1,450,000	230777J62
03/15/33	775,000	230777J70
03/15/34	800,000	230777J88
03/15/36	1,695,000	230777K29
03/15/37	895,000	230777K37
03/15/38	925,000	230777K45
	<u>\$ 12,070,000</u>	

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2020

TOWN OF CUMBERLAND, RHODE ISLAND

GENERAL OBLIGATION



FINANCIAL STATEMENTS

The audited financial statements for the Town for the fiscal year ended June 30, 2020 are being filed directly with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA"), and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the Town and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Town or other matters described.

Town of Cumberland, Rhode Island

/s/ Raymond Chauvin

Raymond Chauvin

Finance Director

Approved for Submission:

March 24, 2021

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Town of Cumberland, Rhode Island with respect to the issues listed on the report cover was submitted directly to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") listed below.

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

Matthew Blais

THE TOWN OF CUMBERLAND

General

The Town of Cumberland, incorporated in 1746, is a suburban community in a metropolitan area of northern Rhode Island. Located approximately thirteen miles north of Providence, Rhode Island, it is primarily a single-family residentially developed community with small sections of older dwellings and commercial and industrial development. The land area of the Town is comprised of commercially, industrially, and residentially developed land, open space, and woodland areas totaling 28.4 square miles.

In 2010, according to the U.S. Census, the population was 33,506, an increase of 5.23% from the 2000 figure. In 2000, according to the U.S. Census, the population was 31,840, an increase of 9.65% from the 1990 figure.

Government

The Town operates under a Home Rule Charter which was adopted by the Town Charter Commission in 1978, became effective in 1980 and was amended in 1986, 1995 and 2002. The Charter provides for a mayor/council form of government with a seven-member Town Council headed by a council president. The Charter vests all legislative powers of the Town, except such powers as are reserved by State laws, in the Town Council, including ordering any tax, making appropriations, and transacting any other business pertaining to the financial affairs of the Town.

Five members of the Town Council are elected by Districts and the remaining two members are elected at large, all for a term of two years. The Charter grants the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town's property, affairs and government including the power to create offices, departments or agencies of the Town, to preserve the public peace, health and safety, to establish personnel policies, and to provide for an annual audit of the Town's accounts.

The Mayor is elected by a majority vote of the Town electorate for a two-year term. The Mayor is the chief executive officer and head of the administrative branch of government. The Charter grants the Mayor the authority to appoint or remove any officers or employees of the Town, subject to Town Council approval, to prepare and submit to the Town Council the annual budget and annual report of the Town, and to take such action as he may deem necessary for the health, safety, and security of the Town.

The Mayor is responsible for the administration of all departments, offices and agencies except as otherwise provided in the Town Charter or by State law. The current Mayor of Cumberland, Jeff Mutter, began serving his first two-year term in January 2019. He previously served on the Town Council.

The Charter delegates certain financial responsibilities to the Finance Director who serves as the Treasurer, Auditor and Tax Collector. The Finance Director is appointed by the Mayor with the approval of the Town Council. Raymond Chauvin was appointed Finance Director, effective January 7, 2019.

Government Services

The Town provides general governmental services within its boundaries, including police and fire protection, collection and disposal of garbage and rubbish (the Town utilizes private contractors for separate once-a-week collection and disposal), public education in grades kindergarten through twelve, water and sewer services, public works and highway services and a rescue service which is staffed by emergency medical technicians.

Firefighting services are provided by a fire district that is legally independent of the Town and is supported by a separate tax assessment. The Town recently completed a process that resulted in the merger of five independent fire districts into one independent fire district. Fire district tax revenues are not available to the Town.

Public Schools

The public school system of the Town consists of five elementary schools for grades K-5; two middle schools for grades 6-8; and one high school for grades 9-12. The school system has approximately 582 full-time and 48 part-time employees. Per pupil costs for the 2019-2020 school year were approximately \$15,603 and the student-teacher ratio was 23:1.

Actual and projected student enrollment is as shown in the following table:

<u>School Year</u>	<u>Enrollment (K-12)</u>
	<u>Actual</u>
2016-17	4,459
2017-18	4,647
2018-19	4,676
2019-20	4,614
2020-21	4,760
	<u>Projected</u>
2021-22	4,600
2022-23	4,600
2023-24	4,684
2024-25	4,711

Sewerage System

Approximately 50% of the Town is served by the Town's sewerage system. Construction of the sewerage collection system was financed by several bond issues of the Town, and sewerage collected through the system is treated by the Narragansett Bay Commission, located in Providence, Rhode Island.

The Town's sewer ordinance includes an assessment to pay a portion of sewer-related general obligation debt service costs. As of March 2009, all new assessments are calculated based on the sewer project costs divided by the number of properties, payable over a period of 20 years without interest. A total of approximately 4,000 assessable units exist in the Town of which 400 are currently subject to the Sewer Assessment. The sewer assessment begins on the March 1st following the completion of sewer lines in each area. The payment of the Sewer Assessment is mandatory and a lien is attached to the real estate in case of nonpayment. A penalty of 12% is charged for late payment. In fiscal year 2020 expenditures totaled \$540,054. Sewer Assessment receipts for fiscal year 2020 totaled \$191,465.

Water Supply

The Town operates its own water supply, treatment, storage, and distribution system. Its storage consists of five storage tanks with a total capacity of approximately 10.5 million gallons. Water is supplied from four sources: wells, a surface water supply and a connection to the water system of the City of Pawtucket, and a connection to the water system of the City of Woonsocket. Treatment of the surface supply is by means of a rapid sand filtration plant. The system has approximately 8,538 customers and serves a population of approximately 23,286 persons. Average daily consumption is approximately 2.2 million gallons and peak day demand for fiscal year 2020 was approximately 5.1 million gallons.

The Town approved a resolution authorizing minimum annual increases consistent with increases to the property tax rate as well as an increase of the infrastructure surcharge to fund system improvements. The resolution also re-established an automatic escalator when any wholesaler provider (Pawtucket Water Supply Board or

Woonsocket Water Department) increases wholesale rates. The Town is currently in the design phase to open previously used wells, in addition to opening new wells, to reduce reliance on purchasing water.

In fiscal year 2020, the Town expended \$4,746,627 for operations in connection with the water system. The Town received \$6,095,627 in Water Department revenues for fiscal year 2020.

Employee Relations

As of June 30, 2020, the Town had approximately 143 full-time, 69 part-time, and 74 unassigned/seasonal employees, exclusive of the School Department. The School Department employed 582 full-time employees and approximately 48 part-time employees.

The current status of union contracts for municipal and school employees is as follows

<u>Union</u>	<u>Employees</u>	<u>Term of Contract</u>	<u>Contract Expires</u>	<u>Employees</u>
Cumberland Teachers Association	Teachers	2 Years	8/31/21	421
AFSCME-CTEU	Municipal	1 Year	6/30/20	73
The International Brotherhood of Police Officers, Cumberland Local 640	Police	5 Years	6/30/22	43
AFSCME – Council 94, Local 3708	EMS Squad	1 Year	6/30/20	22
I.C.S.E (Independent Cumberland School Employees)	School Custodians	3 Years	6/30/20	130

Retirement Programs

Town employees participate in one of three pension plans, which include the Town Police Employees’ Retirement Plan, The Municipal Employees Retirement System of the State of Rhode Island, and the School Teachers’ Retirement Plan, which is a part of the Employees’ Retirement System of Rhode Island.

