

**NEW ISSUE**

**Ratings: See “Ratings” herein**

*In the opinion of Savage Law Partners LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the \$18,740,000\* General Obligation Bonds, Series 2025 A (the “Bonds”) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, although such interest will be taken into account in computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that under existing law, the Bonds, their transfer and income therefrom, including any profit made from the sale thereof, is exempt from taxation by the State of Rhode Island (the “State”), although the income therefrom may be included in the measure of Rhode Island estate taxes and certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS”, and “Appendix B” herein.*



**TOWN OF LINCOLN, RHODE ISLAND**

**Relating to**

**\$18,740,000\* GENERAL OBLIGATION BONDS, SERIES 2025 A**

**Dated: Date of Delivery**

**Due: As shown on the inside front cover**

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

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

The Bonds will be dated the date of delivery. Interest on the Bonds will be payable semiannually on February 1 and August 1, commencing August 1, 2025, of each year until maturity or earlier redemption, at the rates set forth on the inside front cover. Principal of the Bonds will be payable on August 1 as shown in the maturity table on the inside front cover.

**The Bonds are subject to optional redemption prior to maturity, as described herein.**

**The Bonds will not be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.**

*The Bonds are offered for delivery when, as, and if issued, subject to the final approving opinion of Savage Law Partners, LLP, Bond Counsel, Providence, Rhode Island, and to certain other conditions referred to herein. Certain legal matters in connection with the Bonds will be passed upon by Harrington & Vitale, Ltd., as Counsel to the Underwriter. Hilltop Securities Inc. will be serving as municipal advisor for the Town on this transaction. It is expected that the Bonds, in definitive form, will be available for delivery to DTC in New York, New York, or to its custodial agent, on or about June 25, 2025\*.*

**RAYMOND JAMES®**

Dated: June \_\_, 2025

\* Preliminary, subject to change.

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS****\$18,740,000\* GENERAL OBLIGATION BONDS, SERIES 2025 A**

<b>Maturity (August 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Price or Yield</b>	<b>Cusip No.†</b>
2025	\$ 1,760,000	%	%	534697__
2026	1,755,000			534697__
2027	1,225,000			534697__
2028	535,000			534697__
2029	565,000			534697__
2030	590,000			534697__
2031	620,000			534697__
2032	655,000			534697__
2033	690,000			534697__
2034	725,000			534697__
2035	760,000			534697__
2036	800,000			534697__
2037	840,000			534697__
2038	885,000			534697__
2039	930,000			534697__
2040	975,000			534697__
2041	1,025,000			534697__
2042	1,080,000			534697__
2043	1,135,000			534697__
2044	1,190,000			534697__

\*Preliminary, subject to change.

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

## TABLE OF CONTENTS

	<u>Page</u>
<b>THE BONDS.....</b>	<b>1</b>
Description of the Bonds .....	1
Payment and Transfer of the Bonds.....	1
Record Date .....	1
Authorization and Purpose.....	1
Plan of Refunding .....	2
Verification of Mathematical Computations.....	2
Book-Entry Only System.....	2
Estimated Sources and Uses of Funds .....	4
Redemption Prior to Maturity.....	5
Security for the Bonds .....	5
<b>THE TOWN OF LINCOLN.....</b>	<b>7</b>
General.....	7
Government .....	7
Education .....	8
Municipal Services .....	8
Risk Management .....	9
Employee Relations .....	10
Retirement Programs .....	10
Legal Challenges to Pension Reform.....	13
Other Post-Employment Benefits .....	13
<b>ECONOMIC CHARACTERISTICS.....</b>	<b>14</b>
Population.....	14
Unemployment .....	14
Employment.....	15
Largest Employers .....	15
Income Levels.....	16
Housing.....	16
Building Permits .....	16
<b>PROPERTY TAXES.....</b>	<b>16</b>
General.....	16
Tax Limitations.....	17
Motor Vehicle Tax Exemption .....	17
Assessed Valuations .....	17
Analysis of Taxable Property .....	17
Principal Taxpayers .....	18
Tax Rate, Levy and Collection Record.....	18
<b>TOWN FINANCES .....</b>	<b>18</b>
Basis of Accounting.....	18
Budgetary Procedures.....	20
Adopted Budgets (Fiscal Years Ending 2024 through 2026) .....	21
Reporting Requirements of Municipalities and School Districts .....	21
State Oversight.....	22
State Aid .....	24
<b>TOWN DEBT .....</b>	<b>24</b>
General.....	24
Comparative Statement of Outstanding Debt .....	25
Actual Bonded Debt Service Requirements.....	26
Authorized But Unissued Debt.....	26
<b>LITIGATION .....</b>	<b>27</b>
<b>TAX MATTERS.....</b>	<b>27</b>
General.....	27
Risk of Further Legislative Changes and/or Court Decisions.....	28
<b>CONTINUING DISCLOSURE.....</b>	<b>28</b>

<b>CERTAIN LEGAL MATTERS.....</b>	<b>29</b>
<b>MUNICIPAL ADVISOR.....</b>	<b>29</b>
<b>RATING.....</b>	<b>29</b>
<b>UNDERWRITING .....</b>	<b>30</b>
<b>MISCELLANEOUS.....</b>	<b>30</b>
APPENDIX A - Audited Financial Statements for the Fiscal Year Ended June 30, 2024 .....	A-1
APPENDIX B - Proposed Form of Legal Opinion for the Bonds.....	B-1
APPENDIX C - Proposed Form of Continuing Disclosure Certificate .....	C-1
APPENDIX D - Table of Refunded Bonds .....	D-1

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

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than information and representations contained herein, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth herein has been furnished by the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness.

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

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

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

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

The municipal advisor to the Town has provided the following sentence for inclusion in this Official Statement: The municipal advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the municipal advisor does not guarantee the accuracy or completeness of such information.

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

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**PRELIMINARY OFFICIAL STATEMENT**  
**of the**  
**TOWN OF LINCOLN, RHODE ISLAND**  
**Relating to**  
**\$18,740,000\* GENERAL OBLIGATION BONDS, SERIES 2025 A**

This Preliminary Official Statement provides certain information concerning the Town of Lincoln, Rhode Island (the "Town" or "Lincoln") in connection with the issuance by the Town of its \$18,740,000\* General Obligation Bonds, Series 2025 A (the "Bonds").

**THE BONDS**

**Description of the Bonds**

The Bonds will be issued only as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery and will mature and bear interest at the rates shown on the inside front cover page hereof.

Interest on the Bonds will be payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2025, at the rates shown in the maturity schedule on the inside front cover page hereof. Interest on the Bonds is computed on the basis of a 30-day month and a 360-day year. Principal of the Bonds is payable as set forth on the inside front cover page hereof.

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

**Payment and Transfer of the Bonds**

Principal of and interest on the Bonds are payable to DTC by U.S. Bank Trust Company, National Association, as Paying Agent to DTC. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. Interest on the Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months.

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

**Record Date**

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

**Authorization and Purpose**

Bonds in the amount of \$18,740,000\* will be issued by the Town, \$14,000,000\* of which are issued pursuant to Local Acts 43/44 of 2023, a vote of the electorate duly held on November 7, 2023, and a resolution of the Town Council duly passed on May 21, 2024. The proceeds will be used to finance the development, construction, furnishing and equipping of a new Town-wide centralized rescue station. Bonds in the amount of \$5,000,000 are authorized

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\* Preliminary, subject to change.

pursuant to R.I. Gen. Laws § 45-12-5.2 of the Rhode Island General Laws, and a resolution of the Town Council duly passed on April 16, 2025. The proceeds will be applied to refund, on a current basis, \$4,750,000\* of the Town's General Obligation Bonds dated June 25, 2015 (the "Series 2015A Bonds"). The Series 2015A Bonds proceeds were applied to refund \$23,020,000 of the outstanding principal balance of the Town's General Obligation Bonds dated August 1, 2006, which were issued to finance the acquisition of land for a new middle school and school facilities, the construction of a new middle school and additions to existing schools, and the renovation, rehabilitation, repair, improvements, furnishing and equipping of schools and school facilities, and the school administration building in the Town.

### **Plan of Refunding\***

Proceeds of the Bonds (net of costs of issuance) will be applied to refund, on a current basis, the outstanding Series 2015A Bonds maturing in 2025 through 2026 (the "Refunded Bonds"). For a list of the outstanding bonds to be refunded through the proceeds of the Bonds, see Appendix D – "Table of Refunded Bonds" herein.

The Refunded Bonds are subject to optional redemption and will be so redeemed on August 1, 2025 (the "Series 2015A Redemption Date") at the redemption price of 100% of the principal amount thereof plus accrued interest to the 2015A Redemption Date (the "Series 2015A Redemption Price")

The Town, upon delivery of the Bonds, will enter into a Refunding Escrow Agreement (The "Refunding Agreement") with U.S. Bank Trust Company, National Association, as escrow agent and paying agent for the Refunded Bonds (the "Refunding Escrow Agent") for the Refunded Bonds. The Refunding Agreement will provide for the deposit of the net proceeds of the Bonds with the Refunding Escrow Agent in a separate account (the "Refunding Escrow Account") to be: (i) applied immediately upon receipt to purchase obligation of the United State of America, the State of Rhode Island, of its political subdivisions ("Government Obligations"); or (ii) held in cash. The Refunding Escrow Agreement will require the maturing principal and interest on such obligations, plus any initial cash deposit, be held in trust in such Refunding Escrow Account and applied to pay the interest on the Refunded Bonds when it comes due and redeem the Refunded Bonds on the Series 2015A Redemption Date at the Series 2015A Redemption Price. According to the report described below in "Verification of Mathematical Computations," the proceeds from the Bonds deposited in the Refunding Escrow Account and investment and income therefrom are calculated to be sufficient to pay the interest on the Refunded Bonds when it comes due and the Series 2015A Redemption Price.

### **Verification of Mathematical Computations**

Precision Analytics Inc., a firm of independent certified public accountants, will deliver to the Town, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Governmental Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirement, if any, of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

Precision Analytics Inc. relied on the accuracy, completeness and reliability of all information provided to it by, and on all decision and approvals of, the Issuer. In addition, Precision Analytics Inc. has relied on any information provided to it by the Issuer's retained advisors, consultants or legal counsel. Precision Analytics Inc. was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

### **Book-Entry Only System**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Preliminary Official Statement. The Town and the Paying Agent believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

*The Town and the Paying Agent cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will*

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\* Preliminary, subject to change.



*distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

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

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

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

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

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

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

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Town or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town and Paying Agent; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

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

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE TOWN BELIEVES TO BE RELIABLE, BUT THE TOWN TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

THE TOWN, THE PAYING AGENT AND THE UNDERWRITERS WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDOWNERS, OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Neither the Town, nor the Underwriters, nor the Paying Agent shall have any responsibility or obligation with respect to: (i) the accuracy of the records of DTC or any Participant with respect to any beneficial ownership interest of the Bonds; (ii) the delivery to any Participant, Beneficial Owner of the Bonds or other person, other than DTC, of any notice with respect to the Bonds; (iii) the payment to any Participant, Beneficial Owner of the Bonds or other person, other than DTC of any amount with respect to the principal of, premium, if any, or interest on, the Bonds; (iv) any consent given by DTC as registered owner; or (v) the selection by DTC or any Participant of any Beneficial Owners to receive payment if the Bonds are redeemed in part.

#### Estimated Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied at follows:

<b>SOURCES OF FUNDS</b>		
Principal of Bonds	\$	-
Net Original Issue Premium/Discount		-
<b>Total Sources of Funds</b>	<b>\$</b>	<b>-</b>
<b>USES OF FUNDS</b>		
Project Fund Deposit	\$	-
Refunding of Series 2015A Bonds		-
Costs of Issuance*		-
Underwriter's Discount		-
<b>Total Uses of Funds</b>	<b>\$</b>	<b>-</b>

\*Including, but not limited to, Bond Counsel, Municipal Advisor, Printing, Paying Agent, Verification Agent, Paying Agent, Escrow Agent and Rating fees.

## **Redemption Prior to Maturity**

The Bonds maturing on or after August 1, 20\_\_ shall be subject to redemption prior to their stated dates of maturity, at the option of the Town, on or after August 1, 20\_\_, as a whole or in part at any time (by lot by DTC), in any order of maturity designated by the Town, at 100% of the aggregate principal amount of the Bonds to be redeemed, together with interest accrued and unpaid to the redemption date.

Notice of any redemption of the Bonds, specifying the numbers and other designations of the Bonds to be redeemed, shall be given not more than 60 days nor less than 30 days prior to the date set for redemption by mailing a copy of such notice to DTC or its nominees. The Town, so long as a book-entry system is used for determining beneficial ownership of the Bonds, shall send any notice of redemption to DTC, or its nominee, as registered owner of the Bonds. Transfer of such notice to the DTC Participants is the responsibility of DTC. Transfer of such notice to Beneficial Owners by DTC Participants is the responsibility of the DTC Participants and other nominees of Beneficial Owners of the Bonds. Any failure of DTC to mail such notice to any DTC Participant, or any failure by any DTC Participant to notify any Beneficial Owner, will not affect the validity of the redemption of the Bonds. The Town can make no assurances that DTC, the DTC Participants or other nominees of the Beneficial Owners of the Bonds will distribute such redemption notices to the Beneficial Owners of the Bonds, or that they will do so on a timely basis, or that DTC will act as described in this Official Statement.

A notice of redemption may state (1) that it is conditioned on the deposit of moneys, in an amount necessary to effect the redemption with the paying agent no later than the redemption date; and/or (2) that the Town retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such monies are not so deposited or if the notice is rescinded.

## **Security for the Bonds**

The Bonds will be validly authorized and issued general obligations of the Town and all taxable property in the Town will be subject to taxation without limitation as to rate or amount to pay the Bonds or the interest thereon (See APPENDIX B – Proposed Form of Legal Opinion for the Bonds). The Rhode Island General Laws provide that the Town shall annually appropriate a sum sufficient to pay the principal and interest coming due within the year on all its general obligation bonds and notes to the extent that monies therefor are not otherwise provided, and that if such sum is not appropriated, it shall nevertheless be added to the annual tax levy. In order to provide such amount, all taxable property in the Town is subject to ad valorem taxation by the Town without limitation as to rate or amount.

## *Claims for Payment Due*

Rhode Island General Laws Section 45-15-5 permits any person who shall have any claim for money due from any city or town to present a demand for such claim to the city or town council and, if satisfaction of such claim is not made within forty (40) days, to commence an action against the city or town treasurer for recovery of the claim. If a judgment is obtained for such debt due and if the treasurer of the city or town does not have sufficient monies to pay the judgment, Rhode Island General Laws Section 45-15-6 authorizes the city or town treasurer to apply to any justice of the peace for an order requiring the city or town to hold a special meeting of the city or town council "for the speedy ordering and making a tax" to be collected for such purpose. If the city or town council shall fail to assess voluntarily a tax sufficient to satisfy judgment on a city or town debt, Rhode Island General Laws Section 45-15-7 authorizes the Superior Court to order the assessors of the city or town "to assess upon the ratable property thereof, and the collector to collect, a tax sufficient for the payment of the judgment, with all incidental costs and charges, and the expense of assessing and collecting the tax."

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

## *Statutory Lien*

In July of 2011, the General Assembly enacted amendments to Section 45-12-1 of the Rhode Island General Laws (the "July Amendments") to provide for a statutory lien on *ad valorem* taxes and general fund revenues for the benefit of general obligation debt of cities and towns and for giving priority to general obligation debt in a bankruptcy. The validity and priority of the lien granted by Section 45-12-1 have not been adjudicated in any chapter 9 bankruptcy

proceeding. The amendments provide, in part, that the faith and credit, *ad valorem* taxes and general fund revenues of each city and town are pledged for the payment of principal of, premium and interest on all general obligation bonds and notes of the city or town, whether or not the pledge is stated in the bonds and notes or in the proceedings authorizing their issue and the pledge constitutes a first lien on such *ad valorem* taxes and general fund revenues.

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

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

The July 2011 Amendments described above, provide that *ad valorem* taxes and general fund revenues may be applied as required by the pledge without further appropriation but such amendments do not apply to other financing obligations which are subject to annual appropriation.

#### *State Aid Intercept*

Rhode Island General Laws Section 45-12-32 creates a mechanism to enhance the creditworthiness of cities and towns in financial stress by providing for a state aid intercept mechanism to pay the city's or town's bonds and notes. Under the statute, the finance director is required to notify the mayor or town administrator and the city or town council if it appears to the finance director that the city or town is likely to be unable to pay in whole or in part the principal or interest, or both, on any of its bonds, notes or certificates of indebtedness when due. If the mayor, town administrator or city or town council, whether or not so notified, finds upon investigation that the payment cannot or is not likely to be made when due, he, she, or they is required to certify the inability or likely inability to the State Director of Revenue (the "Director") of the State. Upon receipt of the certificate, the Director shall immediately investigate the circumstances and, if the Director finds that the city or town is, or in the Director's opinion will be, unable to make the payment when due, the Director shall forthwith certify the inability, the amount of the due or overdue payment and the name of the paying agent for the bonds, notes or certificates of indebtedness to the General Treasurer of the State. The Town has never made such a certification.

Notwithstanding any provision of general or special law or any rules or regulations with respect to the timing of payment of state aid payments, not later than three (3) days after receipt of the certification from the Director or one business day prior to the date on which the principal or interest, or both, becomes due, whichever is later, the General Treasurer of the State is required to pay to the paying agent the amount of the due or overdue payment certified to him/her to the extent of the sums otherwise then payable and the sums estimated to become payable during the remainder of the fiscal year, from the treasury, to the city or town. The amounts so paid to the paying agent are held in trust and exempt from being levied upon, taken, sequestered or applied for any purpose other than paying principal or interest, or both, on bonds, notes or certificates of indebtedness of the city or town.

For purposes of the statute, the sums otherwise payable from the treasury to a city or town shall be the funds made available to cities or towns: (i) as state aid pursuant to Chapter 45-13 of the Rhode Island General Laws, but specifically excluding reimbursements to cities and towns for the cost of state mandates pursuant to Section 45-13-9 of the Rhode Island General Laws; (ii) as school housing aid pursuant to Sections 16-7-35 – 16-7-47 of the Rhode Island General Laws, but subject to any pledge to bonds issued to finance school projects by the Rhode Island Health and

Educational Building Corporation, and specifically excluding school operations aid provided for in Sections 16-7-15 – 16-7-34.3 of the Rhode Island General Laws; (iii) in replacement of motor vehicle and trailer excise taxes pursuant to chapter 44-34.1 of the Rhode Island General Laws; (iv) from the public service corporation tax pursuant to chapter 44-13 of the Rhode Island General Laws; (v) from the local meal and beverage tax pursuant to Section 44-18-18.1 and the hotel tax pursuant to Section 44-18-36.1 of the Rhode Island General laws; and (vi) pursuant to all acts supplementing such chapters.