Town Police Employees’ Retirement Plan

All full-time police officers and certain other former employees are covered by the Town of Cumberland’s Police Employees’ Retirement Plan (the “Police Plan”), which is a single-employer defined benefit pension plan administered by a third party. The Police Plan was established in 1962 by the Rhode Island General Assembly; the Police Plan was originally for all municipal and police employees, however municipal employees were transferred to the Municipal Employees Retirement System of the State of Rhode Island effective July 1, 1988. See “Municipal Employees Retirement System” below.

The Police Plan was amended effective July 1, 2013. Under the current agreements, police employees hired before July 1, 2013 contribute 8% of their salary to the Police Plan and the pension benefit accrual rate is reduced to 2.5% per year.

The contribution rate for police employees hired on or after July 1, 2013 is 11%. The police employees hired on or after July 1, 2013 must complete a minimum of 25 years of service and will receive a 2% accrual for each year of service. These employees can receive an additional benefit accrual of 2% per year thereafter up to a maximum of

60%. The percentage will be calculated on only base pay, longevity, and holiday pay. Pensionable earnings will be averaged over the entire career, and the early retirement benefit has been eliminated for these employees.

An actuarial report was prepared as of July 1, 2019, which indicated that the Town’s unfunded accrued liability was \$18,234,392 at June 30, 2020. The annual required contribution of the Police Plan was \$2,417,279 for fiscal year 2020. The Town contributed \$2,420,000 to the Police Plan in fiscal year 2020, which represents 100% of the annual required contribution.

Following is a five year summary of the Town Police Plan:

Town Police Plan					
Fiscal Year	Annual Required Contribution	Actual Contribution	Percent of ARC Contributed	Unfunded Liability⁽¹⁾	Funded Ratio
2020	\$ 2,417,279	\$ 2,420,000	100 %	\$ 18,234,392	54.0 %
2019	2,256,529	2,263,350	100 %	18,702,273	51.4
2018	2,168,246	2,218,887	102	18,150,414	49.5
2017	2,138,555	2,182,000	102	18,441,989	46.7
2016	2,110,186	2,112,000	100	18,880,789	43.6

(1) Assumes net real rate of return of 7.00% and inflation rate of 2.50%. Payroll wage growth of 4.00% to

Municipal Employees’ Retirement System

Except for police employees and certain other employees who participate in the Town Police Employees’ Retirement Plan and public school teachers who are provided retirement benefits through the Employees’ Retirement System of Rhode Island (“ERSRI”), all Town employees receive retirement benefits from the Municipal Employees’ Retirement System (“MERS”), a cost-sharing multiple-employer public employee retirement system of the State of Rhode Island. MERS includes one plan for general employees and two plans for police and fire/rescue personnel, but the Town participates in two of the MERS plans, one for general employees and one for rescue employees.

MERS service credits accrued at June 30, 2012 for general municipal employees are protected under the Rhode Island Retirement Security Act. Beginning July 1, 2012, members receive a benefit accrual of 1.0% per year. Effective July 1, 2012 the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Benefits are based on the five-year average compensation multiplied by the accumulated service credit percentage. Joint and survivor retirement benefit options are available.

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

The Town's contribution to both MERS plans for the fiscal year ended June 30, 2019 was \$1,244,910, which was 100% of the annual required contribution.

The Employees’ Retirement System of Rhode Island website contains additional information on MERS (www.ersri.org). Over the past five years, the Town has made the following required contributions to the MERS Plans:

Municipal Employees Pension Plan (General Employees)

Fiscal Year	Annual Required Contribution	Actual Contribution	Percent of ARC Contributed	Unfunded Liability⁽¹⁾	Funded Ratio
2020	\$ 1,138,128	\$ 1,138,128	100 %	\$ 5,780,917	83.6 %
2019	1,138,219	1,138,219	100	6,690,122	81.1
2018	1,138,960	1,138,960	100	6,815,985	80.0
2017	1,199,279	1,199,279	100	6,933,179	78.9
2016	1,194,969	1,194,969	100	6,258,674	79.8

(1) Assumes net real rate of return of 7.00% and inflation rate of 2.50%. Payroll wage growth of 3.50% to 7.50% .

Municipal Employees Pension Plan (Rescue Employees)

Fiscal Year	Annual Required Contribution	Actual Contribution	Percent of ARC Contributed	Unfunded Liability⁽¹⁾	Funded Ratio
2020	\$ 110,734	\$ 110,734	100 %	\$ 465,677	94.5 %
2019	106,691	106,691	100	579,033	92.9
2018	94,482	94,482	100	369,786	95.1
2017	101,415	101,415	100	10,529	99.8
2016	121,820	121,820	100	19,186	99.7

(1) Assumes net real rate of return of 7.00% and inflation rate of 2.50%. Payroll wage growth of 4.00% to 14%.

School Teacher's Retirement Plan

The Town provides retirement benefits to its public school teachers through its participation in the Employees' Retirement System of Rhode Island ("ERSRI"), a statutory, mandatory, statewide, cost-sharing multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. ERSRI is administered as a unified statewide system by the State Retirement Board, the composition of which is set forth in the pertinent State statute. The assets are held in the custody of the State Treasurer as an undivided single fund.

Rhode Island General Law currently sets the defined benefit contribution rates of participating employees at 3.75% of salary. Annual required contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as a percentage of participants' payroll. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 1999 over 30 years initially, but in conjunction with the implementation of RIRSA the amortization period was reset to 25 years as of June 30, 2010; and (c) interest on the unfunded frozen actuarial liability.

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

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

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

The following are comparative highlights for 2016 through 2020 for the Teachers' Retirement system as a whole:

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Active Participants	\$ 13,474	\$ 13,511	\$ 13,297	\$ 13,310	\$ 13,206
Pensioners & Beneficiaries	11,274	11,196	11,320	11,211	11,087
Inactive Participants	4,001	3,888	3,643	3,501	3,313
Market Value of Assets	\$ 3,798,755,901	\$ 3,829,895,134	\$ 3,781,560,920	\$ 3,696,400,551	\$ 3,733,025,598
Employer Contributions	\$ 266,034,899	\$ 249,634,988	\$ 239,092,095	\$ 233,828,518	\$ 225,569,556
Member & Other Misc. Contributions	50,781,701	51,057,446	50,768,637	50,960,566	50,458,325
Total Contributions	\$ 316,816,600	\$ 300,692,434	\$ 289,860,732	\$ 284,789,084	\$ 276,027,881
Investment Income	139,896,962	233,855,078	282,535,405	391,115,013	(8,252,029)
Total Income Available for Benefit Payments	\$ 456,713,562	\$ 534,547,512	\$ 572,396,137	\$ 675,904,097	\$ 267,775,852
Benefit Payment	\$ (383,140,608)	\$ (378,292,374)	\$ (374,217,984)	\$ (375,527,331)	\$ (490,467,141)
Transfer and other Adjustments	(69,787)	364,683	(416,770)	427,703	252,229
Excess of Income Over Expenses	\$ 73,503,167	\$ 156,619,821	\$ 197,761,383	\$ 300,804,469	\$ (222,439,060)
Funded Ratio	56.2%	55.3%	54.9%	54.8%	58.3%

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

Actuarial costs and liabilities, as shown in the summary presentation, are determined in the aggregate for the ERSRI. Accordingly, employer contributions are first determined in the aggregate for all participating employers in this multi-employer system and are then expressed as a percentage of the aggregate participating payroll. For fiscal year 2019, the Town applied 60 percent of this factor to its participating payroll (the remaining 40 percent of the employer cost is contributed by the State as well as the full cost of deferred contributions by the State).