### *Enforceability of Town Obligations*

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

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

## **THE TOWN OF LINCOLN**

### **General**

The Town of Lincoln is a suburban community located approximately 5 miles north of the City of Providence. The Town has a population of 22,529 as of the 2020 Census and a land area of 19 square miles.

Lincoln is a growth-oriented community. In recent years the Town has experienced considerable growth in the areas of commercial, industrial, and residential development. This growth has expanded the Town's tax base, increased housing and job opportunities and has supported the services provided to residents and businesses.

Largely as a result of the balanced commercial, industrial, and residential development that the Town has experienced in recent years, Lincoln has been able to maintain a broad tax base, resulting in stable tax collections. For the Fiscal Year ending June 30, 2026, the budget for the Town consists of municipal expenditures of \$27,821,056 and School Department expenditures of \$67,538,809.

### **Government**

The Town operates under a Home Rule Charter, adopted in 1958 and effective in 1959, providing for a council/town administrator form of government with a five-member Town Council headed by a council president. All legislative powers of the Town are vested in the Town Council by the Charter except such powers as are reserved by State laws to the Financial Town Meeting, including the ordering of any tax, making appropriations, and transacting any other business pertaining to the financial affairs of the Town.

Members of the Town Council are elected by district for a term of two years. The Charter grants to the Town Council all powers to enact, amend, or repeal ordinances 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, to give effect to any vote of the Financial Town Meeting, to authorize the issuance of bonds and to provide for an annual audit of the Town's accounts.

The Town Administrator is elected for a 4-year term, a position presently held by Mr. Philip G. Gould. The Town Administrator is the chief executive officer and head of the administrative branch of government. The Charter grants to the Town Administrator the authority to appoint or remove all officers or employees of the Town, to prepare and submit to the Town Council the annual budget and annual report of the Town, to recommend to the Town Council pay schedules for Town employees and to recommend to the Town Council the adoption of such measures as he or she may deem necessary for the health, safety, or welfare of the Town.

**Education**

The public school system of the Town of Lincoln consists of four elementary schools, one middle school and one high school. The school system has approximately 324 certified professional personnel and 141 part-time and non-professional personnel. The per pupil cost in the Town was approximately \$20,345 in Fiscal Year 2024. The estimated student capacity of the six schools is 3,600.

Set forth below are Lincoln School Department public school enrollment figures for grades kindergarten through 12 for the past 5 years and projections for the next 5 years.

Actual Enrollments		Projected Enrollments <sup>(1)</sup>	
2020	3,239	2025	3,269
2021	3,230	2026	3,289
2022	3,279	2027	3,286
2023	3,326	2028	3,271
2024	3,298	2029	3,278

(1) Enrollment projections provided by School Department, Town of Lincoln, Rhode Island

Davies Vocational School, a state-owned and operated vocational high school located in Lincoln, services a total of 850 students from 8 communities, primarily northern Rhode Island. Approximately 48 students from Lincoln receive instruction at Davies, which is not included in the totals above.

Community College of Rhode Island (CCRI) is a fully accredited two-year college, and is also state-owned and operated. There are two major facilities where classes are offered, one of which occupies a two hundred acre site located in Lincoln. The Lincoln campus is attended by 3,600 day students and 1,500 evening students.

**Municipal Services**

The Town provides major public services which are described below:

*Sewer Facilities*

Construction on the town-wide residential sewer project began in the spring of 1985 and was completed in mid-1992. Sewer service is available to 99% of all residential properties in Lincoln. All existing industrial parks in Lincoln as well as the Lincoln Shopping Mall are currently connected to the municipal sewer system. Lincoln discharges sewage from the municipal system into interceptors of a regional treatment facility. Commercial and industrial users are charged on a percentage of water consumed basis, while residential users are charged a rate of \$100.00 per unit annually.

*Water*

The Charter vests the Board of Water Commissioners, an elected board, with the power and authority to construct and maintain the water works system for the Town. The Superintendent of the Water Commission is responsible for the daily operations of the system, which provides water to approximately 98% of all residential and commercial units within the Town boundaries.

Since the late 1980’s, the majority of water supplied to the Town has come from the Providence Water Supply Board’s Scituate Reservoir. The 2024 residential rate is \$4.23 for the first 5,000 gallons used per year, \$4.61 per 1,000 gallons from 5,000 to 18,750 gallons per year, \$5.90 per 1,000 gallons from 18,751 to 37,500 gallons per year, and \$8.86 per 1,000 gallons over 37,501 gallons per year.

*Safety Services*

The Lincoln Police Department is staffed by 42 personnel. The Department's equipment consists of twelve patrol cars, four unmarked detective cars and three vehicles for the chief of police and two captains.

The Town of Lincoln contains five separate and independent fire districts with a total of six stations. There are approximately 45 personnel, including full-time, part-time, volunteer and per-diem. Central dispatching is handled by the Lincoln Police Department. Principal fire equipment consists of 8 pumpers and 2 ladder trucks supplemented by other special purpose vehicles.

Rescue protection in Lincoln is provided by emergency medical mobile units operating out of three separate fire districts in Town. The Town recently purchased an Advanced Life Support System to improve emergency medical response capabilities in Lincoln. There are seventeen full-time rescue service personnel employed by the Town who provide town-wide coverage.

The Town expended \$7,959,012 for safety services in Fiscal Year 2024 and has budgeted \$8,284,219 and \$8,980,131 for Fiscal Years 2025 and 2026, respectively. Such expenditures do not include fringe benefits and pensions.

#### *Public Service*

The Town's Public Works Department is divided into seven divisions: (1) General, (2) Engineering, (3) Code Enforcement, (4) Parks and Recreation, (5) Tree Warden, (6) Public Building Maintenance, and (7) Central Services. Through the efforts of employees in these divisions, the Town provides a full range of municipal services to Lincoln residents. The Public Works Department expended \$6,191,516 in Fiscal Year 2024 and has budgeted \$5,967,128 and \$6,320,321 for Fiscal Years 2025 and 2026, respectively.

#### *Library Services*

The town library is located adjacent to the High School. Fifty percent of the debt service on any monies borrowed to finance the municipal library is reimbursable by the State. The public library offers a variety of services and programs to Lincoln residents in every age group. Traditional library services are enhanced by modern technologies and innovative information systems. The library is centrally located and serves as a convenient meeting place for several community groups. The Board of Library Trustees is the legal guardian of the library and is responsible for establishing policies governing the operation of the library. The library expended \$1,290,102 in Fiscal Year 2024 and has budgeted \$1,449,318 and \$1,494,980 for Fiscal Years 2025 and 2026, respectively.

### **Risk Management**

#### *Climate Change*

The Town is located along the Blackstone River, with streams and a series of dams and ponds leading to the river. While the Town has made improvements to the dams over the last decade, which has significantly improved the operation of the dams to control flooding in low lying areas, climate change may intensify and increase the frequency of extreme weather events, such as floods and high winds, which could temporarily raise the level of the streams, ponds and river during such events. The Town continually evaluates its climate resilience and continues to implement measures to reduce the impact of climate change, protect its assets, and mitigate any fiscal impacts.

#### *Cyber Security*

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

Entities or individuals may attempt to gain unauthorized access to the Town's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The Town has implemented policies and procedures to protect against malicious activity targeting critical technology infrastructure, including firewalls and anti-virus and spam software, regular staff training and testing, and nightly onsite and offsite back-ups of critical systems and data to mitigate the risk of losing data in a cyber-attack. No assurances can be given that the Town's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the Town.

## Employee Relations

As of June 30, 2024, the Town had 175 full-time employees, exclusive of School Department employees. The School Department employs 326 professional employees. In addition, there are 149 part-time and non-professional employees.

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

Police Officers—3 year contract expires June 30, 2027  
Public Works—3 year contract expires June 30, 2026  
Municipal (Town Hall employees)—3 year contract expires June 30, 2026  
Rescue Service Personnel—3 year contract expires June 30, 2026  
Teachers—3 year contract expires August 31, 2025  
Non-certified Teaching Personnel—3 year contract expires June 30, 2027  
Lincoln Public Library—3 year contract expires June 30, 2026

## Retirement Programs

The Town of Lincoln offers pension benefits to substantially all municipal employees under four separate plans: the Town of Lincoln Retirement Plan (Town Plan), the Laborers' International Union of North America Pension Fund (Union Plan), Employees' Retirement System of the State of Rhode Island (Teacher's Plan), and the Municipal Employees' Retirement System (Municipal Plan).

### *Town Plan*

As of June 30, 2024, a total of 147 active employees were participating in the Town's pension program administered by Comerica. There were 122 retired employees or beneficiaries receiving annual benefits.

According to the provisions of the pension plan, police personnel contribute 8% of their salary, firefighters in the village of Lonsdale contribute 6% of their salary to the retirement fund while other employees contribute 4% of their salary. Normal retirement benefits are available to policemen (a) at age 58 and after 10 years of service or (b) after 30 years of service. All other employees may retire with 10 years of service at age 60 or after 28 years of service at any age. The monthly benefit payable to policemen upon normal retirement is 2.5% of average monthly salary multiplied by credited service up to 20 years plus 2% of average monthly salary multiplied by up to five additional years of credited service. For all other employees, the monthly benefit payable upon normal retirement is 1.5% of average monthly salary multiplied by credited service. The Town contributed \$2,461,653, \$2,413,368 and \$2,363,854 for the fiscal years ended June 30, 2024, 2023 and 2022, respectively, to the Retirement Plan, which includes normal cost plus amortization of prior service cost over a 15-year period.

As of the latest actuarial report dated June 30, 2024, the Town had an unfunded vested benefit of \$13,112,567. The entry age normal cost method of funding is used. The annual pension expense assumes a 7% return on plan assets.

Actuarial Valuation Date	Total Pension Liability	Plan Fiduciary Net Position	Town's Net Pension Liability (Asset)	Net Pension as a % of Total Liability	Covered Payroll	Net Liability as a % of Covered Payroll
2024	\$ 53,708,725	\$ 40,596,158	\$ 13,112,567	75.44 %	\$ 7,293,909	179.77 %
2023	48,722,170	36,503,712	15,281,384	70.49	6,164,184	247.91
2022	47,598,238	33,051,757	15,670,414	67.84	6,705,553	233.69
2021	45,177,880	35,686,491	11,911,747	74.97	6,696,904	177.87
2020	41,470,232	28,403,393	16,774,487	62.87	6,267,639	267.64

The Town budgeted contributions of \$2,112,251 in Fiscal Year 2025, which represents 100% of the required contributions.



## Union Plan

By a labor agreement with the Laborers' International Union of North America, the Town contributes to the Laborers' International Union of North America National Pension Fund for certain employees of the Town Hall, the Public Works Department and the Water Department. The total pension expense for the Fiscal Year ended June 30, 2024 was \$433,465, including \$204,907 for Public Works (including the sewer department), \$175,017 for Town Hall and \$50,541 for the Library.

## Teachers' Plan

The Town provides retirement benefits to its public school teachers through its participation in the Employees' Retirement System of Rhode Island ("ERSRI" or the "Teachers' Plan"), a statutory, mandatory, statewide, cost-sharing multi-employer retirement 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. See "Hybrid Plan for MERS and ERSRI Participants" herein.

The actuarial costs of the retirement benefits are partially funded by employee contributions into the defined benefit plan of 3.75% of the actuarial costs of the retirement benefits effective July 1, 2003. As of July 1, 2015, employees with less than 20 years of employment as of June 30, 2012 continued to contribute 3.75% of the actuarial costs of their retirement benefits while employees with 20 or more years of employment no longer contribute to the defined benefit plan. The actuary determines the net employer actuarial costs annually and as provided by the State Retirement Board to the Department of Administration. Contributions are reported as a percent of payroll, payable in part by the State and in part by the Town. The split between State and the Town is specified in State statute. For Fiscal Year 2024, the State paid 40 percent and the Town paid 60 percent.

The Town contributed \$4,225,762, \$4,138,276 and \$4,078,324 for the Fiscal Years ended June 30, 2024, 2023 and 2022, respectively. These contributions represent 100% of the annual required pension costs.

The actuarial valuation prepared by Gabriel, Roeder, Smith & Company uses the entry age normal cost. 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 ERSRI does not maintain separate data for each of its participants. The ERSRI's website contains additional information ([www.ersri.org](http://www.ersri.org)).

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

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Active Participants	13,497	13,554	13,537	13,372	13,474
Pensioners & Beneficiaries	11,727	11,595	11,521	11,398	11,274
Inactive Participants	5,418	5,000	4,539	4,227	4,001
Market Value of Assets	\$ 4,995,983,427	\$ 4,664,344,475	\$ 4,418,568,124	\$ 4,671,641,312	\$ 3,798,755,901
Employer Contributions	\$ 314,001,015	\$ 305,022,002	\$ 322,772,188	\$ 275,778,411	\$ 266,034,899
Member & Other Misc. Contributions	551,146,180	50,949,871	50,159,049	50,174,050	50,781,701
Total Contributions	\$ 865,147,195	\$ 355,971,873	\$ 372,931,237	\$ 325,952,461	\$ 316,816,600
Investment Income	465,614,805	384,803,808	(131,387,447)	1,034,477,257	139,896,962
Total Income Available for Benefit Payments	\$ 1,330,762,000	\$ 740,775,681	\$ 241,543,790	\$ 1,360,429,718	\$ 456,713,562
Benefit Payment	\$ (406,987,236)	\$ (399,985,015)	\$ (395,317,218)	\$ (388,897,569)	\$ (383,140,608)
Transfer and other Adjustments	\$ (768,666)	\$ 100,176	\$ (155,525)	\$ 248,851	\$ (69,787)
Excess of Income Over Expenses	\$ 923,006,098	\$ 340,890,842	\$ (153,928,953)	\$ 971,781,000	\$ 73,503,167
Funded Ratio	64.8%	64.5%	61.5%	56.7%	54.2%

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

Actuarial costs and liabilities, as shown in the summary presentation, are determined in the aggregate for the ERSRI. Accordingly, employer contributions are first determined in the aggregate for all participating employers in this multi-employer system and are then expressed as a percentage of the aggregate participating payroll. For Fiscal Year 2024, the 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).

With respect to the ERSRI, Gabriel, Roeder, Smith & Company, independent actuaries advising the State Retirement Board, have calculated the pension plan to be fully funded by 2029.

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 ERSRI moves toward funding the full actuarial liability. Ultimately, however, because the actuarial funding results in the accumulation of reserves that are invested, the required appropriation will be significantly less than would be required if the ERSRI were on a pay-as-you-go basis.

#### *Municipal Plan*

The Town provides benefits to 32 active employees through the Municipal Employees Retirement System of the State of Rhode Island (“MERS”), a cost-sharing multiple-employer public employee retirement system. The system includes one plan for general employees and two plans for police and fire personnel; the Town participates in the plan for general employees.

The funding policy is outlined in Rhode Island General Laws (RIGL) sections 45-21-41, 45-21-42, and 45-21-52 (which can be amended by the Rhode Island General Assembly). Active members must contribute 2% of their compensation into the defined benefit plan. The Town is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The Town's contribution for the Fiscal Year ended June 30, 2024 was \$378,804, which is 100% of the annual required contribution.

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

<b>Municipal Employees' Retirement System (General Employees)</b>					
<b>Fiscal Year</b>	<b>Annual Pension Costs</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>
2024	\$ 78,274	\$ 78,274	100 %	\$ 398,465	89.4 %
2023	95,129	95,129	100 %	258,302	92.7
2022	102,157	102,157	100	138,221	96.0
2021	116,798	116,798	100	159,382	95.1
2020	117,592	117,592	100	317,898	90.1

The Town budgeted contributions of \$90,000 in Fiscal Year 2025, which represents 100% of the required contributions.

<b>Municipal Employees' Retirement System (Rescue Employees)</b>					
<b>Fiscal Year</b>	<b>Annual Pension Costs</b>	<b>Actual Contribution</b>	<b>Percent Contributed</b>	<b>Unfunded Liability</b>	<b>Funded Ratio</b>
2024	\$ 300,530	\$ 300,530	100 %	\$ 1,374,096	81.6 %
2023	285,247	285,247	100	1,577,163	78.0
2022	263,513	263,513	100	1,766,107	74.5
2021	208,769	208,769	100	2,068,235	69.8
2020	205,154	205,154	100	2,481,619	63.9

The Town budgeted contributions of \$354,874 in Fiscal Year 2025, which represents 100% of the required contributions.

#### *Hybrid Plan for MERS and ERSRI Participants*

In November 2011, the State enacted the Rhode Island Retirement Security Act of 2011 (“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 "Legal Challenges to Pension Reform" herein).

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 City must contribute 1% of salary. Participants have a selection of investment options chosen by the State and provided by TIAA-CREF. The Town recognized an expense of \$340,453 for contributions to the defined contribution plan for the Fiscal Year ended June 30, 2024.

### **Legal Challenges to Pension Reform**

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, 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 against the State and ERSRI in Providence County Superior Court, C.A. No. PC-2014-4432. In 2019, the co-defendants filed motions to dismiss, which were granted in part. The co-defendants thereafter filed motions for summary judgment on the remaining counts. In August 2023, the Court granted ERSRI's motion for summary judgment in its entirety and took the State's motion for summary judgment under advisement. On August 28, 2024, the Court issued a decision denying the State's motion for summary judgment.

### **Other Post-Employment Benefits**

Effective July 1, 2008, the Town adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other than Pensions," which is being applied on a prospective basis. The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined, in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

The following table shows the components of the annual OPEB cost, the amounts actually contributed to the plan, and changes in the Town's net OPEB obligation for the Fiscal Year ended June 30, 2024:

Annual required contribution and OPEB cost	\$ 1,171,735
Contributions	<u>(2,576,795)</u>
Increase/Decrease in Net OPEB obligation	(1,405,060)
Net OPEB obligation, beginning of year	<u>23,360,761</u>
Net OPEB obligation, end of year	\$ 24,303,634
Contributions as a % of Covered-Employee Payroll	6.4%

The funded status and progress of the plan as of June 30, 2024 are as follows:

Actuarial accrued liability (AAL)	\$ 24,303,634
Actuarial value of plan assets	(11,653,120)
Unfunded actuarial accrued liability (UAAL)	<u>12,650,514</u>
Funded ratio (acturial value of plan assets (AAL)	48.0%

## ECONOMIC CHARACTERISTICS

### Population

Ranked eighteenth in population among the thirty-nine cities and towns in Rhode Island in 2010, Lincoln experienced an increase in population of 1,424, or 6.7% from 2010 to 2020. Set forth below is a table of population in the Town for various years from 1930 to 2020.