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

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, Town teachers were required to contribute 3.75% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Town; the rates were 9.89% and 1% of annual covered payroll for the fiscal year ended June 30, 2019 for the state and Town, respectively.

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

Employees' Retirement System of Rhode Island (Teachers)			
	Annual		Percent of
Fiscal Year	Required	Actual	ARC
	Contribution	Contribution	Contributed
2020	\$ 5,002,374	\$ 5,002,374	100%
2019	4,341,190	4,341,190	100
2018	4,217,829	4,217,829	100
2017	4,112,549	4,112,549	100
2016	3,138,074	3,138,074	100

Hybrid Plan for MERS and ERSRI Participants

In November 2011, the State enacted the RIRSA, which made broad changes effective July 1, 2012 to MERS and the Teachers' Plan.

The most significant changes include changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan; changing the automatic cost of living adjustment (COLA) from a CPI-related formula to a formula

contingent on the actual investment performance over time; suspension/reduction of the COLA during times when the funded ratio is lower than targeted 80% levels; and the re-amortization of the Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19-year schedule as of June 30, 2010. For the Teachers' Plan, teachers not covered by Social Security will participate in additional defined contribution allocations equal to 2% member plus 2% employer. Included within these significant changes are certain rules for transitioning from the defined benefit structure to the smaller defined benefit plan going forward. The changes in the defined benefit plan instituted by RIRSA have been fully reflected in the actuarial valuation beginning with June 30, 2012. These changes resulting from RIRSA are the subject of ongoing litigation which has been settled by most parties. (Please see also "Pension Reform and Related Litigation" below).

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

Pension Reform and Related Litigation

The 2009, 2010 and 2011 legislative pension reforms resulted in numerous lawsuits against the State brought by current and retired employees, as well as their unions. Of these lawsuits, only one remains pending as described below.

In September 2014, a case challenging RIRSA was commenced by the Rhode Island State Troopers Association and Rhode Island State Troopers Association ex rel. Kevin M. Grace and Ernest E. Adams in Superior Court against the State and ERSRI as co-defendants. The State and ERSRI filed motions to dismiss which were heard on December 13, 2019. A decision on the motions is pending.

Other Post-Employment Benefits

In addition to pension benefits, cities and towns may provide retired employees with health care and/or life insurance benefits. The Town administers a single-employer, defined benefit OPEB plan that provides benefits to eligible employees. Police officers hired prior to July 1, 2013 are eligible for lifetime retiree health insurance (medical and dental) once they attain 20 years of service. Police officers hired on or after July 1, 2013 are not eligible for retiree health benefits. All other Town employees receive COBRA coverage at retirement. The Town does not pay for OPEB benefits for school employees as all school employees are required to pay the full cost of coverage based on the retiree's appropriate working rate.

The Governmental Accounting Standards Board ("GASB") has promulgated its Statement Nos. 43 and 45, which for the first time require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits.

For more information on the OPEB Plan, please see Note 11 of the fiscal year 2020 audited financial statements. During the past three fiscal years the Town made the following contributions:

OPEB Plan

Fiscal Year	Annual Required Contribution	Actual Contribution	Percent of ARC Contributed	Unfunded Liability⁽¹⁾	Funded Ratio
2020	\$ 1,320,000	\$ 1,320,000	100.00 %	\$ 17,532,086	22.91 %
2019	1,608,912	1,575,235	97.91	18,102,224	19.99
2018	1,677,202	1,503,461	89.60	20,986,634	14.02

(1) Assumes investment rate of return of 5.16%; medical trend rate of 7.5%, decreasing 0.5% per year to an ultimate rate of 4.50%; Medicare Part B trend rate of 3% increasing 0.5% per year to an ultimate rate of 5%; 3% per year inflation; and 4.5% per year payroll growth.

The Town established an OPEB Trust in August 2014 with an unaudited balance of \$481,200 previously set aside for this purpose. Prior to fiscal year 2014, the Town operated on a pay-as-you-go basis and no provision was made to fund future benefits to be provided to plan members. In fiscal year 2014, the Town continued to fund on a pay-as-you-go method, but also began the process of establishing a fund for the future benefits of plan members, though the ARC was not fully funded. As of fiscal year 2015, the Town no longer operates on a pay-as-you-go method and is now fully funding the OPEB Trust, which is funding both current retiree benefits and future benefits of plan members. The contribution for fiscal year 2020 was \$1,320,000, which represented 100% of the annual required contribution.

The Town moved eligible retirees, other than police employees, into Medicare as of July 1, 2012. Police employees hired before July 1, 2013 currently have a high deductible healthcare plan and at age 65 will be moved into Medicare, which is expected to reduce the unfunded OPEB liability in the future. Healthcare in retirement for police employees hired after July 1, 2013 has been eliminated.

ECONOMIC CHARACTERISTICS

Population

Ranked eighth in population among the thirty-nine cities and towns in the State, the Town's 2010 population was 33,506 according to the U.S. Census of that year.

<u>Year</u>	<u>Population</u>
1970	26,605
1980	27,069
1990	29,038
2000	31,840
2010	33,506

Source: U.S. Bureau of the Census.

Unemployment

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

	Annualized				
	2015	2016	2017	2018	2019
Cumberland	4.9 %	4.3 %	3.7 %	3.5 %	3.1 %
Rhode Island	6.0	5.2	4.4	4.1	3.6
United States	5.3	4.9	4.4	3.9	4.0

Source: RI Department of Labor & Training
Not Seasonally Adjusted

	Monthly 2020											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Town of Cumberland	3.6 %	3.5 %	4.0 %	15.3 %	11.6 %	8.7 %	11.3 %	10.3 %	8.4 %	5.2 %	6.3 %	6.4 %
Rhode Island	4.1	4.0	5.0	17.9	16.2	12.3	11.5	13.0	10.2	6.5	7.0	7.7
United States	4.0	3.8	4.5	14.4	12.0	11.2	10.5	8.5	7.7	6.6	6.4	6.5

Source: RI Department of Labor & Training
Not Seasonally Adjusted

Employment

The following is a listing of the various types of industry in the Town as obtained from the Department of Labor and Training.

	Total Wage	# of Units	Avg. Empmnt.	% of Covered Emp.
Agriculture, Forestry, Fishing & Hunting	*	1	*	*
Mining	*	1	*	*
Utilities	*	2	*	*
Construction	11,386,850	123	682	7.58 %
Manufacturing	18,310,219	33	1,377	15.30
Wholesale Trade	11,368,309	62	632	7.02
Retail Trade	7,600,306	84	815	9.06
Transportation & Warehousing	4,877,518	23	486	5.40
Information	1,260,091	13	71	0.79
Finance & Insurance	1,999,408	38	122	1.36
Real Estate & Rental & Leasing	1,474,114	33	105	1.17
Professional & Technical Services	6,428,485	146	315	3.50
Management of Companies and Enterprises	35,496,132	13	1,375	15.28
Administrative & Waste Services	14,545,365	64	1,109	12.32
Educational Services	3,686,293	23	263	2.92
Health Care & Social Assistance	6,322,703	100	589	6.55
Arts, Entertainment, & Recreation	195,405	12	31	0.34
Accommodations & Food Services	3,122,344	65	584	6.49
Other Service Except Public Admin	4,666,741	92	443	4.92
TOTAL	\$ 132,740,283	928	8,999	100.00 %

*Data not shown due to the possibility of identifying data of a specific employer

Source: Rhode Island Department of Labor and Training.

Data compiled November 2020 (2020 Second Quarter Data)

Largest Employers

The following table lists the major private employers in the Town.

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Tiffany and Company	Manufacturing	500
N F A Corporation (Hope Global)	Textile Mfg.	500
CVS Health Corporation	Pharmacies	426
ARC of Northern Rhode Island	Nonprofit Institutions	300
Sisters of Mercy Prov Inc	Educational Services	275
Hart Companies (Hart Engineering)	Design & Construction	250
Stop & Shop Co., Inc.	Supermarket	175
Cintas Coporation #2	Other Services	160
Hayward Baker Inc	Construction	160
Rhode Island Textiles	Textile Mfg.	160
Mt. Saint Rita Health Center	Health Care Center	154
Ann & Hope of RI Inc	Outlet	150
Johnson & Johnson	Manufacturing	147
100 Chambers Street Operations	Health Care Center	112

Source: Town of Cumberland, RI and the RI Dept. of Labor & Training

Income Levels

The following table represents the per capita and median family income according to the 2014-2018 American Community Survey (“ACS”).

	<u>Per Capita</u>	<u>Median Family</u>
Cumberland	\$43,603	\$109,169
Rhode Island	36,121	86,258
<u>United States</u>	34,103	77,263

Source: American Community Survey 2015-2019

Housing

The total number of housing units in the Town of Cumberland according to the 2019 ACS is 14,112. This represents a decrease of 216 units from the 2018 ACS data. Of the 14,112 units, 836 were vacant, showing an increase of 18 vacant units from the 2018 ACS data. The median selling price of an existing home in Cumberland was \$345,000 in 2020 compared to \$319,900 statewide.

Building Permits Employer

Building permits issued by the Town's Building Inspector for the calendar years indicated and declared value of construction are as follows:

Calendar Year	Permits Issued	Residential	Industrial	Commercial	Total Construction Value
2020	1,010	23,311,344	-	5,543,865	28,855,209
2019	842	22,153,961	-	3,796,319	25,950,280
2018	886	26,306,929	-	5,759,715	32,066,644
2017	2,427	32,812,529	-	12,652,233	45,464,762
2016	2,177	38,046,853	-	14,658,166	52,705,019
2015	2,098	38,410,139	-	15,042,447	53,452,586
2014	2,104	20,754,514	-	25,102,348	45,856,862
2013	1,755	22,479,690	-	2,778,389	25,258,079
2012	1,342	20,963,823	-	1,534,767	22,498,590
2011	1,797	23,973,666	-	2,845,100	26,818,766

PROPERTY TAXES

General

Under Rhode Island law, Rhode Island municipalities, including the Town, are restricted from levying general taxes except *ad valorem* taxes upon real and tangible personal property, and an excise tax on motor vehicles.

In the Town, the fiscal year begins July 1st with taxes based on the prior December 31st assessment which are payable in full the following May 31 or quarterly on May 31, August 31, November 30, and February 28.

Historically, after the fourth quarterly tax installment is due and paid, the Town has collected approximately 92% of its current levy, although due to more aggressive pursuit of delinquent real estate taxes and timely tax sales, the collection rate has increased during the past few years (See "Tax Rate, Levy, and Collection Record" herein). The Town offers a 2% discount for taxpayers that pay their tax bills in full by May 31 as opposed to quarterly payments.

The Town has periodic tax sales for prior years' delinquent real property taxes. Payments pursuant to PILOT Agreements may not be collectible by way of tax sales. Delinquent automobile excise taxes are collected in cooperation with the Rhode Island Registry of Motor Vehicles. If automobile taxes have not been paid, information is supplied to the Registry of Motor Vehicles and motor vehicles may not be re-registered until taxes are paid in full. The Town assesses an interest charge of fourteen percent (14%) per annum on delinquent accounts. In addition, the Town initiates the collection of delinquent automobile taxes.

Motor Vehicle Tax Exemption

State legislation requires cities and towns to exempt a minimum of \$,000 on all motor vehicles subject to taxation. The Town's budget for fiscal year 2020 includes a total exemption of 4,000. These amounts will increase by \$1,000 per year until a maximum is ready. This applies to all cities and towns in Rhode Island.

Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy unless it qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. Through and including its fiscal year 2007, the maximum amount was five and one-half percent (5.5%) in excess of the amount levied for the prior year. The maximum amount a city or town may levy in excess of the amount levied for the prior fiscal year is gradually decreased from five and one-half percent (5.5%) to four percent (4.0%) by decreasing the amount a city or town may levy by one-quarter percent (0.25%) annually beginning in 2008 and ending in 2013. For fiscal year 2013, the maximum amount the Town may levy in excess of the amount of the prior fiscal year is 4.0%.

Any levy pursuant to this section in excess of the percentage increase as specified in subsection (a) or (b) of Section 44-5-2 shall be approved by the affirmative vote of at least four-fifths (4/5) of the full membership of the governing body of the city or town and, in the case of a city or town with a financial town meeting, the majority of electors present and voting at the financial town meeting.

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

Assessed Valuations

The following table indicates assessed valuations of taxable real and personal property as of December 31 for the years shown.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Valuations:					
Real Estate	\$3,265,812,630	\$3,742,527,774	\$3,759,948,874	\$3,788,243,374	\$4,313,629,240
Motor Vehicle	334,500,128	339,291,591	292,731,448	290,301,295	279,745,822
Tangible Personal Property	<u>155,607,299</u>	<u>186,240,154</u>	<u>196,952,454</u>	<u>192,943,608</u>	<u>203,722,978</u>
Total	3,755,920,057	4,268,059,519	4,249,632,776	4,271,488,277	4,797,098,040
Less Exemptions	<u>(213,950,788)</u>	<u>(218,558,686)</u>	<u>(215,627,526)</u>	<u>(236,340,386)</u>	<u>(272,964,746)</u>
Net Taxable Real and Tangible Personal Property	\$3,541,969,269	\$4,049,500,833	\$4,034,005,249	\$4,035,147,890	\$4,524,133,293

Analysis of Taxable Property

The following table shows an analysis of taxable real and personal property by class in the Town and in the State as assessed on December 31, 2018:

	<u>% of Total Assessed Valuation</u>	
	<u>Town</u>	<u>State</u>
Residential	77.26%	76.97%
Commercial/Industrial	14.23%	16.73%
Tangible	4.50%	4.02%
Motor Vehicles	4.01%	2.28%
Total	<u>100.00%</u>	<u>100.00%</u>

Source: RI Department of Administration

Principal Taxpayers

The following table sets forth the principal taxpayers of the Town as of December 31, 2020.