<u>Year</u>	<u>Population</u>
1930	10,421
1940	10,577
1950	11,270
1960	13,551
1970	16,182
1980	16,949
1990	18,045
2000	20,898
2010	21,105
2020	22,529

Source: U.S. Bureau of the Census

### Unemployment

The most recent labor market information summary indicates that the annualized unemployment rate for the years indicated and for the months in 2024 was as shown in the following tables:

	<u>Annualized</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town of Lincoln	3.6 %	8.1 %	5.0 %	2.6 %	2.6 %
Rhode Island	3.6	9.4	5.6	3.2	3.0
United States	3.7	8.1	5.3	3.6	3.6

Source: RI Department of Labor & Training  
Not Seasonally Adjusted

	<u>2024 Monthly</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Town of Lincoln	3.6 %	4.0 %	3.2 %	2.9 %	3.7 %	3.6 %	4.6 %	4.8 %	3.4 %	3.6 %	3.9 %	3.6 %
Rhode Island	4.6	5.4	4.3	3.7	4.4	4.4	5.2	5.4	3.9	4.1	4.5	4.2
United States	4.1	4.2	3.9	3.5	3.7	4.3	4.5	4.4	3.9	3.9	4.0	3.8

Source: RI Department of Labor & Training  
Not Seasonally Adjusted

## Employment

As of the calendar year end 2024, the Town had 990 private business and industrial firms subject to the payment of employment security taxes. The following chart shows the various industries in the Town covered by the Department of Labor and Training.

	<b>Total Wage</b>	<b># of Units</b>	<b>Avg. Empmnt.</b>	<b>% of Covered Emp.</b>
Agriculture, Forestry, Fishing & Hunting	\$ *	2	*	0.00 %
Utilities	*	3	*	0.00
Construction	83,782,752	91	1,067	7.56
Manufacturing	144,620,101	42	2,245	15.91
Wholesale Trade	47,315,397	72	546	3.87
Retail Trade	22,698,851	56	715	5.07
Transportation & Warehousing	11,333,367	23	237	1.68
Information	25,770,723	30	361	2.56
Finance & Insurance	258,373,904	43	2,515	17.83
Real Estate & Rental & Leasing	8,130,057	40	122	0.86
Professional & Technical Services	73,011,518	207	802	5.69
Management of Companies and Enterprises	35,200,217	6	282	2.00
Administrative & Waste Services	40,473,899	81	753	5.34
Educational Services	9,651,430	19	188	1.33
Health Care & Social Assistance	62,265,558	119	1,212	8.59
Arts, Entertainment, & Recreation	13,042,545	18	540	3.83
Accommodations & Food Services	53,188,367	54	2,158	15.30
Other Service Except Public Admin	15,250,265	84	364	2.58
<b>TOTAL</b>	<b>\$ 904,108,951</b>	<b>990</b>	<b>14,107</b>	<b>100.00 %</b>

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

Source: Rhode Island Department of Labor and Training.

Data compiled May 2025 (Annual 2024 Data)

## Largest Employers

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

<b><u>Name</u></b>	<b><u>Type of Business</u></b>	<b><u>Number of Employees</u></b>
ACS Industries	Wire/Cable Mfg.	2,000
Pharmacare Management Services	Medical Practice Management	1,552
Amica Mutual Insurance	Insurance	1,410
Utgr, Inc.	Gambling Resorts & Casinos	700
GEM Plumbing & Heating Co.	Plumbing/Heating Services	275
Tru-Kay Mfg.	Jewelry	230
Packaging Concepts	Pkg. Services	225
Target Corporation	Department Store	200
Technical Materials	Mfg/Clad Metals	200
Visiting Nurses of Greater RI	Home Healthcare	200
General Cable Industries	Wire/Cable Mfg.	192
Calise & Sons Bakery	Bakery	185
Symmetry Products Group, Inc.	Building Materials	150
Stop & Shop Co.	Supermarket	132
Autocrat, Inc.	Coffee Products	120
Fourtune Metal Inc., of RI	Scrap Metal	120
Vital Diagnostics, Inc.	Medical Products Distribution	105
Liquid Blue, Inc.	Textile Manufacturing	100

## Income Levels

The following table represents the per capita and median family income according to the 2019-2023 American Community Survey (“ACS”):

	<u>Per Capita</u>	<u>Median Family</u>
Lincoln	\$ 53,442	\$ 135,845
Rhode Island	46,525	110,143
<u>United States</u>	<u>43,313</u>	<u>96,401</u>

Source: American Community Survey 2019-2023

## Housing

The Town of Lincoln is a suburban commuter community with moderate growth of residential housing units and business establishments. The total number of housing units in the Town of Lincoln according to the 2023 ACS is 9,009. This represents an increase of 1 unit from the 2022 ACS data. Of the 9,009 units, 351 were vacant, showing a decrease of 137 vacant units from the 2022 ACS data. The median selling price of an existing home was \$496,000 compared to \$425,000 statewide in 2023.

## Building Permits

The following table lists the number of building permits issued for new housing units from the Calendar Years 2015 through 2024.

<u>Calendar</u> <u>Year</u>	<u>Permits Issued</u>	
	<u>Single Family</u>	<u>Multi-Family</u>
2024	85	1
2023	91	1
2022	45	0
2021	97	1
2020	18	0
2019	31	1
2018	36	1
2017	24	2
2016	21	0
2015	32	3

## 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 personal property and an excise tax on motor vehicles.

In Lincoln, the fiscal year begins July 1<sup>st</sup>, with taxes based on the prior December 31st assessment payable in full the following July 31 or quarterly on July 31, October 31, January 31 and April 30. No discount is allowed by the Town for advance payment of taxes. Historically, as of the end of the fiscal year, the Town averages collections of approximately 94% of its current levy.

The Town has periodic tax sales for prior year delinquent real property taxes. 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. As of 1995, the Town assesses an interest charge of 12% per annum on delinquent accounts.

## Tax Limitations

Rhode Island General Laws Section 44-5-2 limits the amount by which a city or town may increase its tax levy unless it qualifies for certain exemptions relating to loss of non-property tax revenue, emergencies, payment of debt service and substantial increase in the tax base necessitating significant expenditures. For Fiscal Year 2013 and thereafter, the maximum amount by which a city or town can increase its tax levy is 4%.

Any levy pursuant to Section 44-5-2 in excess of the percentage increase as specified in the immediately preceding paragraph 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 town with a financial town meeting, the majority of electors present and voting at the financial town meeting shall also approve the excess.

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 according to their tenor, the power and obligation of each city and town to pay its general obligation bonds and notes shall be unlimited and each city and town shall levy ad valorem taxes upon all taxable property within the city or town for the payment of such bonds and notes and interest thereon, without limitation as to rate or amount, except as otherwise provided by or pursuant to law.

## Motor Vehicle Tax Exemption

By action of the State legislature, the motor vehicle tax was eliminated effective July 1, 2022.

## Assessed Valuations

The following table indicates assessed valuations of taxable real, personal property and motor vehicles as of December 31, 2019-2023.

Assessed Valuation as of December 31, <sup>(1)</sup>					
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuations:					
Real Estate	\$ 3,003,510,865	\$ 3,026,923,765	\$ 3,766,083,141	\$ 3,817,665,119	\$ 3,807,967,995
Tangible Personal Property	380,866,647	384,592,088	432,074,984	181,815,170	189,681,744
Total	\$ 3,384,377,512	\$ 3,411,515,853	\$ 4,198,158,125	\$ 3,999,480,289	\$ 3,997,649,739
Less Exemptions	(851,712,763)	(875,231,321)	(1,100,730,848)	(1,021,535,255)	(1,044,999,158)
Net Taxable Real and Tangible Personal Property	\$ 2,532,664,749	\$ 2,536,284,532	\$ 3,097,427,277	\$ 2,977,945,034	\$ 2,952,650,581
<b>Fiscal Years</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>

(1) Information supplied to Rhode Island Department of Administration by Lincoln Tax Assessor

## 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, 2023 (for Fiscal Year 2025):

	<u>% of Total Assessed Valuation</u>	
	<u>Town</u>	<u>State</u>
Residential	68.84%	82.17%
Commercial/Industrial	25.28%	14.65%
Tangible	5.88%	3.17%
Motor Vehicles	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Source: RI Department of Administration

## Principal Taxpayers

The largest taxpayers in the Town of Lincoln for Fiscal Year 2024 were as follows:

<b>Name</b>	<b>Type of Business</b>	<b>Amount</b>
UTGR (Twin River/Bally's)	Casino/Hotel	\$ 4,463,252
Amica	Insurance Company	2,441,315
Lincon Mall	Retail Mall	985,327
Rhode Island VLT Company	Video Game Mfg.	747,217
Narragansett Electric	Electric Utility	602,422
Narragansett Gas	Natural Gas Utility	585,203
Foxrock Albion Cross Realty	Office Building	420,010
Target	Retail Store	338,078
Kirkbrae Glen	Apartments	283,105
640 GWH	Office Building	279,375

## 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 Lincoln, the fiscal year begins July 1, with taxes on the prior December 31<sup>st</sup> assessment payable in full on the following July 31 or quarterly commencing on July 31. The following is a schedule of tax rate, levy and collected taxes as of June 30 of the indicated years.

<b>Fiscal Year</b>					
<b><u>Ending</u></b>	<b><u>Tax Rate</u></b>	<b><u>Net Levy</u></b>	<b><u>Collections</u></b>	<b><u>% Collected</u></b>	
2024 <sup>(5)</sup>	\$ 16.49	\$ 59,892,845	\$ 58,395,524	97.5%	
2023 <sup>(4)</sup>	16.45	58,862,828	56,131,229	95.4%	
2022 <sup>(3)</sup>	20.29	58,126,879	56,269,834	96.8%	
2021 <sup>(2)</sup>	20.47	57,607,772	57,354,785	99.6%	
2020 <sup>(1)</sup>	20.32	56,119,288	55,838,606	99.5%	

- (1) The \$20.32 rate is for residential property. Commercial property is taxed at \$24.81 and tangible is taxed at \$31.93  
(2) The \$20.47 rate is for residential property. Commercial property is taxed at \$25.55 and tangible is taxed at \$32.31  
(3) The \$20.29 rate is for residential property. Commercial property is taxed at \$25.21 and tangible is taxed at \$32.01  
(4) The \$16.45 rate is for residential property. Commercial property is taxed at \$24.68 and tangible is taxed at \$30.16  
(5) The \$16.49 rate is for residential property. Commercial property is taxed at \$24.74 and tangible is taxed at \$30.07

## TOWN FINANCES

### Basis of Accounting

The modified accrual basis method of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified basis of accounting, 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 the liability is incurred.



**TOWN OF LINCOLN, RHODE ISLAND**

Balance Sheet

General Fund

For the Fiscal Years Ending June 30,

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 10,128,635	\$ 16,577,575	\$ 17,510,492	\$ 7,605,354	\$ 14,419,680
Investments	4,402,624	4,412,122	2,152,323	12,542,849	-
Accounts Receivable					
Property Tax	3,739,266	3,766,937	3,698,114	2,957,053	2,915,710
Intergovernmental	-	120,666	-	3,699,831	2,882,262
Other	214,629	2,329,735	2,847,562	3,463,791	4,926,227
Due from Other Funds	516,160	-	-	1,294,541	9,718,207
Prepaid Expenditures	-	95,108	577,859	-	-
<b>Total Assets</b>	<b>\$ 19,001,314</b>	<b>\$ 27,302,143</b>	<b>\$ 26,786,350</b>	<b>\$ 31,563,419</b>	<b>\$ 34,862,086</b>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 19,001,314</b>	<b>\$ 27,302,143</b>	<b>\$ 26,786,350</b>	<b>\$ 31,563,419</b>	<b>\$ 34,862,086</b>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 1,318,143	\$ 1,501,162	\$ 207,894	\$ 3,217,704	\$ 2,271,054
Abatements Due Accrued	-	-	-	2,895,464	-
Due to Other Funds	6,893,044	11,871,869	12,518,429	13,161,878	20,281,389
<b>Total Liabilities</b>	<b>\$ 8,211,187</b>	<b>\$ 13,373,031</b>	<b>\$ 12,726,323</b>	<b>\$ 19,275,046</b>	<b>\$ 22,552,443</b>
<b>Deferred Inflows of Resources</b>					
Deferred Property Taxes	\$ 3,067,495	\$ 3,171,957	\$ 3,366,472	\$ 2,453,396	\$ 2,379,683
Other Deferred Revenue	167,606	182,101	193,998	386,787	450,989
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,235,101</b>	<b>\$ 3,354,058</b>	<b>\$ 3,560,470</b>	<b>\$ 2,840,183</b>	<b>\$ 2,830,672</b>
<b>Fund Equity:</b>					
Nonspendable	\$ 61,539	\$ 95,108	\$ 577,859	\$ -	\$ -
Committed	263,896	1,410,521	1,168,333	1,171,148	1,593,876
Unreserved:					
Assigned	500,000	500,000	500,000	500,000	-
Unassigned	6,791,130	8,569,425	8,253,364	7,777,042	7,885,095
<b>Total Fund Equity</b>	<b>\$ 7,616,565</b>	<b>\$ 10,575,054</b>	<b>\$ 10,499,556</b>	<b>\$ 9,448,190</b>	<b>\$ 9,478,971</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES &amp; FUND BALANCE</b>	<b>\$ 19,062,853</b>	<b>\$ 27,302,143</b>	<b>\$ 26,786,350 *</b>	<b>\$ 31,563,419 *</b>	<b>\$ 34,862,086</b>

\*May not total due to rounding

**TOWN OF LINCOLN, RHODE ISLAND**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
General Funds  
For the Fiscal Years Ending June 30,

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>REVENUES</b>					
General Property Taxes & Interest	\$ 56,131,304	\$ 57,607,722	\$ 58,146,431	\$ 57,166,725	\$ 58,318,605
Other Local & Department Revenue	2,855,983	2,674,966	3,330,726	2,837,868	21,067,307
Intergovernmental	8,233,731	8,659,349	12,574,417	19,579,583	330,600
Interest Received	503,308	404,541	469,296	568,298	281,374
<b>TOTAL REVENUES</b>	<b>\$ 67,724,326</b>	<b>\$ 69,346,578</b>	<b>\$ 74,520,870</b>	<b>\$ 80,152,474</b>	<b>\$ 79,997,886</b>
<b>EXPENDITURES</b>					
General Government	\$ 825,443	\$ 843,877	\$ 1,042,845	\$ 1,255,259	\$ 1,178,485
Financial Administration	886,057	978,657	2,703,051	1,269,720	3,082,768
Public Library	1,172,153	1,123,933	1,243,666	1,315,363	1,290,102
Public Safety	6,929,806	7,183,658	8,857,161	9,423,704	9,676,321
Public Services	5,811,383	5,782,821	6,658,792	8,448,870	10,381,481
Grants & Contributions	62,500	62,500	62,500	62,500	-
Other Expenditures	6,463,183	4,236,033	2,736,778	5,301,439	-
Debt Service	3,511,875	2,996,150	6,174,975	7,354,525	7,913,614
<b>TOTAL EXPENDITURES</b>	<b>\$ 25,662,400</b>	<b>\$ 23,207,629</b>	<b>\$ 29,479,768</b>	<b>\$ 34,431,380</b>	<b>\$ 33,522,771</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>\$ 42,061,926</b>	<b>\$ 46,138,949</b>	<b>\$ 45,041,102</b>	<b>\$ 45,721,094</b>	<b>\$ 46,475,115</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Issuance Premium	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-
Sale of Capital Asset	-	-	-	-	1,125,775
Transfers to Other Funds	(41,786,267)	(43,209,082)	(45,116,600)	(45,312,445)	(46,705,877)
Transfers from Other Funds	28,071	28,622	-	-	-
<b>TOTAL OTHER SOURCES</b>	<b>\$ (41,758,196)</b>	<b>\$ (43,180,460)</b>	<b>\$ (45,116,600)</b>	<b>\$ (45,312,445)</b>	<b>\$ (45,580,102)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 303,730</b>	<b>\$ 2,958,489</b>	<b>\$ (75,498)</b>	<b>\$ 408,649</b>	<b>\$ 895,013</b>
<b>Fund Balance, Beginning of Year</b>	<b>\$ 7,312,835</b>	<b>\$ 7,616,565</b>	<b>\$ 10,575,054</b>	<b>\$ 9,039,541 *</b>	<b>\$ 8,583,958 *</b>
<b>Fund Balance, End of Year</b>	<b>\$ 7,616,565</b>	<b>\$ 10,575,054</b>	<b>\$ 10,499,556 **</b>	<b>\$ 9,448,190 **</b>	<b>\$ 9,478,971</b>

\*Restated

\*\*May not total due to rounding

## Budgetary Procedures

### General

The Town Administrator submits to the Budget Board of the Town estimates of the amount necessary to carry on the operations of each Town department and agency. The Budget Board has the responsibility of preparing its budget recommendations for submission to the annual Financial Town Meeting which is held on the second Monday in May. The Town's Charter provides that the Board shall hold its first meeting for consideration of the annual budget not later than the fifteenth day of February and must complete its considerations of the Budget upon a date not later than thirty days prior to the date of the Financial Town Meeting.

### Budget Control

The Town Administrator authorizes all expenditures for the departments, offices and agencies to be made from the budgetary appropriations on the basis of approved allotments. If at any time during the first three quarters of the budget year, but ordinarily at the end of any quarterly period, the Town Administrator shall ascertain that the remaining unexpended balance of appropriations for the year will be insufficient to cover the proposed work programs, he or she shall reconsider the work programs and allotments of the departments and revise the allotments, other than those of the School Department and the Board of Water Commissioners, to forestall the making of expenditures in excess of appropriations. If at any time during the year the Town Administrator ascertains that the School Department's or Board of Water Commissioners' remaining unexpended balance of appropriation will be insufficient to cover proposed work

programs, he or she must request that they also revise their allotments to forestall the making by them of expenditures in excess of appropriations.

### Adopted Budgets (Fiscal Years Ending 2024 through 2026)

Set forth below is a budget summary of the Town for the Fiscal Years ending June 30, 2024, 2025 and 2026:

	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Local Revenue:			
Property Tax Levy	\$ 58,037,415	\$ 59,699,026	\$ 61,347,616
Video Lottery Commissions	5,200,000	5,200,000	5,200,000
Other Local	2,689,100	2,864,100	2,924,100
State Revenues	16,155,240	18,233,034	16,261,152
School Operations Aid	16,859,067	18,479,844	20,923,510
Total Revenues:	\$ 98,940,822	\$ 104,476,004	\$ 106,656,378
Expenditures:			
School Department	\$ 71,849,047	\$ 74,890,409	\$ 76,149,612
Municipal Budget	27,091,775	29,585,595	30,506,766
Total Expenditures	\$ 98,940,822	\$ 104,476,004	\$ 106,656,378

### Reporting Requirements of Municipalities and School Districts

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

#### *Reporting*

- The chief financial officer of the municipality must submit monthly reports to the municipality's chief executive officer, each member of the city or town council, and school district committee certifying the status of the municipal budget, including the school department budget or regional school budget.
- The chief financial officer of the municipality must also submit quarterly reports to the State Division 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 presently in compliance with the Financial Reporting Act.