Rank	Taxpayer	Real Estate Assessment	Tangible Assessment	Total Tax Value	Total Tax
1	CVS PHARMACY INC	\$ -	\$ 39,332,662.00	\$ 39,332,662.00	\$ 1,126,487.44
2	NARRAGANSETT ELECTRIC CO	\$ -	\$ 31,014,854.00	\$ 31,014,854.00	\$ 888,265.42
3	NARRAGANSETT ELECTRIC CO	\$ -	\$ 30,147,707.00	\$ 30,147,707.00	\$ 863,430.33
4	JSIP CUMBERLAND CROSSING LLC	\$ 43,556,100.00	\$ -	\$ 43,556,100.00	\$ 623,723.35
5	RI ECONOMIC DEVELOPMENT CORPORATION	\$ 35,566,900.00	\$ -	\$ 35,566,900.00	\$ 509,318.01
6	PAWTUCKET WATER SUPPLY	\$ 45,300,850.00	\$ -	\$ 45,300,850.00	\$ 400,000.00
7	RI COMMERCE CORPORATION/CVS	\$ 20,739,700.00	\$ -	\$ 20,739,700.00	\$ 296,992.50
8	RIVER LOFTS AT ASHTON MILL LLC	\$ 19,696,600.00	\$ -	\$ 19,696,600.00	\$ 282,055.31
9	HIGHLAND HILLS APARTMENTS LLC	\$ 17,482,400.00	\$ -	\$ 17,482,400.00	\$ 250,347.97
10	OKONITE COMPANY	\$ 16,291,200.00	\$ -	\$ 16,291,200.00	\$ 233,289.98

Tax Rate, Levy and Collection Record

By State law, valuations are assessed each December 31, and the levy thereon may be paid in full or quarterly without penalty at the taxpayer's option. In Cumberland, the fiscal year begins July 1 with taxes on the prior December 31 assessment payable in full on the following May 31 or quarterly on May 31, August 31, November 30 and February 28. The following is a schedule of tax rate, levy and collected taxes.

Fiscal Year	Tax Rate Per \$1,000	Levy	Net (Abatements) & Additions	Net Levy	Cash Collected End of Year	Percent Collected
2020	14.32	68,708,930	(593,074.00)	68,141,962	67,916,697	99.7%
2019	15.88	67,813,802	(529,099.00)	67,284,703	69,247,474	102.9%
2018	15.42	66,105,475	(800,263.00)	65,305,212	64,908,325	99.39%
2017	15.21	65,533,006	(422,749.00)	65,110,257	63,734,078	97.88%
2016	17.08	63,129,228	(340,035.00)	62,789,193	61,794,668	98.41%
2015	17.08	62,059,591	(362,217.00)	61,697,374	60,191,445	97.56%
2014	17.08	61,422,100	(357,786.00)	61,064,314	59,858,756	98.03%
2013	15.78	60,472,810	(319,725.00)	60,153,085	57,821,443	96.12%
2012	15.61	59,560,610	(356,996.00)	59,203,614	56,236,183	94.99%
2011	15.34	57,890,766	(352,385.00)	57,538,381	58,423,097	101.54%

TOWN FINANCES

Basis of Accounting

Governmental fund types, expendable trust and agency funds are accounted for using the modified accrual basis method of accounting. Under this method, revenues are recognized when they become both "measurable" and "available" to finance current period expenditures. Property taxes, interest and penalties are recognized as revenue when collected. Uncollected property taxes are fully reserved as deferred revenue. Expenditures are recorded when liabilities are incurred.

General Fund Revenues and Expenditures

The Town's fiscal position is reported monthly by the Finance Director to the Mayor and the Town Council. This report compares revenues received and expenditures paid or encumbered against budgeted revenues and expenditures. The Finance Director supervises and is responsible for the disbursement of all monies and has control over all expenditures to insure that budget appropriations are not exceeded. The Finance Director is also responsible for maintaining a general accounting system for the Town, preparing annual financial reports and collecting of taxes and assessments. The Finance Director has custody of public funds and invests Town funds which are on hand.

Comparative Financial Statements

Set forth below are a Fund Balance Sheet and General Fund Comparative Statement of Revenue, Receipts and Expenditures, which have been prepared from audited financial statements for the fiscal years ended June 30, 2016 – 2020.

TOWN OF CUMBERLAND, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Years Ended June 30

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES					
General Property Taxes & Interest	\$ 63,262,464	\$ 64,886,519	\$ 65,182,854	\$ 70,430,010	\$ 67,497,279
Investment Income	80,792	63,820	107,869	169,638	176,118
Other Local & Departmental Revenue	3,447,992	2,925,118	3,100,765	3,062,762	5,513,226
Intergovernmental	3,977,676	3,552,925	5,055,048	25,429,325	3,601,305
Other Revenue	958,495	923,565	908,807	2,556,394	2,164,245
TOTAL REVENUES	<u>\$ 71,727,419</u>	<u>\$ 72,351,947</u>	<u>\$ 74,355,343</u>	<u>\$ 101,648,129</u>	<u>\$ 78,952,173</u>
EXPENDITURES					
Current:					
General Government	\$ 1,664,130	\$ 1,747,282	\$ 1,693,667	\$ 2,192,988	\$ 2,016,861
Community Development	347,910	389,242	430,346	543,166	498,718
Public Safety	6,344,479	6,295,926	6,508,733	9,586,186	9,664,006
Public Works	5,505,679	5,630,198	5,655,361	6,478,363	7,048,214
Social Services	2,348,319	2,489,739	2,435,871	2,528,300	2,562,203
Other	1,921,700	1,077,974	1,125,190	2,106,749	2,978,615
Employment Benefits	7,259,631	7,415,079	7,440,262	3,989,877	4,123,129
Education	8,330	-	-	-	-
Debt Service	5,358,431	5,586,607	5,642,214	5,657,637	4,450,048
Capital Outlay	149,163	904,452	1,694,289	1,744,380	382,851
TOTAL EXPENDITURES	<u>\$ 30,907,772</u>	<u>\$ 31,536,499</u>	<u>\$ 32,625,933</u>	<u>\$ 34,827,646</u>	<u>\$ 33,724,645</u>
Excess (deficiency) of Revenues Over (under)					
Expenditures Before Other Financing Sources (uses)	\$ 40,819,647	\$ 40,815,448	\$ 41,729,410	\$ 66,820,483	\$ 45,227,528
Other Financing Sources (uses):					
Bond Proceeds	\$ 164,976	\$ 67,867	\$ -	\$ -	\$ -
Loan Proceeds	-	-	-	1,612,026	-
Transfers From Other Funds	-	460,725	375,026	-	-
Transfers to Other Funds	(40,882,082)	(42,064,958)	(44,060,414)	(65,798,908)	(46,570,412)
Total Other Financing Sources (uses):	<u>\$ (40,717,106)</u>	<u>\$ (41,536,366)</u>	<u>\$ (43,685,388)</u>	<u>\$ (64,186,882)</u>	<u>\$ (46,570,412)</u>
Special Items:					
Net Changes in Fund Balances	\$ 102,541	\$ (720,918)	\$ (1,955,978)	\$ 2,633,601	\$ (1,342,884)
Fund Balances (deficits), Beginning of Year	<u>\$ 7,965,026</u>	<u>\$ 8,067,567</u>	<u>\$ 13,931,251</u>	<u>\$ 20,038,783</u>	<u>\$ 22,672,384</u>
Fund Balances (deficits), End of Year	<u>\$ 8,067,567</u>	<u>\$ 7,346,649</u>	<u>\$ 11,975,273</u>	<u>\$ 22,672,384</u>	<u>\$ 21,329,500</u>

(1) As restated

TOWN OF CUMBERLAND, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Years Ended June 30

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
General Property Taxes & Interest	\$ 62,105,888	\$ 63,262,464	\$ 64,886,519	\$ 65,182,854	\$ 70,430,010
Investment Income	66,769	80,792	63,820	107,869	169,638
Other Local & Departmental Revenue	3,168,284	3,447,992	2,925,118	3,100,765	3,062,762
Intergovernmental	4,023,826	3,977,676	3,552,925	5,055,048	25,429,325
Other Revenue	860,802	958,495	923,565	908,807	2,556,394
TOTAL REVENUES	<u>\$ 70,225,569</u>	<u>\$ 71,727,419</u>	<u>\$ 72,351,947</u>	<u>\$ 74,355,343</u>	<u>\$ 101,648,129</u>
EXPENDITURES					
Current:					
General Government	\$ 1,559,046	\$ 1,664,130	\$ 1,747,282	\$ 1,693,667	\$ 2,192,988
Community Development	394,105	347,910	389,242	430,346	543,166
Public Safety	6,140,098	6,344,479	6,295,926	6,508,733	9,586,186
Public Works	4,996,532	5,505,679	5,630,198	5,655,361	6,478,363
Social Services	2,197,902	2,348,319	2,489,739	2,435,871	2,528,300
Other	1,999,089	1,921,700	1,077,974	1,125,190	2,106,749
Employment Benefits	6,954,502	7,259,631	7,415,079	7,440,262	3,989,877
Education	46,199	8,330	-	-	-
Debt Service	5,407,908	5,358,431	5,586,607	5,642,214	5,657,637
Capital Outlay	814,870	149,163	904,452	1,694,289	1,744,380
TOTAL EXPENDITURES	<u>\$ 30,510,251</u>	<u>\$ 30,907,772</u>	<u>\$ 31,536,499</u>	<u>\$ 32,625,933</u>	<u>\$ 34,827,646</u>
Excess (deficiency) of Revenues Over (under)					
Expenditures Before Other Financing					
Sources (uses)	\$ 39,715,318	\$ 40,819,647	\$ 40,815,448	\$ 41,729,410	\$ 66,820,483
Other Financing Sources (uses):					
Bond Proceeds	\$ 109,578	\$ 164,976	\$ 67,867	\$ -	\$ -
Loan Proceeds	-	-	-	-	1,612,026
Transfers From Other Funds	-	-	460,725	375,026	-
Transfers to Other Funds	(39,587,082)	(40,882,082)	(42,064,958)	(44,060,414)	(65,798,908)
Total Other Financing Sources (uses):	<u>\$ (39,477,504)</u>	<u>\$ (40,717,106)</u>	<u>\$ (41,536,366)</u>	<u>\$ (43,685,388)</u>	<u>\$ (64,186,882)</u>
Special Items:					
Net Changes in Fund Balances	\$ 237,814	\$ 102,541	\$ (720,918)	\$ (1,955,978)	\$ 2,633,601
Fund Balances (deficits), Beginning of Year	<u>\$ 12,356,839</u>	<u>\$ 12,594,653</u>	<u>\$ 12,697,194</u>	<u>\$ 13,931,251</u> ⁽¹⁾	<u>\$ 20,038,783</u> ⁽¹⁾
Fund Balances (deficits), End of Year	<u>\$ 12,594,653</u>	<u>\$ 12,697,194</u>	<u>\$ 11,976,276</u>	<u>\$ 11,975,273</u>	<u>\$ 22,672,384</u>

(1) As restated

Reporting Requirements of Municipalities and School Districts

In June 2003, the Rhode Island General Assembly passed new financial reporting requirements for municipalities in order to ensure that municipalities and school districts monitor their financial operations on an ongoing basis and to prevent potential budget deficits (Rhode Island General Laws § 45-12-22.1 et seq. (the "Financial Reporting Act")).

Reporting

- The chief financial officer of the municipality must submit monthly reports to the municipality's chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget, including the school department budget or regional school budget.
- The chief financial officer of the municipality must also submit quarterly reports to the State Division of Municipal Finance, the Commissioner of Education, and the Auditor General certifying the status of the municipal budget. The chief financial officer of the school department or school district shall certify the status of the school district's budget and shall assist in the preparation of these reports.

- If any reports project a year-end deficit, the chief financial officer of the municipality must submit a corrective action plan, providing for the avoidance of a year-end deficit, to the State Division of Municipal Finance, the Commissioner of Education, and the Auditor General on or before the last day of the month succeeding the close of the fiscal quarter.
- If, at the end of the fiscal year, the chief financial officer determines that it is likely that the city or town's general fund or combined general fund and unrestricted school special revenue fund will incur a deficit, the municipality must immediately develop a plan to eliminate the accumulated year-end deficit by annual appropriation over no more than five (5) years, in equal or diminishing amounts. This plan must be submitted to the State Auditor General for approval.

Restrictions and Requirements

- Except as provided in Chapter 45-9 of the Rhode Island General Laws, no municipality can sell long-term bonds in order to fund a deficit without prior approval by the Rhode Island Auditor General and the Director of the Rhode Island Department of Revenue.
- No municipality can incur expenditures or obligate the municipality to expend unbudgeted amounts in excess of \$100,000 without first notifying the city or town council of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- No school committee or school department can incur accumulated unbudgeted expenditures in excess of \$100,000 without notifying the chief financial officer of the municipality of the proposed expenditure and identifying the source of funding. Any such expenditure must be included in the chief financial officer's monthly report.
- School committees, boards or regional school districts that are independent government entities within a municipality must cooperate in providing to the chief financial officer all information needed to formulate his or her reports and the deficit elimination plan.

Remedies

- If a municipality does not comply with the requirements of the Financial Reporting Act, the State Auditor General or State Division of Municipal Finance, through the Director of Revenue, may elect any or all of the following remedies:
 - Petition the Superior Court for mandatory injunctive relief seeking compliance with the provisions of the Financial Reporting Act;
 - In the event a municipality fails to provide a year-end deficit elimination plan, implement a financial review commission pursuant to Rhode Island General Laws Section 45-9-3; or
 - Withhold State aid.
- If a school committee or board fails to cooperate with the municipality or provide all information requested by the chief financial officer needed to formulate a plan:
 - The Auditor General or the Director of Administration may petition the Superior Court to order the school committee or board to cooperate; and
 - The Director of Administration may also direct the Rhode Island Controller and General Treasurer to withhold State Aid from a school committee until the school committee or board cooperates in the formulation of the plan.

The Town has not been advised by the Auditor General or State's Director of Revenue (the "Director of Revenue") that it is not in compliance with the Financial Reporting Act.

State Oversight

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

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

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

Fiscal Overseer (Level I)

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

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

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

Budget Commission (Level II)

A budget commission may be established by request of a municipality or without such a request, if the fiscal overseer reports to the State Director of Revenue that the city or town is unable to present a balanced municipal budget, faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the city or town or their property, will not achieve fiscal stability without the assistance of a budget commission, the tax levy should not be approved, or otherwise determines that a budget commission should be established. A budget commission is composed of five (5) members: three (3) designees of the Director of Revenue, the elected chief executive officer of the city, and the president of the city or town council (or in cities or towns in which the elected chief executive officer is the president of the city or town council, then the appointed city or town manager). A budget commission has more significant powers over financial matters, including but not limited to the power to:

- Amend, formulate and execute annual and supplemental municipal budgets and capital budgets;

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

Receiver (Level III)

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

The Town is not currently, and never has been, subject to the Financial Stability Act.

Tax Anticipation Notes

Under Rhode Island law, the Town may borrow in each fiscal year in anticipation of the receipt of the proceeds of the property tax due in such fiscal year an amount which together with any money borrowed in anticipation of taxes in any prior year which remain outstanding does not exceed the total levy of the then current fiscal year or, if no tax levy has yet been made, which does not exceed the tax levy of the next preceding fiscal year. Tax anticipation notes must be payable not later than one year from their date, but notes issued for less than one year may be renewed provided such renewal notes are payable within one year of the date of the original notes. The Town’s Home Rule Charter further provides that tax anticipation notes must be payable in the same fiscal year in which they are issued.