#### **State Oversight**

On June 11, 2010, the Rhode Island General Assembly enacted "An Act Relating to Cities and Towns—Providing Financial Stability" (the "Financial Stability Act") the purpose of which is to provide a 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 is otherwise unable to obtain access to credit markets on reasonable terms
- The city or town does not promptly respond to requests made by the Director of Revenue, or the Auditor General, or the chairpersons of the house or senate finance committees for financial information

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 subject to the Financial Stability Act.

## **State Aid**

### *State School Basic Education Aid for Operations*

Pursuant to Rhode Island General Laws Sections 16-7-15 to 16-7-34 et seq., as amended, the State provides school operations assistance aid (also known as “Basic Education Aid”) to each municipality and school district in the State, subject to annual appropriation by the General Assembly. The General Assembly substantially changed the funding formula for school operations beginning in fiscal year 2012. The statutes provide for reimbursement of school expenditures based on a formula which adjusts the reimbursement ratio based on the relative equalized valuation of property and median family income relative to the State as a whole. There are no assurances, however, that the General Assembly will continue this program or appropriate sufficient funds for its implementation. Basic Education Aid is subject to pro-rata reduction in accordance with State law. Under this program the Town’s School Department received \$17,690,755 in the Fiscal Year ended June 30, 2024. The Town budgeted \$18,479,844 for the Fiscal Year ending June 30, 2025. The legislation authorizing school operation aid is subject to further change.

In 2012, the General Assembly amended the General Laws to provide that Basic Education Aid may be intercepted to pay debt service on bonds issued by the Rhode Island Health and Educational Building Corporation (“RIHEBC”) for the benefit of a municipality in the event the municipality fails to make timely payments of debt service on school construction bonds issued for the municipality through RIHEBC.

### *State School Construction Aid*

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended, the State provides construction aid to Rhode Island municipalities for the cost of building or renovating public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance of a minimum of 40% (for school housing projects completed after June 30, 2010 that received approval from the State Board of Regents for Elementary and Secondary Education (now the Board of Education) prior to June 30, 2012) or 35% (for school housing projects that received approval from the Board of Education after June 30, 2012) of the full cost of such buildings. Such assistance level may be further increased by a formula which takes into account the equalized assessed valuation and debt service burden of the particular municipality. State aid reimbursement for school construction projects is based on the share ratio established for that year by the State Department of Education. The Town’s reimbursement rate for projects completed in Fiscal Year 2024 is 35%. This ratio can vary from year to year and from project to project depending on its completion date.

For projects approved by the voters after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through RIHEBC. School construction aid attributable to projects financed through RIHEBC bonds is paid by the State directly to the RIHEBC 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. School housing costs subject to State aid reimbursement shall not include bond issuance costs incurred by the municipality, demolition costs for buildings, facilities, or sites deemed surplus by the school committee and costs for furniture, fixtures and equipment except in the case of a project to construct a new school or school addition that is supported by a general obligation or lease revenue bond. The legislation authorizing State school construction aid is subject to future change and all State aid is subject to annual appropriation by the General Assembly. The Town received school construction aid of \$3,385,729 for the Fiscal Year ended June 30, 2024. The Town budgeted \$3,385,729 for the Fiscal Year ending June 30, 2025.

### *Other State Aid*

The Town received additional miscellaneous State Aid in the amount of \$7,716,850 for the Fiscal Year ended June 30, 2024.

## **TOWN DEBT**

### **General**

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

Limit Statute or by ministerial approval or special legislation adopted by the General Assembly authorizing the Town to incur debt are subject to referendum by the electors of the Town.

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

The current 3% debt limit of the Town is \$119,984,409, based on assessed valuations of taxable property as of December 31, 2022, of \$3,999,480,289. At June 30, 2024, bonds and loans outstanding totaled \$63,100,650.

Over time, special acts have displaced the 3% Debt Limit Statute as the primary method for municipalities in the State to obtain authority to issue general obligation debt. The Town has approximately \$52.8 million of debt outstanding that is outside the 3% debt limit.

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

Under Rhode Island General Laws Section 45-12-4.4, a city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to pay the uninsured portion of any court judgement or settlement, except any court judgement or settlement arising out of any pension obligation of a municipality; provided however, that the outstanding principal amount, in the aggregate, shall not exceed five percent (5%) of the total amount of the city or town's most recently adopted municipal budget. As of June 30, 2024, the Town has no debt outstanding issued pursuant to Rhode Island General Laws Section 45-12-4.4.

### **Comparative Statement of Outstanding Debt**

Set forth below is a schedule of all outstanding general obligation debt of the Town for the years 2020 to 2024, prepared from audited financial statements.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bonded Debt:					
Refunding Bonds	\$ 3,065,000	\$ 2,690,000	\$ 2,315,000	\$ 1,950,000	\$ 1,580,000
Refunding - School	15,000,000	13,145,000	11,195,000	9,145,000	6,995,000
RIHEBC Series 2020B	57,450,000	57,450,000	55,460,000	53,390,000	51,235,000
Gross Bonded Debt	\$ 75,515,000	\$ 73,285,000	\$ 68,970,000	\$ 64,485,000	\$ 59,810,000

## Actual Bonded Debt Service Requirements

The following table sets forth bonded debt service requirements for the fiscal years indicated.

### General Obligation Bonds:

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 4,860,000	\$ 2,467,313	\$ 7,327,313
2026	5,030,000	2,278,988	7,308,988
2027	5,245,000	2,042,425	7,287,425
2028	2,800,000	1,846,063	4,646,063
2029-2033	15,080,000	7,133,700	22,213,700
2034-2038	18,460,000	3,535,300	21,995,300
2039-2043	8,335,000	461,550	8,796,550
<b>Total</b>	<b>\$ 59,810,000</b>	<b>\$ 19,765,339</b>	<b>\$ 79,575,339</b>

The following table sets forth the debt service requirements for the Town's enterprise fund debt, issued to the Rhode Island Infrastructure Bank, for sewer and water loans through the State Revolving Fund.

The Lincoln Water Commission is planning a \$5,000,000 borrowing through the Rhode Island Infrastructure Bank's Drinking Water State Revolving Fund for water main improvements and lead service line replacement projects.

### Loans Payable

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 418,582	\$ 106,346	\$ 524,928
2026	427,000	92,330	519,330
2027	445,000	77,659	522,659
2028	461,000	62,253	523,253
2029-2033	1,423,068	121,913	1,544,981
2034-2038	116,000	3,401	119,401
<b>Total</b>	<b>\$ 3,290,650</b>	<b>\$ 463,902</b>	<b>\$ 3,754,552</b>

## Debt Ratios and Debt Per Capita

<b>Year Ended June 30</b>	<b>Population<sup>(1)</sup></b>	<b>Assessed Valuation</b>	<b>Ratio of Assessment<sup>(2)</sup></b>	<b>Estimated Full Value</b>	<b>Net Debt Per Capita</b>	<b>Ratio of Net Debt to Full Value</b>
2024	22,529	\$ 3,999,480,289	100.00	\$ 3,999,480,289	\$ 59,810,000	1.50%
2023	22,529	4,198,158,125	100.00	4,198,158,125	64,485,000	1.54%
2022	22,529	3,411,515,853	100.00	3,411,515,853	68,970,000	2.02%
2021	22,529	3,384,377,512	100.00	3,384,377,512	73,285,000	2.17%
2020	21,105	2,965,317,648	100.00	2,965,317,648	75,515,000	2.55%

(1) U.S. Census Reports

(2) Ratio of Assessment determined by sales ratio studies by the Rhode Island Department of Administration

## Authorized But Unissued Debt

<b>Chapter</b>	<b>Year</b>	<b>Description</b>	<b>Original Authority</b>	<b>Bonds Issued</b>	<b>This Bond Issue<sup>(1)</sup></b>	<b>Remaining Authority After Issuance of The Bonds</b>
P.L. Ch. 278/290	2017	School	\$ 60,000,000	\$ 57,450,000	\$ -	\$ 2,550,000
P.L. Ch. 45/46	2023	School	25,000,000	25,000,000	-	-
P.L. Ch. 43/44	2023	Public Safety	14,000,000	-	14,000,000 *	-
			<b>\$ 99,000,000</b>	<b>\$ 82,450,000</b>	<b>\$ 14,000,000</b>	<b>\$ 2,550,000</b>

1. Includes this issue of bonds

\*Preliminary, subject to change



## LITIGATION

The Town has several lawsuits pending. In the opinion of the Town Solicitor and Town officials, there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

## TAX MATTERS

### General

In the opinion of Savage Law Partners LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, although such interest will be taken into account in computing the alternative minimum tax imposed on certain corporations. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

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

Bond Counsel is also of the opinion that, under existing law, the Bonds and the income therefrom, including gain from sale or exchange thereof, are exempt from taxation by the State and by the municipalities and all political subdivisions of the State, although the Bonds and the interest thereon, may be included in the measure of Rhode Island estate taxes certain Rhode Island corporate and business taxes. Bond Counsel expresses no opinion as to other State or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than Rhode Island. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX B hereto.

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

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

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

### **Risk of Further Legislative Changes and/or Court Decisions**

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

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

### **CONTINUING DISCLOSURE**

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Town will covenant (a) for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Town by not later than nine (9) months after the end of each fiscal year commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), (b) to provide notices of the occurrence of certain enumerated events, if material, and (c) to provide notice of failure to provide the Annual Report. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in APPENDIX C.

#### *Town of Lincoln*

The Borrower is required to provide certain financial information and operating data in respect to certain of its outstanding bonds by not later than nine months after the end of each fiscal year. Based on a review of its past continuing disclosure undertakings, the Borrower notes the following:

- The Fiscal Year 2020 audited financial statements and related operating data were not posted to the Rhode Island Health and Educational Building Corporation Series 2020B bond issue by the filing deadline. The Borrower subsequently linked its Fiscal Year 2020 audited financial statements and related operating data to the Series 2020B bond issue on April 24, 2025.
- The Fiscal Year 2021 unaudited or audited financial statements and related operating data were not available at the time of the filing deadline. The Borrower subsequently filed its Fiscal Year 2021 audited financial statements and related operating data on March 13, 2023 and a notice of late filing was filed on January 8, 2025.

- The Fiscal Year 2022 unaudited or audited financial statements and related operating data were not available at the time of the filing deadline. The Borrower subsequently filed its Fiscal Year 2022 audited financial statements and related operating data on September 15, 2023 and a notice of late filing was filed on January 8, 2025.
- The Fiscal Year 2023 unaudited or audited financial statements and related operating data were not available at the time of the filing deadline. The Borrower subsequently filed its Fiscal Year 2023 audited financial statements and related operating data on October 4, 2024 and a notice of late filing was filed on January 8, 2025.
- The Fiscal Year 2024 unaudited or audited financial statements and related operating data were not available at the time of the filing deadline. The Borrower subsequently filed its Fiscal Year 2024 audited financial statements and related operating data on June 4, 2025 and a notice of late filing was filed on June 4, 2025.

The Borrower is now current on all of its required filings. The Finance Director is responsible for overseeing compliance with Rule 15c2-12. The Borrower is aware of the respective filing dates in accordance with its continuing disclosure undertakings and monitors any event based disclosures that are required to be made. The current Finance Director joined in 2023 and, having reviewed the Town's past continuing disclosure undertakings, is working with Hilltop Securities Inc., the Town's Dissemination Agent, to help ensure that proper information is filed as required under the Borrower's disclosure undertakings. The Borrower is in the process of instituting additional procedures to ensure the timely and complete filing of such information in the future.

### **CERTAIN LEGAL MATTERS**

All legal matters incidental to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Savage Law Partners, LLP, Bond Counsel, Providence, Rhode Island, whose approving opinion substantially in the form appended hereto as APPENDIX B will be delivered with the issuance of the Bonds. Certain legal matters in connection with the Bonds will be passed upon by Harrington & Vitale, Ltd., as Counsel to the Underwriter.

### **MUNICIPAL ADVISOR**

Hilltop Securities Inc., Lincoln, Rhode Island, is acting as Municipal Advisor (the "Municipal Advisor") to the Town in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Preliminary Official Statement and makes no guarantee as to its completeness or accuracy. In addition, the Municipal Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds, and may perform other services, including without limitation, providing certain investment services with regard to the investment of the Bond proceeds. The participation of Hilltop Securities Inc. should not be seen as a recommendation to buy or sell the Bonds and investors should seek the advice of their accountants, lawyers and registered representatives for advice as appropriate.

### **RATING**

Moody's Investors Service, Inc. ("Moody's"), assigned a rating of "Aa2" to the Bonds. Fitch Ratings, Inc. ("Fitch"), has assigned a rating of "AAA" to the Bonds. Such ratings reflect only the views of Moody's and Fitch, respectively, and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its ratings on the information and materials furnished it and on investigations, studies, and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds. Such rating should not be taken as a recommendation to buy or hold the Bonds.

## UNDERWRITING

The Bonds are being purchased for reoffering by Raymond James & Associates, Inc., (the “Underwriter”) at an aggregate purchase price of par plus/less a net premium/discount of \$\_\_\_\_\_ less and underwriter’s discount of \$\_\_\_\_\_. The Underwriter may offer and sell the Bonds to certain dealers and others at prices other than the initial offering price. The offering price may be changed from time to time by the Underwriter.

## MISCELLANEOUS

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

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

TOWN OF LINCOLN, RHODE ISLAND

By: \_\_\_\_\_  
*John Cimino, Finance Director*

Dated: June \_\_, 2025

**APPENDIX A**

AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**TOWN OF LINCOLN, RHODE ISLAND**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



**TOWN OF LINCOLN, RHODE ISLAND  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>5</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>16</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>18</b>
<b>GOVERNMENTAL FUNDS FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET</b>	<b>19</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET             TO THE STATEMENT OF NET POSITION</b>	<b>20</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND             BALANCES</b>	<b>21</b>
<b>RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF             REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES             TO THE STATEMENT OF ACTIVITIES</b>	<b>22</b>
<b>PROPRIETARY FUNDS FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>23</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET             POSITION</b>	<b>24</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>25</b>
<b>FIDUCIARY FUNDS FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>27</b>
<b>STATEMENT OF CHANGES IN NET POSITION</b>	<b>28</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>29</b>



**TOWN OF LINCOLN, RHODE ISLAND  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

**REQUIRED SUPPLEMENTARY INFORMATION**

<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND</b>	<b>98</b>
<b>SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – SCHOOL UNRESTRICTED</b>	<b>99</b>
<b>NOTES TO BUDGETARY COMPARISON SCHEDULES</b>	<b>100</b>
<b>EMPLOYEES' RETIREMENT SYSTEM</b>	
<b>SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>	<b>101</b>
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>102</b>
<b>MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM</b>	
<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – GENERAL EMPLOYEE PLAN</b>	<b>103</b>
<b>SCHEDULE OF CONTRIBUTIONS – GENERAL EMPLOYEE PLAN</b>	<b>104</b>
<b>SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – RESCUE EMPLOYEE PLAN</b>	<b>105</b>
<b>SCHEDULE OF CONTRIBUTIONS – RESCUE EMPLOYEE PLAN</b>	<b>106</b>
<b>TEACHERS' SURVIVORS BENEFIT PLAN</b>	
<b>SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSET</b>	<b>107</b>
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>108</b>
<b>NOTES TO ERS, MERS, AND TSB PLANS</b>	<b>109</b>
<b>TOWN PENSION PLAN</b>	
<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>113</b>
<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>	<b>114</b>

**TOWN OF LINCOLN, RHODE ISLAND  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

**NATIONAL (INDUSTRIAL PENSION PLAN)**

<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>115</b>
----------------------------------	------------

**OTHER POSTEMPLOYMENT BENEFITS**

<b>SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS</b>	<b>116</b>
--	------------

<b>SCHEDULE OF CONTRIBUTIONS</b>	<b>117</b>
----------------------------------	------------

<b>SCHEDULE OF INVESTMENT RETURNS AND NOTES</b>	<b>118</b>
---	------------

**SUPPLEMENTARY INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS**

<b>COMBINED BALANCE SHEET</b>	<b>120</b>
-------------------------------	------------

<b>COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</b>	<b>121</b>
---	------------

<b>COMBINING BALANCE SHEET – TOWN SPECIAL REVENUE FUNDS</b>	<b>122</b>
---	------------

<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – TOWN SPECIAL REVENUE FUNDS</b>	<b>125</b>
--	------------

<b>COMBINING BALANCE SHEET – SCHOOL SPECIAL REVENUE FUNDS</b>	<b>128</b>
---	------------

<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – SCHOOL SPECIAL REVENUE FUNDS</b>	<b>133</b>
--	------------

<b>COMBINING BALANCE SHEET – CAPITAL PROJECT FUNDS</b>	<b>138</b>
--	------------

<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – CAPITAL PROJECT FUNDS</b>	<b>139</b>
---	------------

**PRIVATE PURPOSE TRUST FUNDS**

<b>COMBINING STATEMENT OF NET POSITION</b>	<b>140</b>
--	------------

<b>COMBINING STATEMENT OF CHANGES IN NET POSITION</b>	<b>141</b>
---	------------

**TOWN OF LINCOLN, RHODE ISLAND  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

**SUPPLEMENTARY INFORMATION (CONTINUED)**

<b>TAX COLLECTORS ANNUAL REPORT</b>	<b>142</b>
-------------------------------------	------------

**OTHER SUPPLEMENTARY INFORMATION**

<b>ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)</b>	<b>145</b>
---	------------

<b>NOTES TO THE ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)</b>	<b>150</b>
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## INDEPENDENT AUDITORS' REPORT

Honorable Members of the Town Council  
Town of Lincoln, Rhode Island

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lincoln, Rhode Island, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Lincoln, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lincoln, Rhode Island, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of the Matter – Correction of Errors***

As discussed in Note 16 to the financial statements, the Town of Lincoln, Rhode Island restated beginning net position and fund balance of the governmental activities, business-type activities, general fund, public building bond fund, fiduciary funds and nonmajor governmental funds. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

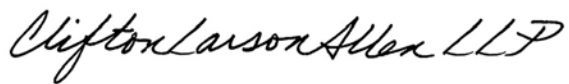
***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lincoln, Rhode Island's basic financial statements. The combining and individual nonmajor fund financial statements, Tax Collector's Annual Report, Annual Supplemental Transparency Report, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements, Tax Collector's Annual Report, Annual Supplemental Transparency Report, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Members of the Town Council  
Town of Lincoln, Rhode Island

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of the Town of Lincoln, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Lincoln, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Lincoln, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Cranston, Rhode Island  
May 27, 2025

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Management of the Town of Lincoln (the Town) provides this Management's Discussion and Analysis of the Town's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the Town's audited basic financial statements and notes to the financial statements.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

**FINANCIAL HIGHLIGHTS**

***Governmental Fund Financial Statements:***

At the end of the current fiscal year, total fund balance for the General Fund was \$9,478,971 or 11.8% of total budgeted revenues of \$94,613,413. This is an increase of \$895,013 from the prior year's restated fund balance.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$7,885,095. This is an increase of \$108,053 over the prior year unassigned General Fund balance.