The Town has issued tax anticipation notes as follows:

<u>Amount</u>	<u>Fiscal Year Ending</u>
\$ 33,000,000	June 30, 2020
8,500,000	June 30, 2019
6,000,000	June 30, 2018
6,000,000	June 30, 2017
7,500,000	June 30, 2016
8,500,000	June 30, 2015
9,500,000	June 30, 2014
10,500,000	June 30, 2013
10,500,000	June 30, 2012
12,500,000	June 30, 2011

Town Budget

The Finance Director is responsible for providing the Mayor with an annual Capital Budget and a Capital Improvement Program. The Finance Department compiles the requests of all Town departments for upcoming capital items and reviews them for priority in formulating a program of proposed capital expenditures for the upcoming fiscal year, as well as additional years of programmed improvements.

The Finance Director has the responsibility to hold hearings in consideration of department requests and to submit to the Mayor his/her final recommendations. The Mayor may make changes in the various recommendations of the Budget Board except that no item may be changed in the School Department request other than the amount of the total sum requested. The Mayor then submits the final budget to the Town Council detailing capital and operating appropriations, a recommended tax rate, estimated revenue receipts from State and federal agencies and his comments and recommendations. The Town Council provides for two public hearings and advertises the summary of receipts and expenditures to support the Town for the ensuing fiscal year. After the hearings are held, the Town Council may change line item appropriations (other than individual items in the School Department appropriations) prior to its final adoption. After two Council meetings, the budget is resubmitted to the Mayor for his signature. The Mayor may sign the budget within seven days or return it to the Council with comments. If no budget is agreed upon between the Mayor and the Town Council at the beginning of the fiscal year, then expenditures may be made according to the

previous year's budget. The Home Rule Charter of the Town provides that changes in the annual budget must be made by an ordinance of the Town Council passed after two public hearings.

The School Department as of January 31, 2020 is anticipating a balanced budget for Fiscal Year 2020

The Town's adopted budgets for fiscal years ending June 30, 2019 and June 30, 2020 and proposed budget for June 30, 2021 are shown in the following table.

	Adopted Budget	Adopted Budget	Adopted Budget
	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES:			
Property Taxes	\$66,560,950.00	\$68,786,263.00	\$68,999,055.00
Licenses, Permits, & Fees	\$1,746,402.00	\$1,751,966.00	\$1,751,966.00
Rescue Revenue	\$1,075,000.00	\$1,173,000.00	\$1,525,000.00
Probate Fees	*	*	*
Municipal Court	*	*	*
Interest on Taxes	\$400,000.00	\$350,000.00	\$350,000.00
Investment Income	\$55,000.00	\$65,000.00	\$125,000.00
Miscellaneous	\$165,260.00	\$157,600.00	\$157,600.00
Water Fund Services	\$75,000.00	\$85,000.00	\$85,000.00
Sewer Fund Services	\$35,000.00	\$40,000.00	\$40,000.00
Interfund Tax Interest	\$35,000.00	\$45,000.00	\$45,000.00
Recording Fees	\$315,000.00	\$285,000.00	\$285,000.00
Cell Tower Revenue	\$135,000.00	\$135,000.00	\$235,000.00
Community Programs	*	*	\$112,800.00
Proceeds on Land Sales	*	*	\$400,000.00
Police Detail			\$135,000.00
Payment in Lieu of Taxes - Pilot	\$53,902.00	\$51,531.00	\$51,131.00
Approp From GF Surplus	\$1,721,152.00	\$860,576.00	\$860,576.00
Total:	<u>\$72,372,666.00</u>	<u>\$73,785,936.00</u>	<u>\$75,158,128.00</u>
State Aid & Grants:			
Incentive Aid	*	*	*
Telephone Tax	\$426,317.00	\$432,719.00	\$434,814.00
School Housing	\$2,058,291.00	\$1,984,289.00	\$1,760,793.00
Library Housing	\$207,771.00	\$31,952.00	\$31,952.00
Motor Vehicle Phase Out	\$1,549,108.00	\$1,753,921.00	\$2,112,960.00
Total:	<u>\$4,241,487.00</u>	<u>\$4,202,881.00</u>	<u>\$4,340,519.00</u>

School Receipts:			
State Aid	\$20,687,833.00	\$21,628,792.00	\$20,509,459.00
Miscellaneous	\$2,890,846.00	\$2,670,000.00	\$2,945,000.00
Approp from School Surplus	\$300,000.00	\$525,000.00	\$1,828,120.00
Master Lease Proceeds			\$792,000.00
Total:	<u>\$23,878,679.00</u>	<u>\$24,823,792.00</u>	<u>\$26,074,579.00</u>
Library Receipts	\$329,091.00	\$321,601.00	\$297,545.00
TOTAL REVENUE:	\$100,821,923.00	\$103,134,210.00	\$105,870,771.00
EXPENSES:			
General Government	\$900,907.00	\$897,168.00	\$957,188.00
Community Development	\$437,344.00	\$420,017.00	\$460,017.00
Financial Administration	\$952,159.00	\$1,010,154.00	\$980,154.00
Public Safety	\$6,807,585.00	\$7,110,617.00	\$7,110,617.00
Public Works	\$5,583,358.00	\$5,955,283.00	\$5,999,283.00
Other Departments	\$418,780.00	\$429,149.00	\$441,049.00
Library	\$1,682,540.00	\$1,724,694.00	\$1,724,694.00
Other Expenditures	\$805,256.00	\$989,197.00	\$948,787.00
Other Financial expenses	\$13,730,084.00	\$13,462,908.00	\$14,046,205.00
School Department	\$69,503,910.00	\$71,135,023.00	\$73,202,777.00
TOTAL EXPENSES	<u>\$100,821,923.00</u>	<u>\$103,134,210.00</u>	<u>\$105,870,771.00</u>

State Aid

State School Operations Aid

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34, as amended, the State provides operations assistance to each municipality and school district. The statutes provide for reimbursement of school expenditures based on a formula prescribed by the statutes which adjusts the reimbursement ratio based on relative equalized valuation of property and median family income of a community relative to the State as a whole. There are no assurances, however, that the Rhode Island General Assembly will continue this program or appropriate sufficient funds for its implementation. Under this program, the Town's School Department received \$20,509,459 in the fiscal year ended June 30, 2020, which represents 28.78% of the total school expenditures for the year of \$71,253,982. The legislation authorizing school operation aid is subject to further change.

State School Construction Aid

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovation of public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance of a minimum of 30% of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. State aid reimbursement for school construction projects is based on the share ratio established for that year by the Rhode Island Department of Education. The recently enacted funding formula also raises the minimum reimbursement percentage to 35% for the fiscal year 2012 payments and 40% for the fiscal year 2013 payments and thereafter. For the fiscal year ending June 30, 2020 the Town's share ratio is approximately 43.6%. This ratio can vary from year to year.

For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through the Rhode Island Health and Educational Building Corporation (RIHEBC). School construction aid attributable to projects financed through RIHEBC bonds is paid by the State directly to the trustee for such RIHEBC bonds and is not directly available to the Town for other purposes. Furthermore, if the Town defaults in making any payment due to the RIHEBC trustee in support of any RIHEBC bond, any state aid in respect of other school housing projects may be redirected by the State to the trustee for the RIHEBC bond. RIHEBC has issued \$30,000,000 in bonds for the benefit of the Town. The legislation authorizing State School Construction Aid is subject to future change and all State aid is subject to annual appropriation by the Rhode Island General Assembly. For the fiscal year ended June 30, 2019, the Town received \$1,759,029 in school construction aid.