The Town's General Fund had an operating surplus of \$895,013. The School Department operations resulted in an operating surplus of \$125,785.

***Proprietary Funds Financial Statements:***

At the end of the current fiscal year the total net position of the proprietary funds was \$36,386,689, an increase of \$1,148,665 over the prior year's restated fund balance.

The water fund, sewer fund and police detail fund had net position of \$26,262,862, \$9,129,171, and \$994,656, respectively, at June 30, 2024.

***Government-Wide Financial Statements:***

As reported in the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$93,023,977.

The Town's total net position increased by \$14,824,185 for the fiscal year ended June 30, 2024. The total debt related to bonds and notes of the Town of Lincoln decreased by \$5,079,000.



**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town's government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information, and supplementary information in addition to the basic financial statements.

**Government-Wide Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets, deferred outflows of resources, and liabilities and deferred inflows of resources - is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional non-financial factors should be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* - Most of the Town's basic services are included here, such as education, police, library, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-type activities* - The Town charges fees to customers to cover the costs of certain services it provides. The Town's water system, sewer system, and police special detail are included here.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently

**Governmental funds** - Most of the basic services provided by the Town are financed through 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, the governmental fund statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

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

The Town maintains many governmental funds. Four governmental funds are considered major funds for presentation purposes; that is, each major fund is presented in a separate column in the governmental fund financial statements. The Town's four major governmental funds are the General Fund, School Unrestricted Fund, Public Building Bond Fund and School Revolving Fund.

**Proprietary funds** - The Town maintains one type of proprietary fund (Enterprise Fund). *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water operation, sewer operations and police special details.

**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 Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

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

**Required Supplementary Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Such information includes budgetary comparison schedules and reconciliations of the statutory fund balance for budgetary purposes and the fund balances for the General Fund as presented in the governmental fund financial statements. Also included in required supplementary information are schedules concerning the Town's other postemployment benefits and pension liabilities. Required supplementary information follows the notes to the financial statements.

**Supplementary Information** - In addition to the required supplementary, this report also presents other supplementary information, State law requires the presentation of the Tax Collector's Annual Report, and the MTP2 Municipal Transparency Portal. This other supplementary information can be found immediately following the required supplementary information.

**Relationship of Statements and Schedules Included in this Report**

Table 1 shows how the required parts of this annual report are arranged and how they relate to one another. In addition to these required elements, the Town has included a section with combining statements that provide details about the Town's non-major governmental funds and fiduciary funds, which are added together and presented in a single column in the basic financial statements.

Basic Financial Statements & RSI	Financial Section	MD&A
		Government-wide Statements
		(Major) Fund Financial Statements
		Notes to Financial Statements
		RSI other than MD&A
		Info. on nonmajor funds & other supplementary info. not required

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Relationship of Statements and Schedules Included in this Report (Continued)**

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire town government (except fiduciary funds)	The activities of the town that are not proprietary or fiduciary, such as police, rescue and DPW.	Activities the Town operates similar to private business such as the water system.	Instances in which the Town is the trustee or the agent for someone else's resources.
Required financial statements	Statement of net position Statement of activities	Balance sheet, statement of revenues, expenditures and changes in fund balances.	Statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows.	Statement of fiduciary net position, statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of assets/liability information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities both financial and capital, and short-term and long-term.	All assets and liabilities both financial and capital, and short-term and long-term; the Town's funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of year, expenditures when goods or services have been received and payment is due.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

**Government-Wide Financial Analysis**

As noted earlier, net position may over time serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$93,023,977 as of June 30, 2024.

Net investment in capital assets totals \$113,487,198. This represents the Town's investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and vessels), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Government-Wide Financial Analysis (Continued)**

A portion of the Town's net position totaling \$21,876,068 represents resources that are subject to external restrictions on how they may be used. The remaining net position, totaling \$(42,339,289), may be used to meet the government's ongoing obligations to citizens and creditors.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>						
Current Assets	\$ 39,031,957	\$ 43,609,784	\$ 10,203,142	\$ 9,344,249	\$ 49,235,099	\$ 52,954,033
Noncurrent Assets	164,090,416	157,766,874	30,484,866	30,685,443	194,575,282	188,452,317
Total Assets	203,122,373	201,376,658	40,688,008	40,029,692	243,810,381	241,406,350
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Related Outflows	9,424,432	9,869,300	67,941	38,966	9,492,373	9,908,266
OPEB Related Outflows	2,090,858	3,857,642	-	-	2,090,858	3,857,642
Other Deferred Outflows	368,705	491,635	-	-	368,705	491,635
Total Deferred Outflows of Resources	11,883,995	14,218,577	67,941	38,966	11,951,936	14,257,543
<b>LIABILITIES</b>						
Current Liabilities	16,093,034	16,828,638	991,839	758,417	17,084,873	17,587,055
Long-Term Liabilities	128,315,524	142,201,766	3,299,430	3,575,722	131,614,954	145,777,488
Total Liabilities	144,408,558	159,030,404	4,291,269	4,334,139	148,699,827	163,364,543
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Related Inflows	10,376,795	6,803,514	77,991	12,162	10,454,786	6,815,676
OPEB Related Inflows	3,583,727	3,200,703	-	-	3,583,727	3,200,703
Other Deferred Inflows	-	-	-	5,852	-	5,852
Total Deferred Inflows of Resources	13,960,522	10,004,217	77,991	18,014	14,038,513	10,022,231
<b>NET POSITION</b>						
Net Investment in Capital Assets	85,966,766	74,062,340	27,520,432	26,990,793	113,487,198	101,053,133
Restricted	21,876,068	15,355,294	-	-	21,876,068	15,355,294
Unrestricted	(51,205,546)	(42,857,020)	8,866,257	8,725,712	(42,339,289)	(34,131,308)
Total Net Position	<u>\$ 56,637,288</u>	<u>\$ 46,560,614</u>	<u>\$ 36,386,689</u>	<u>\$ 35,716,505</u>	<u>\$ 93,023,977</u>	<u>\$ 82,277,119</u>

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Changes in Net Position**

The government's total net position increased by \$14,179,791 during the current fiscal year.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>						
Program Revenues:						
Charges For Service	\$ 3,837,126	\$ 6,551,751	\$ 7,213,050	\$ 5,729,633	\$ 11,050,176	\$ 12,281,384
Operating Grants and Contributions	28,601,011	9,358,664	-	820,029	28,601,011	10,178,693
Capital Grants and Contributions	4,782,600	-	-	-	4,782,600	-
General Revenues:						
Property Taxes	58,244,892	58,349,569	-	-	58,244,892	58,349,569
State Aid To Town	6,741,831	7,446,003	-	-	6,741,831	7,446,003
State Aid To Education	3,421,130	20,019,006	-	-	3,421,130	20,019,006
Other Revenue	10,597,812	12,686,984	27,730	-	10,625,542	12,686,984
Earnings On Investments	759,815	848,883	393,987	455,728	1,153,802	1,304,611
Total Revenues	116,986,217	115,260,860	7,634,767	7,005,390	124,620,984	122,266,250
<b>EXPENSES</b>						
General Government	782,033	2,053,684	-	-	782,033	2,053,684
Financial Administration	3,082,768	3,424,542	-	-	3,082,768	3,424,542
Public Library	1,265,600	1,220,588	-	-	1,265,600	1,220,588
Public Safety	9,624,201	10,634,411	-	-	9,624,201	10,634,411
Public Services	12,733,678	14,027,221	-	-	12,733,678	14,027,221
Education	74,633,707	63,402,458	-	-	74,633,707	63,402,458
Parks and Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Interest On Debt	1,833,104	2,809,726	-	-	1,833,104	2,809,726
Contingency	-	3,208,958	-	-	-	3,208,958
Water	-	-	4,264,673	4,364,860	4,264,673	4,364,860
Sewer	-	-	814,273	1,299,155	814,273	1,299,155
Police Detail	-	-	1,407,156	996,462	1,407,156	996,462
Total Expenses	103,955,091	100,781,588	6,486,102	6,660,477	110,441,193	107,442,065
<b>INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS</b>						
	13,031,126	14,479,272	1,148,665	344,913	14,179,791	14,824,185
Transfers Between Funds	-	-	-	-	-	-
Increase (Decrease) in Net Position	13,031,126	14,479,272	1,148,665	344,913	14,179,791	14,824,185
Net Position, July 1 as Previously Stated	46,560,614	32,081,342	35,716,505	35,371,592	82,277,119	67,452,934
Corrections Due to Error	(2,954,452)	-	(478,481)	-	(3,432,933)	-
Net Position, July 1	43,606,162	32,081,342	35,238,024	35,371,592	78,844,186	67,452,934
Net Position, June 30	<u>\$ 56,637,288</u>	<u>\$ 46,560,614</u>	<u>\$ 36,386,689</u>	<u>\$ 35,716,505</u>	<u>\$ 93,023,977</u>	<u>\$ 82,277,119</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$13,031,126.

**Business-type activities.** Business-type activities increased the Town's net position by \$1,148,665.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Financial Analysis of the Government's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds:***

The focus of the Town's governmental funds is to provide information on near - term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the Town's governmental funds reported combined ending fund balances of \$25,446,324, a decrease of \$498,707 in comparison with the prior year's restated fund balance. The unassigned fund balance of \$3,603,853 or 14.16% of the total fund balance is available for spending at the Town's discretion. The remainder of the fund balance is committed, restricted, or non-spendable to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,885,095. As a measure of General Fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 8.33% of total General Fund budgeted expenditures.

The Town's General Fund balance increased by \$895,013 during the current fiscal year because of revenues exceeding expenditures, including transfers to the School Department of \$44,713,907.

***Proprietary Funds:***

The Town's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the proprietary funds on June 30, 2024, totaled \$8,866,257, with the Water Fund making up \$7,665,600 of the total. The Water Fund, Sewer Fund, and Police Detail Fund had changes in net position of \$548,587, \$237,726, and \$362,352 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

**General Fund Budgetary Highlights**

The Financial Town meeting held on May 8, 2023, approved an operating budget of \$94,613,413.

The general fund ended the year with revenue recorded in the amount of \$3,075,228 more than the budget. Local revenues were higher than budgeted by \$790,640.

The expenditures ended the year with an unfavorable variance of \$3,243,736. The most significant deficit amount includes overspent expenditures of \$733,513 in public service.

**School Department Budgetary Highlights**

The School Unrestricted fund ended the year with a budgetary surplus of \$125,785.

**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Capital Assets and Debt Administration**

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$185,197,637 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. The net increase in the Town's investment in capital assets for the current year was \$3,794,573.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 15,328,174	\$ 15,328,174	\$ 177,451	\$ 177,451	\$ 15,505,625	\$ 15,505,625
Construction in Progress	-	5,829,204	-	173,475	-	6,002,679
Land Improvements and Infrastructure, Net	21,487,890	19,862,181	28,908,340	29,345,883	50,396,230	49,208,064
Buildings and Improvements, Net	109,717,468	106,589,780	(36,372)	(5,594)	109,681,096	106,584,186
Machinery and Equipment, Net	5,241,888	1,358,661	1,396,966	938,747	6,638,854	2,297,408
Vehicles, Net	2,641,584	1,691,236	38,481	55,476	2,680,065	1,746,712
Intangible Right-to-Use, Net	295,767	58,390	-	-	295,767	58,390
Total Capital Assets, Net	<u>\$ 154,712,771</u>	<u>\$ 150,717,626</u>	<u>\$ 30,484,866</u>	<u>\$ 30,685,438</u>	<u>\$ 185,197,637</u>	<u>\$ 181,403,064</u>

Additional information on the Town's capital assets can be found in Note 6 of the basic financial statements.

**Long-term debt:** At the end of the fiscal year, the Town had total bond debt outstanding of \$63,100,650. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt.

The Town has an Aa2 rating from Moody's Investors Service and an AA+ rating from Fitch Investors Service.

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation of \$3,999,480,289. The current debt limit for the Town is \$119,984,409.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds and Notes	\$ 59,810,000	\$ 64,485,000	\$ 3,290,650	\$ 3,694,650	\$ 63,100,650	\$ 68,179,650
Bond Premiums	8,170,389	9,261,646	-	-	8,170,389	9,261,646
Total	<u>\$ 67,980,389</u>	<u>\$ 73,746,646</u>	<u>\$ 3,290,650</u>	<u>\$ 3,694,650</u>	<u>\$ 71,271,039</u>	<u>\$ 77,441,296</u>

Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements.



**TOWN OF LINCOLN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**Economic Factors and Next Year's Budgets and Rates**

The latest published unemployment rate as of December 2024 for the Town is 5.5%. This compares favorably to the State's average unemployment rate of 4.8% and the national rate of 4.1%. Per capita and median family incomes remain some of the highest in the State.

The Financial Town Meeting voters approved a budget for fiscal year 2025 of \$104,476,004. This budget is 5.59% higher than the fiscal year 2024 budget. The School Department increase was 2.88% and Debt Service and the Resolutions funded through capital reserve funds net decrease was 10.3%.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, 100 Old River Road, Lincoln, Rhode Island 02865.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 19,952,356	\$ 5,801,960	\$ 25,754,316
Cash with Fiscal agent	955,252	326,216	1,281,468
Investments	5,648,211	2,464,344	8,112,555
Property Taxes Receivable	2,915,710	-	2,915,710
Receivables, Net of Allowances	9,019,725	1,303,795	10,323,520
Internal Balances	(127,698)	127,698	-
Prepaid Items	668,401	-	668,401
Other Assets	-	179,129	179,129
Total Current Assets	<u>39,031,957</u>	<u>10,203,142</u>	<u>49,235,099</u>
Noncurrent Assets:			
Net Pension Asset	9,377,645	-	9,377,645
Capital Assets:			
Capital Assets Not Being Depreciated and Amortized	15,328,174	177,452	15,505,626
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>139,384,597</u>	<u>30,307,414</u>	<u>169,692,011</u>
Total Noncurrent Assets	<u>164,090,416</u>	<u>30,484,866</u>	<u>194,575,282</u>
Total Assets	203,122,373	40,688,008	243,810,381
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Outflows	9,424,432	67,941	9,492,373
OPEB Related Outflows	2,090,858	-	2,090,858
Loss on Debt Refunding	<u>368,705</u>	<u>-</u>	<u>368,705</u>
Total Deferred Outflows of Resources	<u>11,883,995</u>	<u>67,941</u>	<u>11,951,936</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 215,006,368</u>	<u>\$ 40,755,949</u>	<u>\$ 255,762,317</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Account Payable and Accrued Expenses	\$ 6,649,200	\$ 487,237	\$ 7,136,437
Accrued Interest	423,826	39,243	463,069
Deferred Revenue	3,423,667	31,813	3,455,480
Current Portion of Bonds and Loans Payable	4,860,000	418,583	5,278,583
Current Portion of Lease Liability	91,555	-	91,555
Current Portion of Compensated Absences	426,551	14,963	441,514
Current Portion of Financed Purchases	218,235	-	218,235
Total Current Liabilities	16,093,034	991,839	17,084,873
Due or Payable in More Than a Year:			
Bonds and Loans Payable	63,120,389	2,872,067	65,992,456
Leases	211,369	-	211,369
Financed Purchases	381,771	-	381,771
Compensated Absences	3,174,635	134,662	3,309,297
Net Other Postemployment Benefit Liability	12,650,514	-	12,650,514
Net Pension Liability	48,776,846	292,701	49,069,547
Total Noncurrent Liabilities	128,315,524	3,299,430	131,614,954
Total Liabilities	144,408,558	4,291,269	148,699,827
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Inflows	10,376,795	77,991	10,454,786
OPEB Related Inflows	3,583,727	-	3,583,727
Total Deferred Inflows of Resources	13,960,522	77,991	14,038,513
<b>NET POSITION</b>			
Net Investment in Capital Assets	85,966,766	27,520,432	113,487,198
Restricted			
Pension	9,377,645	-	9,377,645
Grants	1,273,964	-	1,273,964
Education	11,070,026	-	11,070,026
Surety Escrow	154,433	-	154,433
Unrestricted	(51,205,546)	8,866,257	(42,339,289)
Total Net Position	56,637,288	36,386,689	93,023,977
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 215,006,368</u>	<u>\$ 40,755,949</u>	<u>\$ 255,762,317</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 782,033	\$ 1,489,492	\$ 1,563,631	\$ -	\$ 2,271,090	\$ -	\$ 2,271,090
Financial Administration	3,082,768	-	-	-	(3,082,768)	-	(3,082,768)
Public Library	1,265,600	-	259,616	-	(1,005,984)	-	(1,005,984)
Public Safety	9,624,201	1,199,927	1,049,737	-	(7,374,537)	-	(7,374,537)
Public Services	12,733,678	149,946	52,941	-	(12,530,791)	-	(12,530,791)
Education	74,633,707	997,761	25,675,086	4,782,600	(43,178,260)	-	(43,178,260)
Interest on Debt	1,833,104	-	-	-	(1,833,104)	-	(1,833,104)
Total Governmental Activities	103,955,091	3,837,126	28,601,011	4,782,600	(66,734,354)	-	(66,734,354)
Business-Type Activities:							
Water Fund	4,264,673	4,419,273	-	-	-	154,600	154,600
Sewer Fund	814,273	1,024,269	-	-	-	209,996	209,996
Police Detail Fund	1,407,156	1,769,508	-	-	-	362,352	362,352
Total Business-Type Activities	6,486,102	7,213,050	-	-	-	726,948	726,948
Total Primary Government	<u>\$ 110,441,193</u>	<u>\$ 11,050,176</u>	<u>\$ 28,601,011</u>	<u>\$ 4,782,600</u>	(66,734,354)	726,948	(66,007,406)
<b>General Revenues</b>							
Real Estate and Personal Property, Net of Reserve for Abatements					58,244,892	-	58,244,892
Meals and Hotel Tax					1,157,164	-	1,157,164
Video Lottery					6,105,089	-	6,105,089
Table Game Commissions					1,118,244	-	1,118,244
Public Service Corporation Tax					297,074	-	297,074
School Housing Aid					3,421,130	-	3,421,130
Investment Income					759,815	393,987	1,153,802
Motor Vehicle Phase Out					5,683,016	-	5,683,016
Airport Aid					25,000	-	25,000
Medicaid					736,741	-	736,741
Miscellaneous					1,091,540	27,730	1,119,270
Gain on Sale of Capital Assets					1,125,775	-	1,125,775
Total General Revenues					<u>79,765,480</u>	<u>421,717</u>	<u>80,187,197</u>
<b>CHANGE IN NET POSITION</b>					13,031,126	1,148,665	14,179,791
Net Position - Beginning of Year, As Originally Reported					46,560,614	35,716,505	82,277,119
Restatement					<u>(2,954,452)</u>	<u>(478,481)</u>	<u>(3,432,933)</u>
Net Position - Beginning of Year, as Restated					<u>43,606,162</u>	<u>35,238,024</u>	<u>78,844,186</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 56,637,288</u>	<u>\$ 36,386,689</u>	<u>\$ 93,023,977</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General Fund	School Unrestricted	Public Building Bond Fund	School Revolving Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 14,419,680	\$ 2,536,762	\$ -	\$ -	\$ 2,995,914	\$ 19,952,356
Cash with fiscal agent	-	-	955,252	-	-	955,252
Investments	-	-	-	5,648,211	-	5,648,211
Receivables:						
Property Taxes, Net	2,915,710	-	-	-	-	2,915,710
Intergovernmental	2,882,262	-	-	-	64,612	2,946,874
Other, Net	4,926,227	364,563	-	-	782,061	6,072,851
Due from Other Funds	9,718,207	17,656,375	64,204	3,910,967	18,962,366	50,312,119
Prepaid Items	-	668,401	-	-	-	668,401
Total Assets	<u>\$ 34,862,086</u>	<u>\$ 21,226,101</u>	<u>\$ 1,019,456</u>	<u>\$ 9,559,178</u>	<u>\$ 22,804,953</u>	<u>\$ 89,471,774</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Expenses	\$ 2,271,054	\$ 3,706,474	\$ -	\$ 200,109	\$ 471,563	\$ 6,649,200
Due to Other Funds	20,281,389	17,148,756	1,388,458	-	11,621,214	50,439,817
Unearned Revenues	-	-	-	-	3,423,667	3,423,667
Total Liabilities	<u>22,552,443</u>	<u>20,855,230</u>	<u>1,388,458</u>	<u>200,109</u>	<u>15,516,444</u>	<u>60,512,684</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes	2,379,683	-	-	-	-	2,379,683
Other Deferred Revenue	450,989	-	-	-	682,092	1,133,081
Total Deferred Inflows of Resources	<u>2,830,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,092</u>	<u>3,512,764</u>
<b>FUND BALANCES</b>						
Nonspendable	-	668,401	-	-	-	668,401
Restricted	-	-	-	9,359,069	3,139,354	12,498,423
Committed	1,593,876	-	-	-	7,081,773	8,675,649
Unassigned	7,885,095	(297,530)	(369,002)	-	(3,614,710)	3,603,853
Total Fund Balances (Deficits)	<u>9,478,971</u>	<u>370,871</u>	<u>(369,002)</u>	<u>9,359,069</u>	<u>6,606,417</u>	<u>25,446,326</u>
Total Fund Balances, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 34,862,086</u>	<u>\$ 21,226,101</u>	<u>\$ 1,019,456</u>	<u>\$ 9,559,178</u>	<u>\$ 22,804,953</u>	<u>\$ 89,471,774</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total Fund Balance - Governmental Funds	\$ 25,446,326
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental Capital Assets	217,508,977
Right of Use Asset	383,698
Less: Accumulated Depreciation and Amortization	<u>(63,179,904)</u>
Net Capital Assets	154,712,771

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

Property Tax Receivables Greater than 60 Days	2,379,683
Deferred bond refunding	368,705
Other receivables	1,133,081
Net Pension Asset	9,377,645
Deferred Outflows of Resources Related to Pensions	9,424,432
Deferred Outflows of Resources Related to OPEB	2,090,858

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds and Notes Payable	(59,810,000)
Deferred Inflows of Resources Related to Pensions	(10,376,795)
Deferred Inflows of Resources Related to OPEB	(3,583,727)
Unamortized Bond Issue Premium	(8,170,389)
Interest Payable on Bonds	(423,826)
Compensated Absences	(3,601,186)
Other Postemployment Benefits	(12,650,514)
Net Pension Liability	(48,776,846)
Lease Liability	(302,924)
Financed Purchases	<u>(600,006)</u>

Net Position of Governmental Activities	<u>\$ 56,637,288</u>
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See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General Fund	School Unrestricted	Public Building Bond Fund	School Revolving Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
General Property Taxes and Interest	\$ 58,318,605	\$ -	\$ -	\$ -	\$ -	\$ 58,318,605
Charges for services	2,732,166	276,105	-	-	828,855	3,837,126
Licenses and permits	-	-	-	-	-	-
Other Local and Departmental Revenue	17,771,316	35,401	-	-	-	17,806,717
Intergovernmental	330,600	20,819,999	-	4,782,600	6,686,487	32,619,686
Investment Income	281,374	111,931	73,072	293,422	16	759,815
Medicaid	468,517	268,224	-	-	-	736,741
Other Revenue	95,308	2,655	-	-	1,011,208	1,109,171
Total Revenues	79,997,886	21,514,315	73,072	5,076,022	8,526,566	115,187,861
<b>EXPENDITURES</b>						
Current:						
General Government	1,178,485	-	202,231	-	302,099	1,682,815
Financial Administration	3,082,768	-	-	-	-	3,082,768
Public Library	1,290,102	-	-	-	-	1,290,102
Public Safety	9,676,321	-	-	-	789,559	10,465,880
Public Services	10,381,481	-	-	-	2,391,705	12,773,186
Education	-	66,332,984	-	-	9,149,006	75,481,990
Capital Outlay	-	-	3,280,794	1,071,741	-	4,352,535
Debt Service:						
Principal	5,201,755	140,284	-	-	-	5,342,039
Interest	2,711,859	12,867	-	-	-	2,724,726
Total Expenditures	33,522,771	66,486,135	3,483,025	1,071,741	12,632,369	117,196,041
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	46,475,115	(44,971,820)	(3,409,953)	4,004,281	(4,105,803)	(2,008,180)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Lease	-	383,698	-	-	-	383,698
Sale of capital asset	1,125,775	-	-	-	-	1,125,775
Transfers In	-	44,713,907	-	-	1,991,970	46,705,877
Transfers Out	(46,705,877)	-	-	-	-	(46,705,877)
Total Other Financing Sources (Uses)	(45,580,102)	45,097,605	-	-	1,991,970	1,509,473
<b>NET CHANGE IN FUND BALANCES</b>	895,013	125,785	(3,409,953)	4,004,281	(2,113,833)	(498,707)
Fund Balance - Beginning of Year, As Originally Reported	9,448,190	245,086	-	-	12,901,743	22,595,019
Restatement	(864,232)	-	3,040,951	-	864,230	3,040,949
Adjustment (Nonmajor to Major Fund) (Custodial to Capital Projects)	- - -	- - -	- - -	5,354,788 - -	(5,354,788) 309,063 -	- 309,063 -
Fund Balance - Beginning of Year, As Adjusted or Restated	8,583,958	245,086	3,040,951	5,354,788	8,720,248	25,945,031
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 9,478,971</b>	<b>\$ 370,871</b>	<b>\$ (369,002)</b>	<b>\$ 9,359,069</b>	<b>\$ 6,606,415</b>	<b>\$ 25,446,324</b>

See accompanying Notes to Basic Financial Statements.



**TOWN OF LINCOLN, RHODE ISLAND**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ (498,707)

Amounts reported for governmental activities in the statement of activities  
are different because:

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 and amortization expense.

Capital Outlay	11,505,530
Depreciation and Amortization Expense	(7,510,385)

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

Property Taxes Collected After 60 Days	(73,713)
Other Receivables	746,294
Change in Net Pension Asset	1,139,903
Change in Deferred Outflows of Resources Related to Pensions	(444,868)
Change in Deferred Outflows of Resources Related to OPEB	(1,766,784)

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

Principal Payments	4,675,000
Amortization of Bond Premiums	1,091,257
Issuance of Leases	(383,698)
Principal Payments on Leases	140,284
Accrued Interest	77,334
Principal Payments on Financed Purchases	526,755

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

Change in Deferred Inflows of Resources Related to Pensions	(3,585,443)
Change in Deferred Inflows of Resources Related to OPEB	(383,024)
Change in deferred amount in refunding	(122,930)
Change in Long-Term Compensated Absences	1,138,568
Change in Net Pension Liability	6,805,604
Change in Net OPEB Liability	(628,851)
Changes in IBNR	583,000

Change in Net Position of Governmental Activities as Reported on the Statement of Activities	\$ 13,031,126
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See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Water Fund	Sewer Fund	Nonmajor Police Detail Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 5,259,395	\$ 542,565	\$ -	\$ 5,801,960
Cash with Fiscal Agents	-	326,216	-	326,216
Investments	2,464,344	-	-	2,464,344
Due from Other Funds	-	-	1,244,550	1,244,550
Receivables, Net:				
User Fees, Net	609,883	221,052	472,860	1,303,795
Other Assets	179,129	-	-	179,129
Total Current Assets	8,512,751	1,089,833	1,717,410	11,319,994
Noncurrent Assets:				
Nondepreciable	177,452	-	-	177,452
Depreciable, Net	19,684,960	10,570,558	51,896	30,307,414
Total Noncurrent Assets	19,862,412	10,570,558	51,896	30,484,866
Total Assets	28,375,163	11,660,391	1,769,306	41,804,860
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Outflows	67,941	-	-	67,941
Total Assets and Deferred Outflows of Resources	28,443,104	11,660,391	1,769,306	41,872,801
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Expenses	313,919	172,294	1,024	487,237
Accrued Interest Payable	13,203	26,040	-	39,243
Due to Other Funds	60,063	283,163	773,626	1,116,852
Deferred Revenue	7,590	24,223	-	31,813
Current Portion of Compensated Absences	14,963	-	-	14,963
Current Portion of Loans Payable	220,583	198,000	-	418,583
Total Current Liabilities	630,321	703,720	774,650	2,108,691
Noncurrent Liabilities:				
Compensated Absences	134,662	-	-	134,662
Loans Payable	1,044,567	1,827,500	-	2,872,067
Net Pension Liability	292,701	-	-	292,701
Total Noncurrent Liabilities	1,471,930	1,827,500	-	3,299,430
Total Liabilities	2,102,251	2,531,220	774,650	5,408,121
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Inflows	77,991	-	-	77,991
Total Deferred Inflows of Resources	77,991	-	-	77,991
<b>NET POSITION</b>				
Net Investment in Capital Assets	18,597,262	8,871,274	51,896	27,520,432
Unrestricted	7,665,600	257,897	942,760	8,866,257
Total Net Position	\$ 26,262,862	\$ 9,129,171	\$ 994,656	\$ 36,386,689

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Water Fund	Sewer Fund	Nonmajor Police Detail Fund	Total
<b>OPERATING REVENUES</b>				
User Fees and Charges	\$ 4,419,273	\$ 1,024,269	\$ 1,769,508	\$ 7,213,050
Other Revenues	-	27,730	-	27,730
Total Operating Revenues	<u>4,419,273</u>	<u>1,051,999</u>	<u>1,769,508</u>	<u>7,240,780</u>
<b>OPERATING EXPENSES</b>				
Administrative	1,433,846	111,978	1,348,951	2,894,775
Maintenance and Servicing	2,410,203	144,192	18,756	2,573,151
Operating Supplies	-	12,188	23,231	35,419
Depreciation and Amortization	394,118	437,542	16,218	847,878
Total Operating Expenses	<u>4,238,167</u>	<u>705,900</u>	<u>1,407,156</u>	<u>6,351,223</u>
<b>OPERATING INCOME</b>	181,106	346,099	362,352	889,557
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	393,987	-	-	393,987
Interest Expense	(26,506)	(108,373)	-	(134,879)
Total Nonoperating Revenues (Expenses)	<u>367,481</u>	<u>(108,373)</u>	<u>-</u>	<u>259,108</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>548,587</u>	<u>237,726</u>	<u>362,352</u>	<u>1,148,665</u>
<b>CHANGES IN NET POSITION</b>	548,587	237,726	362,352	1,148,665
Net Position - Beginning of Year, As Originally Reported	26,192,756	8,891,445	632,304	35,716,505
Restatement	(478,481)	-	-	(478,481)
Net Position - Beginning of Year, As Restated	<u>25,714,275</u>	<u>8,891,445</u>	<u>632,304</u>	<u>35,238,024</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 26,262,862</u>	<u>\$ 9,129,171</u>	<u>\$ 994,656</u>	<u>\$ 36,386,689</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Water Fund	Sewer Fund	Nonmajor Police Detail Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 4,469,548	\$ 1,051,998	\$ 1,559,953	\$ 7,081,499
Payments to Suppliers and Employees	(3,939,835)	(300,299)	(1,382,587)	(5,622,721)
Net Cash Provided by Operating Activities	529,713	751,699	177,366	1,458,778
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds from Interfund Borrowings	60,063	146,946	225,750	432,759
Net Cash Provided by Noncapital Financing Activities	60,063	146,946	225,750	432,759
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(259,041)	(388,260)	-	(647,301)
Principal Paid on Bonds and Notes Payable	(213,000)	(191,000)	-	(404,000)
Interest Paid on Bonds and Notes Payable	(26,506)	(108,373)	-	(134,879)
Net Cash Used by Capital and Related Financing Activities	(498,547)	(687,633)	-	(1,186,180)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	393,987	-	-	393,987
Sale of Investments	263,045	-	-	263,045
Net Cash Provided by Investing Activities	657,032	-	-	657,032
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	748,261	211,012	403,116	1,362,389
Cash and Cash Equivalents - Beginning of Year	4,511,134	657,769	(386,898)	4,782,005
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,259,395</u>	<u>\$ 868,781</u>	<u>\$ 16,218</u>	<u>\$ 6,144,394</u>

See accompanying Notes to Basic Financial Statements.

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

	Water Fund	Sewer Fund	Nonmajor Police Detail Fund	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 181,106	\$ 346,099	\$ 362,352	\$ 889,557
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	394,118	437,542	16,218	847,878
Change in Assets and Liabilities:				
(Increase) Decrease in User Charges				
Receivables, Net	50,275	(25,962)	(209,555)	(185,242)
Increase in Other Assets	(23,759)	-	-	(23,759)
Decrease in Prepaid Items	475	-	-	475
Increase in Deferred Pension Outflows	(28,975)	-	-	(28,975)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(268,520)	142,857	(7,867)	(133,530)
Decrease in Accrued Interest Payable	(90)	(174,798)	-	(174,888)
Increase in Compensated Absences	149,625			149,625
Increase in Net Pension Liability	9,629	-	-	9,629
Increase in Net Pension Inflows	65,829	-	-	65,829
Increase in Deferred Revenue	-	25,961	-	25,961
Net Cash Provided by Operating Activities	<u>\$ 529,713</u>	<u>\$ 751,699</u>	<u>\$ 161,148</u>	<u>\$ 1,442,560</u>
<b>RECONCILIATION OF STATEMENT OF CASH FLOWS TO CASH AND CASH EQUIVALENTS, INCLUDING CASH WITH FISCAL AGENTS PER THE PROPRIETARY FUNDS STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents	\$ 5,259,395	\$ 542,565	\$ -	\$ 5,801,960
Cash with Fiscal Agent	-	326,216	-	326,216
Total	<u>\$ 5,259,395</u>	<u>\$ 868,781</u>	<u>\$ -</u>	<u>\$ 6,128,176</u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2024**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,459	\$ 34,264
Investments	56,958,435	-
Total Assets	<u>56,961,894</u>	<u>34,264</u>
<b>LIABILITIES</b>		
Due to Primary Government	<u>2,359,106</u>	-
Total Liabilities	2,359,106	-
<b>NET POSITION</b>		
Restricted for:		
Pension Trust	42,949,668	-
OPEB Trust	11,653,120	-
Individuals	-	7,535
Organizations	<u>-</u>	<u>26,729</u>
Total Net Position	<u>54,602,788</u>	<u>34,264</u>
Total Liabilities and Net Position	<u><u>\$ 56,961,894</u></u>	<u><u>\$ 34,264</u></u>

See accompanying Notes to Basic Financial Statements.

**TOWN OF LINCOLN, RHODE ISLAND**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2024**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
<b>ADDITIONS:</b>		
Contributions:		
Employer	\$ 4,689,046	\$ -
Plan Members	426,115	-
Investment Income, Net of Related Fees	6,225,712	85
Total Additions	<u>11,340,873</u>	<u>85</u>
<b>DEDUCTIONS:</b>		
Benefits Paid	5,290,068	-
Administrative Expenses	38,765	-
Total Deductions	<u>5,328,833</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	6,012,040	85
Net Position - Beginning of Year	<u>48,590,748</u>	<u>34,179</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 54,602,788</u></u>	<u><u>\$ 34,264</u></u>

*See accompanying Notes to Basic Financial Statements.*

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Lincoln, Rhode Island (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

**A. Reporting Entity**

The Town was founded in 1871. The Town is governed largely under the 1958 Home Rule Charter, which provides for a Council-Administrator form of government. The Town provides various services including education, water, libraries, public safety (police and rescue), public works, (engineering, highway, recycling, sewer, public buildings, parks and recreation), social services, and general government services.

The elected Town Administrator serves as chief administrative agent over all municipal services including public safety (police and rescue), public works (highway, maintenance, and sanitation), social services, parks and recreation, planning, zoning and inspection, and general administrative services. The Superintendent of Schools, appointed by the School Committee, serves as the chief administrative agent for the School Department, which provides elementary and secondary education to Town residents. The Superintendent of the Water Commission, appointed by the Board of Water Commissioners, serves as the Chief Administrative Agent for the Water Commission, a quasi-municipal agency/department of the Town.

The Town complies with generally accepted accounting principles (GAAP), including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**B. Basis of Presentation – Government-Wide Financial Statements**

The statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds, which are reported only in the fund financial statements. The statements distinguish between governmental and business-type activities. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

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



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation – Government-Wide Financial Statements (Continued)**

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

**C. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in separate columns in the fund financial statements.

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 operating revenues of the Town's enterprise funds and internal service funds are charges for services to customers. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major governmental funds:

**General Fund**

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

**School Unrestricted Fund**

The *Unrestricted Fund* is the School's primary operating fund. Revenue is derived primarily from state and federal aid and appropriations from the Town.