Other State Aid

In addition to School Operations Aid and School Construction Aid, municipalities in the State have received additional aid through the State General Revenue Sharing program and other miscellaneous State Aid. The General Revenue Sharing program, with a distribution formula similar to the Federal Revenue Sharing program, replaced various State grant and aid programs as of July 1, 1987. For the fiscal year ending June 30, 2009, the Town received General Revenue Sharing and other miscellaneous State Aid in the amount of \$599,651. General Revenue Sharing was eliminated in fiscal year 2010.

TOWN DEBT

General

Except as explained below, under Rhode Island law the Town may not, without special statutory authorization, or ministerial approval by the Auditor General of the State (described below), incur any debt, which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the full assessed value of the taxable property within the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any fund held on account to pay such indebtedness maintained by the Town. In computing the value of taxable property, motor vehicles and trailers are valued at full value without regard to assessed value reductions provided for in other sections of the general laws. In July 2007, the Rhode Island State Legislature enacted legislation providing for ministerial approval by the State's Auditor General of debt outside of the 3% debt limit for communities with an "A" rating or better, if the community satisfies certain requirements. The Town's limit is \$135,723,999 at year-end. The Town's outstanding general obligation debt subject to this limit is \$23,440,000 at year-end, which is \$112,283,999 under the State imposed limitation.

In addition to debt authorized within the 3% debt limit, ministerially approved debt, and debt authorized by special act of the Legislature, Rhode Island General Laws 45-12-11 authorizes the Rhode Island 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 Town has never requested the State Director of Administration to authorize indebtedness of the Town under section 45-12-11.

State Aid Intercept

Rhode Island General Laws § 45-12-32 creates a mechanism to enhance the creditworthiness of cities and towns in financial stress by providing for a state aid intercept mechanism to pay general obligation bonds and notes. The intercept mechanism is not a state guarantee. The statute provides that upon request of a city, town or regional school district, the General Treasurer of the State will pay bonds, notes or certificates of indebtedness from certain available state aid otherwise payable to the city, town or regional school district. (See also "*SECURITY FOR THE BONDS - State Aid Intercept*" above).

Outstanding Debt

Set forth below is a schedule of outstanding long-term general obligation and revenue debt of the Town for the fiscal years ended June 30, 2015 to 2019.

Outstanding General Obligation Debt

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Series 1993 General Obligation RIIB Sewer Loan	\$ -	\$ -	\$ -	\$ -	\$ -
Series 1995 General Obligation RIIB Sewer Loan	64,664	-	-	-	-
Lambert Property Note	-	120,988	116,523	111,942	107,242
Series 2006 General Obligation Bonds	-	-	-	-	-
Series 2008 General Obligation Refunding Bonds	3,595,000	2,340,000	1,200,000	-	-
Series 2008 General Obligation Judgment Bonds (Taxable)	220,000	110,000	-	-	-
Series 2008 General Obligation RIHEBC Bonds	21,770,000	1,470,000	-	-	-
Series 2011A General Obligation Bonds	2,000,000	1,875,000	1,750,000	1,625,000	1,500,000
Series 2011B General Obligation Refunding Bonds	1,955,000	1,615,000	1,315,000	1,000,000	675,000
Series 2013A General Obligation Bonds	3,205,000	3,080,000	2,945,000	2,805,000	2,655,000
Series 2013B General Obligation Refunding Bonds	1,645,000	1,415,000	1,180,000	945,000	710,000
Series 2014 General Obligation Refunding Bonds	6,975,000	6,290,000	5,555,000	4,790,000	4,000,000
Series 2014 General Obligation Road & Bridge Bonds	479,000	518,000	494,000	469,000	444,000
Series 2015 General Obligation Bonds	2,380,000	2,370,000	2,360,000	2,100,000	1,830,000
Series 2016A General Obligation RIHEBC Refunding Bonds	-	17,140,000	17,140,000	15,720,000	14,260,000
Series 2017 General Obligation RIIB EBF Loan	-	-	1,343,000	1,343,000	1,218,000
Series 2018 General Obligation Bonds	-	-	12,500,000	12,500,000	12,070,000
Series 2020 General Obligation Road & Bridge Bonds	-	-	-	-	2,500,000
Total	\$44,288,664	\$ 38,343,988	\$ 47,898,523	\$ 43,408,942	\$ 41,969,242

Outstanding Drinking Water Revenue Debt

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Series 2009 Revenue-Backed RIIB Water Loan	\$ 3,566,801	\$ 3,384,006	\$ 3,195,835	\$ 3,000,752	\$ 2,798,756
Series 2015 Revenue-Backed RIIB Water Loan	1,665,586	1,598,011	1,529,484	1,460,005	1,389,574
Series 2015 Revenue-Backed RIIB Water Loan	-	3,000,000	2,811,926	2,691,911	2,570,020
Series 2018 Revenue-Backed RIIB Water Loan	-	-	4,000,000	3,999,000	3,833,000
Series 2020 Revenue-Backed RIIB Water Loan	-	-	-	-	4,000,000
Total	\$ 5,232,387	\$ 7,982,017	\$ 11,537,245	\$ 11,151,668	\$ 14,591,350

Actual General Obligation Bonded Debt Service Requirements

As of fiscal year ended June 30, 2020 the Town's general obligation debt service requirements were as shown in the following table:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,395,000	\$ 972,791	\$ 3,367,791
2022	2,490,000	878,088	3,368,088
2023	2,220,000	776,344	2,996,344
2024	2,070,000	681,500	2,751,500
2025	1,400,000	594,419	1,994,419
2026-2030	5,320,000	2,201,431	7,521,431
2031-2035	4,860,000	1,035,588	5,895,588
2036-2040	2,685,000	192,138	2,877,138
Total	\$ 23,440,000	\$ 7,332,299	\$ 30,772,299

Debt Ratios and Debt Per Capita

Year Ended June 30,	Population	Assessed Value	Ratio of Assessed Value to Full Value	Estimated Full Value	Outstanding General Obligation Debt	Debt Per Capita	Ratio of Debt to Full Value
2020	33,506	\$ 4,524,133,293	100	\$ 4,524,133,293	\$ 41,969,242	\$ 1,252.59	0.93 %
2019	33,506	4,035,230,229	100	4,035,230,229	43,297,000	1,292.22	1.07
2018	33,506	4,034,005,249	100	4,034,005,249	47,782,000	1,426.07	1.18
2017	33,506	4,049,500,833	100	4,049,500,833	38,223,000	1,140.78	0.94
2016	33,506	3,541,969,268	100	3,541,969,268	44,288,664	1,321.81	1.25
2015	33,506	3,490,200,900	100	3,490,200,900	46,342,133	1,383.10	1.31

Authorized but Unissued Debt

The following table sets forth information relating to the Town's bond authorities.

Chapter	Year	Description	Original Authority	Bonds Issued	Bond Anticipation Notes Outstanding	Remaining Authority
P.L. 98/219	1996	School	\$ 8,478,000	\$ 8,475,000	\$ -	\$ 3,000
P.L. 124/149	2006	Open Space	5,000,000	2,000,000	-	3,000,000
P.L. 111/141	2018	School	83,000,000 *	-	-	83,000,000
TOTALS			\$ 96,478,000	\$ 10,475,000	\$ -	\$ 86,003,000

* 2018 bond authority subject to receipt of 50% housing aid reimbursement and reduced by the amount of any SBA Grant.

LITIGATION

During the ordinary course of its operations, the Town is a party to various other claims, legal actions, and complaints. The potential to the Town, if any or an evaluation of the outcome of these matters cannot be made at the present time.