**School Revolving Fund**

The *School Revolving Fund* is a Town special revenue fund used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specific purposes other than debt service or capital projects.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation – Fund Financial Statements (Continued)**

**Public Building Bond Fund**

The *Public Building Bond fund* is a Town debt service fund which is used to account for the accumulation of resources and the payment of general long-term principal, interest and related costs.

The Town reports the following major proprietary funds:

**Water Fund**

The *Water Fund* is a proprietary (enterprise) fund used to account for the supply of public water to the Town of Lincoln. The fund is primarily supported through charges to customers.

**Sewer Fund**

The *Sewer Fund* is a proprietary (enterprise) fund used to account for solid waste disposal operations of the Town. The fund is primarily supported through charges to customers.

Additionally, the Town reports the following fund types:

**Special Revenue Funds**

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specific purposes other than debt service or capital projects.

**Capital Projects Funds**

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

**Proprietary Fund Type**

The *Police Detail Funds* are used to account for business-like activities provided to the general public (enterprise funds) These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

**Pension Trust Fund**

The *Pension Trust Fund* accounts for contributions made by the Town and its participating employees to provide retirement benefits to the participating employees.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation – Fund Financial Statements (Continued)**

**OPEB Trust Fund**

The *OPEB Trust Fund* is used to account for funding of future other postemployment benefits such as health, dental and life insurance for the Town's and School Department's retirees.

**Private Purpose Trust Fund**

The *Private Purpose Trust* accounts for resources legally held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor's instructions. All resources of the fund, including any earnings on investments, may be used. There is no requirement that any portion of these resources be preserved as capital.

**D. Measurement Focus and Basis of Accounting**

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and 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 Town 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and asset retirement obligations are recognized based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided, they are collected during the year or estimated to be collected in the following fiscal year. Prior to expenditure, proceeds received in advance are recorded as unearned revenues.

The proprietary, pension, other postemployment benefit trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

**1. Cash and Cash Equivalents**

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

Under Rhode Island general laws, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements. The Town does not have a deposit policy for custodial credit risk or other risks.

**2. Investments**

Investments are reported at fair value (generally based on quoted market prices). Unrealized gains and losses from changes in fair value are recognized as investment income. The Town does not have an investment policy for custodial credit risk or other risks other than those relating to its pension trust fund. The Town's investment commission is responsible for the supervision of the investment of the Town's Pension Trust Fund investments, with the objective of preserving capital and investing with care to minimize the risk of large losses.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**3. Accounts Receivable**

In the government-wide statements, receivables consist of all revenue earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, other receivables and intergovernmental receivables. Business-type activities report service fees as its major receivables.

All trade and other receivables are shown net of allowances for uncollectible amounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay. In addition to those receivables specifically identified as uncollectible, a general allowance is established for receivables older than one year.

**4. Interfund transactions**

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other interfund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

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

**5. Property Taxes**

Property taxes are recognized as revenue in the year they are levied and become available. Taxes are levied on July 1 on (a) 100% of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered. Taxes levied on July 1 are payable July 31 or may be paid quarterly on July 31, October 31, January 31, and April 30. Failure to make payments by March 10 will result in a lien on the taxpayer's property.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**6. Supplies and Prepaid Items**

Supplies of governmental funds are recorded as expenditures at the time of purchase, while in the proprietary funds, the cost of supplies are recorded as an expense when consumed.

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. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased. In the governmental funds, reported prepaid items are classified as nonspendable fund balance.

**7. Capital Assets**

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below). The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets and that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives</u>
Land Improvements	20
Building Improvements	20 – 60
Furniture and Equipment	2 – 30
Motor Vehicles	5 – 10
Water Mains, Valves, Tanks, Hydrants and Services	20 – 60

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**8. Leases (Lessee)**

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statement of net position.

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

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

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

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

**9. Subscription-Based Information Technology Arrangements (SBITA)**

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**10. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred charge on refunding and deferred outflows related to pensions and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions and OPEB results from differences between projected and actual earnings on plan investments and changes in actuarial assumptions. The deferred outflows related to contributions will be recognized in the following year while the deferred outflows related to projected and actual earnings will be amortized over the average remaining service life of all plan members.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance collections and deferred inflows of resources related to pensions in this category. The deferred inflows of resources related to pensions and OPEB is the difference between projected and actual earnings on pension plan investment and changes in actuarial assumptions. These deferred inflows will be amortized over the average remaining services life of all plan members.

**11. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

**12. Unearned Revenue**

Unearned revenues are reported in connection with resources that have been received but not yet earned.



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**13. Long-Term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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.

**14. Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

In the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as expenditures and a fund liability of the governmental fund that will pay it.

**15. Judgements and Claims**

Liabilities for legal cases and other claims against governmental funds are recorded when the ultimate liability can be estimated and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

**16. Bond Issuance Costs**

Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**17. Net Pension Liability**

For purposes of measuring the net pension liability (asset), deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Town's Private Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**18. Net Other Postemployment Benefits (OPEB) Liability**

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan and additions to/deductions from Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**19. Fund Balance**

The classification of fund balances are described as follows:

*Nonspendable fund balance* – Consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

*Restricted fund balance* – Consists of amounts that can be spent only for specific purposes because of constraints imposed by external resource providers (creditors, grantors, contributors or laws or regulations of other governments) or imposed by constitutional provisions or enabling legislation.

*Committed fund balance* - Amounts constrained to specific purposes by the Town, using its highest level of decision-making authority. Commitments will only be used for specific purposes pursuant to a formal action of the Town Council. Town Council Resolution is required to approve, modify, or rescind a fund balance commitment.

*Assigned fund balance* - Consists of amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. Intent may be expressed either by the Council or officials to which the Council has delegated authority.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**19. Fund Balance (Continued)**

*Unassigned fund balance* - Consists of the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Any deficit fund balance within the other governmental fund types is reported as unassigned.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances, where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

**20. Minimum Fund Balance Policy**

This Fund Balance Policy is designed to ensure that the financial stability and sustainability of the general fund by maintaining an appropriate level of unrestricted fund balance.

*Excess Fund Allocation:* If the unrestricted fund balance of the general fund exceed 8% of the subsequent year's general fund expenditures operating budget, the excess amount above 8% should be equally allocated to the Open Space Reserve Fund and the Capital Fund.

*Restoration of Fund Balance:* Conversely, if the unrestricted fund balance of the general fund falls below 8% of the subsequent year's general fund expenditure operating budget, the Town's charter mandates a restoration process. If there are sufficient funds available in the Open Space Reserve Fund and Capital fund, the necessary amount should be transferred equally from both to restore the unrestricted fund balance.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)**

**21. Net Position**

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* - Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted Net Position* - Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

*Unrestricted Net Position* - Is the amount of net position that does not meet the definition of the two preceding categories.

**22. Use of Estimates**

The preparation of basic 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Accounting**

In accordance with the Town Charter, the Town Administrator must present to the Budget Board a recommended annual budget for the operations of all municipal departments no later than February 15 of each fiscal year. The recommended budget must include an appropriation to fund school expenditures. At least three weeks after the receipt of the budget from the Town Administrator, the Budget Board holds a public hearing thereon. The Budget Board completes its consideration of the budget thirty days prior to the date of the financial town meeting. The financial town meeting may increase or decrease items of the budget as presented by the Budget Board. The final recommended budget is legally adopted at the annual financial town meeting. All annual appropriations lapse at fiscal year-end.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Accounting (Continued)**

The General Fund and the School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

Costs of operations for all departments, offices and agencies established within the Town Charter must be approved through the annual budget process. These departments are presented within the General Fund and the School Department Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by the Town Council. Other appropriation increases require both the establishment of a funding source and passage of a budget amendment ordinance. Unencumbered and unexpended appropriations lapse at fiscal year-ended.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2024, General fund expenditures exceeded appropriations in the following categories:

General Fund:

Financial Administration	\$ 129,728
Public Service	733,513
Public Safety	590,824
Grants and Contributions	10,000

For the year ended June 30, 2024, School Unrestricted Fund expenditures exceeded appropriations in the following categories:

School Unrestricted Fund:

Purchased Services	\$ 217,684
Supplies and Materials	333,357
Other Expenditures	36,022
Capital Outlay	358,640

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**C. Fund Deficits**

The following individual funds had unassigned fund deficits as of June 30, 2024:

Town Special Revenue and Capital Projects Funds:

School Capital Projects	\$ 2,452,289
Public Building Bond Fund	369,002
DCF Grant	97,770
Police Vest Grant	833
Pandemic Response Program	311,431
Pacemaking	7,499
Operation Riptide	5,943
Total Fund Deficit	<u><u>\$ 3,244,767</u></u>

School Special Revenue Fund:

Esser II Priority B	\$ 98,680
Esser II Digital Divide	76,413
Esser II Other Priority	506,999
SBA Capital	56,853
Total Fund Deficit	<u><u>\$ 738,945</u></u>

The fund deficits will either be funded through external contributions or revenues or by support from the General Fund or School Unrestricted Fund if needed. Any General Fund support would need to be deliberated by management of the Town with a resolution passed by the Town Council and any School Unrestricted Fund support would need to be deliberated by management of the Lincoln Public Schools and passed by the School Committee.

**NOTE 3 DEPOSITS AND INVESTMENTS**

**A. Deposits**

The Town's custodial credit risk policy is in accordance with RI General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to 100% of time deposits with maturities greater than 60 days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators will insure or pledge eligible collateral equal to 100% deposits, regardless of maturities.

The Town maintains deposits in various financial institutions that are carried at market value except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and Cash Equivalents."

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits (Continued)**

**Custodial Credit Risk**

In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2024, the carrying amount of the Town's cash and cash equivalents, including cash with fiscal agents, totaled \$27,073,506 while the bank balances totaled \$25,770,711. Of this amount, \$1,558,474 was insured with FDIC and approximately \$24,212,237 was exposed to custodial credit risk because it was uninsured and collateralized but not in the Town's name.

**B. Investments**

Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of these institution or institutions are verifiable and can be monitored. The investment of funds is in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution cannot exceed 5% of that institutions capital and surplus as set forth in the institutions most recent audited financial statements.

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maximum maturity length of investments.

As of June 30, 2024, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less than 1	1-10	More Than 10
Interest-Bearing investments:				
Certificate of Deposit				
U.S. Government Securities	\$ 4,563,096	\$ 2,512,209	\$ 1,382,315	\$ 668,572
U.S. Government Agencies	1,855,935	-	-	1,855,935
Corporate Bonds	1,526,474	188,389	1,090,915	247,170
Private Placements	30,895	-	30,895	-
Foreign Bonds and Notes	16,381	-	16,381	-
Pooled Investments (OSIP)	5,648,211	5,648,211	-	-
Total	<u>\$ 13,640,992</u>	<u>\$ 8,348,809</u>	<u>\$ 2,520,506</u>	<u>\$ 2,771,677</u>
Other investments:				
Mutual Funds	\$ 23,116,152			
Short Term Investments	2,415,264			
Collective Trust	231,177			
Equity Securities	25,667,405			
Total Investments	<u>\$ 65,070,990</u>			

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Presented below is the rating of investments for each debt investment type:

Average Rating	Corporate Bonds	U.S. Government		Foreign Bonds and Notes	Private Placements
		Securities	Agencies		
Aaa	\$ -	\$ 4,563,095	\$ 1,855,935	\$ -	\$ -
Aa3	125,862	-	-	-	-
A2	106,922	-	-	-	-
A3	171,156	-	-	-	-
Baa1	296,241	-	-	16,381	-
Baa2	422,524	-	-	-	-
Baa3	227,712	-	-	-	-
Ba1	59,162	-	-	-	30,895
Ba3	58,151	-	-	-	-
B1	49,749	-	-	-	-
B3	8,994	-	-	-	-
Total	<u>\$ 1,526,473</u>	<u>\$ 4,563,095</u>	<u>\$ 1,855,935</u>	<u>\$ 16,381</u>	<u>\$ 30,895</u>

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not believe that it has significant custodial credit risk with regard to its investments as substantially all investment securities are registered and held in the name of the Town.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization to debt securities. The Town's formal investment policy for its Pension Trust Fund states that no security can be purchased that is rated below "B" by Moody's Investor Services or Standard & Poor's Ratings Group. The pension investment policy also states that no more than 10% of the portfolio's fixed income allocation may be invested in securities rated below investment grade. The pension portfolio may not invest in or use synthetic securities or derivatives of any kind. The Town does not have a formal policy that limits investment choices for its other funds.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town's formal investment policy for its Pension Trust Fund and OPEB Trust Fund states that no more than 5% of the portfolio's value may be invested in the securities of any one issuer except for securities of the U.S. Government, its agencies, or instrumentalities. The Town does not have a formal policy that limits the amount that the Town may invest in one issuer for its other funds.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Town does not have a formal policy for foreign currency risk. The Town had one investment in Canadian Pacific Railway Bond which matures December 2, 2031, and as of June 30, 2024, the investment amount totaled \$16,381.



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Fair Value of Investments

All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital. The Town follows the guidance of the fair value measurement and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

Investment at Fair Value	June 30, 2024	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Government Securities	\$ 4,563,096	\$ 4,563,096	\$ -	\$ -
U.S. Government Agencies	1,855,935	-	1,855,935	-
Corporate Bonds	1,526,474	-	1,526,474	-
Common Stock	25,667,405	25,667,405	-	-
Mutual Funds	23,116,152	23,116,152	-	-
Foreign Bonds and Notes	16,381	-	16,381	-
Private Placements	30,895	-	30,895	-
Short-Term Investments	2,415,264	2,415,264	-	-
Collective Trust	231,177	-	231,177	-
Pooled Investments (OSIP)	5,648,211	5,648,211	-	-
Total Investments	<u>\$ 65,070,990</u>	<u>\$ 61,410,128</u>	<u>\$ 3,660,862</u>	<u>\$ -</u>

Pursuant to GASB 79, Certain External Investment Pools and Pool Participants, the Town's Ocean State Investment Pool Cash Portfolio (OSIP) represents qualifying external investment pools that measures for financial reporting purposes all its investments at amortized cost.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Fair Value of Investments (Continued)

The OSIP is offered by The State of Rhode Island and managed by FIAM LLC (FIAM), a Fidelity Investments company. While OSIP is unrated, investments are required to be invested in only the "highest quality securities" defined as being rated in one of the highest categories by at least two National Recognized Statistical Rating Organizations. Credit quality represents ratings assigned at the security level or ratings assigned to the entities that issue the securities. OSIP uses ratings from Moody's Investors Services, Inc. Where Moody's ratings are not available, S&P ratings have been used. If a security has two ratings, the security is considered to be in the lower category. If a security has more than two ratings, the security is considered to be in the highest category of ratings as determined by at least two ratings. Repurchase agreements have been classified by FIAM and approved by the Rhode Island State General Treasurer as "P1." There are no participant withdrawal limitations.

Reconciliation to Basic Financial Statements

The investments as of June 30, 2024, are reported in the financial statement as follows:

Government-Wide Statement of Net Position	
Governmental Activities	\$ 5,648,211
Business-Type Activities	2,464,344
Fiduciary Funds Statement of Net Position	
OPEB	42,949,668
Pension	14,008,767
Total	<u>\$ 65,070,990</u>

Pension Trust Fund and OPEB Trust Fund investments:

	Carrying Amount
Debt Securities	\$ 3,672,502
Equity Securities	1,855,935
Mutual Fund	23,116,153
Other Investments	28,313,845
Total Investments	<u>\$ 56,958,435</u>

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in Level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 ACCOUNTS RECEIVABLE**

Receivables for each major fund and the nonmajor funds in the aggregate at June 30, 2024, including the applicable allowances for uncollectible accounts, were as follows:

	General Fund	School Unrestricted	Nonmajor Governmental Funds	Total Governmental Funds	Water Fund	Sewer Fund	Nonmajor Business-Type Funds	Total Business-Type Funds
Receivables:								
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 614,219	\$ 238,447	\$ 472,860	\$ 1,325,526
Property taxes	3,927,103	-	-	3,927,103	-	-	-	-
Rescue billings	3,855,643	-	-	3,855,643	-	-	-	-
Intergovernmental	2,882,262	-	64,612	2,946,874	-	-	-	-
Other	4,475,116	364,563	782,061	5,621,740	-	-	-	-
Gross Receivables	15,140,124	364,563	846,673	16,351,360	614,219	238,447	472,860	1,325,526
Less Allowance for								
Uncollectible Amounts	(4,415,925)	-	-	(4,415,925)	(4,336)	(17,395)	-	(21,731)
Net Receivables	<u>\$ 10,724,199</u>	<u>\$ 364,563</u>	<u>\$ 846,673</u>	<u>\$ 11,935,435</u>	<u>\$ 609,883</u>	<u>\$ 221,052</u>	<u>\$ 472,860</u>	<u>\$ 1,303,795</u>

**NOTE 5 CAPITAL ASSETS**

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

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 15,328,174	\$ -	\$ -	\$ 15,328,174
Construction-in-Progress	5,829,204	-	(5,829,204)	-
Total Capital Assets, Not Being Depreciated	21,157,378	-	(5,829,204)	15,328,174
Capital Assets, Being Depreciated and Amortized				
Land Improvements and Infrastructure	33,782,029	2,871,431	-	36,653,460
Buildings and Improvements	139,256,837	8,349,109	-	147,605,946
Machinery and Equipment	6,359,257	4,542,736	-	10,901,993
Right of Use Asset - Equipment	172,455	383,698	(172,455)	383,698
Motor Vehicles	5,659,189	1,360,215	-	7,019,404
Total Capital Assets, Being Depreciated	185,229,767	17,507,189	(172,455)	202,564,501
Less Accumulated Depreciation and Amortization				
Land Improvements and Infrastructure	13,919,848	1,245,722	-	15,165,570
Buildings and Improvements	32,667,057	5,221,421	-	37,888,478
Machinery and Equipment	5,000,596	659,509	-	5,660,105
Right of Use Asset - Equipment	114,065	146,321	(172,455)	87,931
Motor Vehicles	3,967,953	409,867	-	4,377,820
Total Accumulated Depreciation	55,669,519	7,682,840	(172,455)	63,179,904
Total Capital Assets Being Depreciated and Amortized, Net	129,560,248	9,824,349	-	139,384,597
Governmental Activities Capital Assets, Net	<u>\$ 150,717,626</u>	<u>\$ 9,824,349</u>	<u>\$ (5,829,204)</u>	<u>\$ 154,712,771</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

For the year ended June 30, 2024, depreciation was charged to the following functions:

Governmental Activities:

General Government	\$ 413,994
Public Safety	410,590
Public Service	1,140,939
Public Library	55,724
Education	<u>5,661,594</u>
Total Governmental Activities	
Depreciation Expense	<u><u>\$ 7,682,841</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 177,451	\$ -	\$ -	\$ 177,451
Construction-in-Progress	173,478	358,191	(531,669)	-
Total Capital Assets, Not Being Depreciated	350,929	358,191	(531,669)	177,451
Capital Assets, Being Depreciated:				
Buildings and Improvements	1,259,718	1,903	-	1,261,621
Infrastructure	48,476,452	-	-	48,476,452
Machinery and Equipment	2,404,156	810,537	-	3,214,693
Motor Vehicles	1,062,077	8,343	-	1,070,420
Total Capital Assets, Being Depreciated	53,202,403	820,783	-	54,023,186
Less Accumulated Depreciation:				
Buildings and Equipment	1,265,312	32,681	-	1,297,993
Infrastructure	19,130,571	437,541	-	19,568,112
Machinery and Equipment	1,465,409	352,318	-	1,817,727
Motor Vehicles	1,006,601	25,338	-	1,031,939
Total Accumulated Depreciation	22,867,893	847,878	-	23,715,771
Total Capital Assets Being Depreciated, Net	30,334,510	(27,095)	-	30,307,415
Business-Type Activities Capital Assets, Net	<u>\$ 30,685,439</u>	<u>\$ 331,096</u>	<u>\$ (531,669)</u>	<u>\$ 30,484,866</u>

For the year ended June 30, 2024, depreciation was charged to the following functions:

Business-Type Activities:

Water Fund	\$ 394,118
Sewer Fund	437,541
Police Detail	<u>16,219</u>
Total Business-Type Activities	
Depreciation Expense	<u><u>\$ 847,878</u></u>

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6 LONG-TERM OBLIGATION**

**A. Long-Term Obligations**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds.

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from nontax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2022, was \$3,999,480,289, limiting the amount of nonexcepted general obligation bonds outstanding to \$119,984,409. At June 30, 2024, bonds and loans outstanding totaled \$59,810,000.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**A. Long-Term Obligations (Continued)**

A summary of long-term obligations at June 30, 2024, is as follows:

Purpose	Amount of Original Issue	Date Issued	Interest Rate	Maturity Date	(Restated) Balance, June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental Activities:</b>									
General Obligation Bonds:									
Refunding - School Construction and Renovation	\$ 22,055,000	6/25/2015	3.00 - 5.00%	8/1/2026	\$ 9,145,000	\$ -	\$ 2,150,000	\$ 6,995,000	\$ 2,245,000
2018 Refunding Bond	3,620,000	9/25/2018	3.50 - 5.00%	7/1/2028	1,950,000	-	370,000	1,580,000	375,000
RIHEBC Series 2020B	<u>57,450,000</u>	6/17/2020	3.00 - 5.00%	5/15/2040	<u>53,390,000</u>	-	<u>2,155,000</u>	<u>51,235,000</u>	<u>2,240,000</u>
Total General Obligation Bonds	<u>83,125,000</u>				64,485,000	-	4,675,000	59,810,000	4,860,000
Premium on Bond Issuance					<u>9,261,646</u>	-	<u>1,091,257</u>	<u>8,170,389</u>	-
Total Bonds Payable	<u>\$ 83,125,000</u>				73,746,646	-	5,766,257	67,980,389	4,860,000
<b>Others:</b>									
Financed Purchases					1,126,761	-	526,755	600,006	218,235
Lease Liability					59,510	383,698	140,284	302,924	91,555
Net Pension Liability - MERS - General Employee					82,890	213,992	-	296,882	-
Net Pension Liability - MERS - Rescue					1,954,821	-	432,210	1,522,611	-
Net Pension Liability - ERS					38,263,355	-	4,125,868	34,137,487	-
Net Pension Liability - Town					15,281,384	-	2,461,518	12,819,866	-
Net OPEB Liability					12,021,663	628,851	-	12,650,514	-
Compensated Absences					<u>4,739,754</u>	<u>51,126</u>	<u>1,189,694</u>	<u>3,601,186</u>	<u>426,551</u>
Total Long-Term Obligations					<u>\$ 147,276,784</u>	<u>\$ 1,277,667</u>	<u>\$ 14,642,586</u>	<u>\$ 133,911,865</u>	<u>\$ 5,596,341</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**A. Long-Term Obligations (Continued)**

Purpose	Amount of Original Issue	Date Issued	Interest Rate	Maturity Date	Balance, June 30, 2023*	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Business-Type Activities:									
Directly Placed Debt:									
Enterprise Fund, Sewer:									
Rhode Island Clean Water									
Finance Agency:									
Sewer System Improvements	\$ 2,902,500	3/29/2011	1.45 - 4.35%	9/1/2031	\$ 1,607,500	\$ -	\$ 43,000	\$ 1,564,500	\$ 154,000
Sewer System Improvements	849,000	7/30/2015	1.33 - 2.96%	9/1/2034	609,000	-	148,000	461,000	44,000
Enterprise Fund, Water:									
Rhode Island Clean Water									
Finance Agency:									
Water System Improvements	300,000	4/19/2004	3.50%	9/1/2024	14,583	-	7,000	7,583	8,000
Water System Improvements	1,800,000	3/1/2007	3.03 - 3.40%	9/1/2027	583,000	-	108,000	475,000	112,000
Water System Improvements	1,500,000	11/6/2009	0.55 - 4.15%	9/1/2029	712,000	-	79,000	633,000	82,000
Water System Improvements	362,568	2/12/2010	0.36 - 4.09%	9/1/2030	168,567	-	19,000	149,567	19,000
Total Loans Obligations	<u>\$ 7,714,068</u>				3,694,650	-	404,000	3,290,650	419,000
Others:									
Net Pension Liability - Water					283,072	9,629	-	292,701	-
Compensated Absences					151,820	12,987	15,182	149,625	14,963
Total Long-Term Obligations					<u>\$ 3,977,722</u>	<u>\$ 9,629</u>	<u>\$ 404,000</u>	<u>\$ 3,583,351</u>	<u>\$ 419,000</u>

\*The Town of Lincoln's business-type activities compensated absences were reclassified from accounts payable and accrued expenses.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**A. Long-Term Obligations (Continued)**

At June 30, 2024, annual debt service requirements to maturity for general obligation bonds and loans payable are as follows:

*General Obligation Bonds*

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,860,000	\$ 2,467,313	\$ 7,327,313
2026	5,030,000	2,278,988	7,308,988
2027	5,245,000	2,042,425	7,287,425
2028	2,800,000	1,846,063	4,646,063
2029	2,915,000	1,708,200	4,623,200
2030 - 2034	15,575,000	6,416,400	21,991,400
2035 - 2039	19,155,000	2,836,750	21,991,750
2040 - 2044	4,230,000	169,200	4,399,200
Total	<u>\$ 59,810,000</u>	<u>\$ 19,765,339</u>	<u>\$ 79,575,339</u>

*Loans Payable*

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 419,000	\$ 111,494	\$ 530,494
2026	427,000	96,779	523,779
2027	445,000	81,378	526,378
2028	461,000	65,212	526,212
2029	352,000	50,462	402,462
2030 - 2034	1,129,650	77,933	1,207,583
2035 - 2039	57,000	844	57,844
Total	<u>\$ 3,290,650</u>	<u>\$ 484,102</u>	<u>\$ 3,774,752</u>

**B. Lease Liability**

The Town leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 91,555	\$ 10,112	\$ 101,667
2026	95,285	6,382	101,667
2027	99,167	2,499	101,666
2028	16,917	28	16,945
Total	<u>\$ 302,924</u>	<u>\$ 19,021</u>	<u>\$ 321,945</u>



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**C. Financed Purchases**

The Town has entered into financed purchase agreements as a lessee for financing the acquisition of vehicles and equipment. The agreements qualify as financed purchases for accounting purposes, and, therefore have been recorded at the present value of future minimum payments as of the inception date. The assets acquired through the financed purchase are as follows:

Financed Purchase	Governmental Activities
Equipment	\$ 900,000
Vehicles	309,951
Less: Accumulated Depreciation	(42,915)
Total	<u>\$ 1,167,036</u>

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

<u>Year Ended June 30,</u>	Governmental Activities
2025	\$ 243,438
2026	243,440
2027	160,248
Subtotal	647,126
Less: Amount for Interest	(47,120)
Present Value of Minimum Payments	<u>\$ 600,006</u>

**NOTE 7 RISK MANAGEMENT**

**Rhode Island Interlocal Risk Management Trust, Inc.**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool – Rhode Island Interlocal Risk Management Trust, Inc. (the Trust) – which provides coverage for property/liability claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town is insured for a maximum of \$2,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2024.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 8 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

Interfund receivables and payables at June 30, 2024, are as follows:

	Due from Other Funds	Due to Other Funds
Major Government Funds:		
General Fund	\$ 9,718,207	\$ 20,281,389
School Unrestricted Fund	17,656,375	17,148,756
Public Building Bond Fund	64,204	1,388,458
School Revolving Fund	3,910,967	-
Nonmajor Governmental Funds:		
Town Special Revenue Fund	3,581,456	651,433
School Special Revenue Fund	7,913,313	8,517,492
Capital Projects Fund	7,467,597	2,452,289
Proprietary Funds:		
Water Fund	-	60,063
Sewer Fund	-	283,163
Police Detail Fund	1,244,550	773,626
Totals	<u>\$ 51,556,669</u>	<u>\$ 51,556,669</u>

	Transfers In		
	School Unrestricted Fund	Nonmajor Governmental Fund	Total Transfers Out
Transfers Out:			
General Fund	\$ 44,713,907	\$ 1,991,970	\$ 46,705,877
Transfers In	<u>\$ 44,713,907</u>	<u>\$ 1,991,970</u>	<u>\$ 46,705,877</u>

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs or capital expenditures with revenue generated by the fund.

**NOTE 9 FUND BALANCE CLASSIFICATION**

	Major Funds				Nonmajor Funds			
	General Fund	School Unrestricted	Public Building Bond	School Revolving Fund	Town Special Revenue	School Restricted	Capital Projects	Total
Fund Balances:								
Nonspendable:								
Prepaid and Inventory	\$ -	\$ 668,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 668,401
Restricted for:								
Grants	-	-	-	-	1,273,964	-	-	1,273,964
Education	-	-	-	9,359,069	-	1,710,957	-	11,070,026
Town Surety Escrow	-	-	-	-	-	-	154,433	154,433
Committed to:								
Encumbrances	461,966	-	-	-	-	-	-	461,966
Open Space Reserve	565,955	-	-	-	-	-	858,548	1,424,503
Capital Project Reserve	565,955	-	-	-	-	-	924,694	1,490,649
Town Capital Projects	-	-	-	-	-	-	5,298,531	5,298,531
Unassigned	7,885,095	(297,530)	(369,002)	-	(423,476)	(738,945)	(2,452,289)	3,603,853
Total	<u>\$ 9,478,971</u>	<u>\$ 370,871</u>	<u>\$ (369,002)</u>	<u>\$ 9,359,069</u>	<u>\$ 850,488</u>	<u>\$ 972,012</u>	<u>\$ 4,783,917</u>	<u>\$ 25,446,326</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS**

**ERS Defined Benefit Pension Plan**

**A. Plan Description**

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

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at [www.ersri.org](http://www.ersri.org).

**B. Benefit Provisions**

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

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

Cost-of-living adjustments (COLA) are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, 25% (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

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

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Benefit Pension Plan (Continued)**

**C. Contributions**

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2024, Town teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012, who must contribute 11% 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 11.13% and 15.03% of annual covered payroll for the fiscal year ended June 30, 2024, for the state and Town, respectively. The Town contributed \$4,225,762, \$4,138,276, and \$4,078,324 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively, equal to 100% of the required contributions for each year.

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2024, the Town reported a liability of \$34,137,487 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of Net Pension Liability	\$ 34,137,487
State's Proportionate Share of the Net Pension Liability Associated with the Town	<u>24,883,554</u>
Total Net Pension Liability	<u><u>\$ 59,021,041</u></u>

The net pension liability was measured as of June 30, 2023, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2023, the Town proportion was 1.40666576%.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Benefit Pension Plan (Continued)**

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

For the year ended June 30, 2024, the Town recognized gross pension expense of \$3,699,491 and revenue of \$1,683,066 for support provided by the state. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 395,813	\$ 793,960
Changes of Assumptions	146,148	1,349,701
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,212,617
Changes in Proportion and Differences Between System Contributions and Proportionate Share Contributions	513,004	1,091,425
System Contributions Subsequent to the Measurement Date	4,255,762	-
Total	<u>\$ 5,310,727</u>	<u>\$ 4,447,703</u>
Net Amount of Deferred Outflows (Inflows) Excluding Town Contributions Subsequent to the Measurement Date		<u>\$ (3,392,738)</u>

\$4,255,762 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2024 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30.</u>	Pension Expense Amount
2025	\$ (1,247,409)
2026	(1,695,560)
2027	535,444
2028	(557,979)
2029	(323,385)
Thereafter	(103,849)
Total	<u>\$ (3,392,738)</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Benefit Pension Plan (Continued)**

**E. Actuarial Assumptions**

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

Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.00 - 13.00%
Investment Rate of Return	7.00%
Mortality	Variants of PUB (10) tables for Healthy and Disabled retirees, projected with scales Ultimate MP 16.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 42 sources. The June 30, 2023, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Benefit Pension Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

Asset Class	Target Allocation Percent	Long-Term Expected Real Rate of Return Percent
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Equity	12.50	10.30
Noncore Real Estate	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
Collateralized Loan Obligations (CLO)	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	
Volatility Protection:		
IG Fixed Income	3.25	2.46
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	100.00 %	

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Benefit Pension Plan (Continued)**

**F. Discount Rate**

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

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

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

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability	\$ 43,774,408	\$ 34,137,487	\$ 25,381,238

*Pension Plan Fiduciary Net Position*

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

**ERS Defined Contribution Pension Plan**

**A. Plan Description**

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.



**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**ERS Defined Contributions Pension Plan (Continued)**

**A. Plan Description (Continued)**

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

The Town recognized pension expense of \$772,001 for the fiscal year ended June 30, 2024.

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

**Teacher Survivors Benefit Plan**

**A. Plan Description**

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

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

**B. Eligibility and Plan Benefits**

The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family, and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of 60 years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of 18 years or 23 years and a full-time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Teacher Survivors Benefit Plan (Continued)**

**B. Eligibility and Plan Benefits (Continued)**

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual Social Security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefit</u>
\$17,000 or Less	\$ 825.00
\$17,001 to \$25,000	962.50
\$25,001 to \$33,000	1,100.00
\$33,001 to \$40,000	1,237.50
\$40,001 and Over	1,375.00

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

<u>Parent and One Child</u>	<u>Parent and Two or More Children</u>	<u>One Child Alone</u>	<u>Two Children Alone</u>	<u>Three or More Children Alone</u>	<u>Dependent Parent</u>
150 %	175 %	75 %	150 %	175 %	100 %

**C. Contributions**

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

The Town contributed \$36,685, \$35,731, and \$35,416 for the fiscal years ended June 30, 2024, 2023, and 2022, respectively, equal to 100% of the required contributions for each year.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Teacher Survivors Benefit Plan (Continued)**

**D. Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2024, the Town reported an asset of \$9,377,645 for its proportionate share of the net pension asset related to its participation in the TSB plan. The net pension asset was measured as of June 30, 2023, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 2023. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2023 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2023, the Town proportion was 4.66418318%.

For the year ended June 30, 2024, the Town recognized pension expense (revenue) of \$(818,050). At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 64,581	\$ 805,237
Changes of Assumptions	111,864	501,799
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	270,286
Changes in Proportion and Differences Between System Contributions and Proportionate Share Contributions	283,064	176,996
System Contributions Subsequent to the Measurement Date	36,685	-
Total	<u>\$ 496,194</u>	<u>\$ 1,754,318</u>
Net Amount of Deferred Outflows (Inflows) Excluding Town Contributions Subsequent to the Measurement Date		<u>\$ (1,294,809)</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Teacher Survivors Benefit Plan (Continued)**

**D. Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

\$36,685 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2024 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ (420,350)
2026	(545,111)
2027	80,856
2028	(230,149)
2029	(93,611)
Thereafter	(86,444)
Total	<u>\$ (1,294,809)</u>

**E. Actuarial Assumptions**

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

Actuarial Assumptions:

Inflation	2.50%
Salary Increases	3.00 - 13.00%
Investment Rate of Return	7.00%
Mortality	Variants of the PUB (10) tables for Healthy and Disabled retirees, projected with scale Ultimate MP 16.
Cost-of-Living Adjustment	Eligible survivors receive a yearly cost-of-living adjustment based on the annual Social Security adjustment; for valuation purposes, a 2.5% cost-of-living adjustment is assumed.

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Teacher Survivors Benefit Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 42 sources. The June 30, 2023, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation Percent	Long-Term Expected Real Rate of Return Percent
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Equity	12.50	10.30
Noncore Real Estate	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
Collateralized Loan Obligations (CLO)	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	
Volatility Protection:		
IG Fixed Income	3.25	2.46
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	100.00 %	

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Teacher Survivors Benefit Plan (Continued)**

**E. Actuarial Assumptions (Continued)**

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

**F. Discount Rate**

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

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

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

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability	\$ (8,385,963)	\$ (9,377,645)	\$ (10,278,666)

**H. Pension Plan Fiduciary Net Position**

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan**

**A. Plan Description**

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

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

**B. Benefits Provided**

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

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

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**B. Benefits Provided (Continued)**

Final Average Compensation (FAC): Prior to July 1, 2012, and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012, or the five-year FAC as of the retirement/termination date. Monthly benefits are based on 1/12 of this amount.

**1. General Employees**

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

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

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

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

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



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**B. Benefits Provided (Continued)**

**1. General Employees (Continued)**

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

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

**2. Police and Fire Employees**

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

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

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

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

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

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**B. Benefits Provided (Continued)**

**2. Police and Fire Employees (Continued)**

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

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

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

**C. Other Benefit Provisions**

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

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

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

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, 25% (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**C. Other Benefit Provisions (Continued)**

- (a) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's Consumer Price Index for All Urban Consumers (CPI-U) increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.
- (b) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,608 for 2021, \$27,901 for 2022, \$28,878 for 2023.

**D. Employees Covered by Benefit Terms.**

At the June 30, 2023, valuation date, the following employees were covered by the benefit terms:

	General Employees	Rescue Employees
Retirees and Beneficiaries	8	11
Inactive, Nonretired Members	11	8
Active Members	12	13
Total	<u>31</u>	<u>32</u>

**E. Contributions**

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$68,547 to their general employee MERS plan in the year ended June 30, 2023, which was 12% of annual covered payroll and contributed \$310,492 to their rescue employee MERS plan in the year ended June 30, 2023, which was 23.23% of annual covered payroll.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**F. Net Pension (Asset) Liability**

The total pension (asset) liability was determined by actuarial valuations performed as of June 30, 2022, and rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees: 3.25- 7.25%; Police and Fire Employees: 4.00 - 14.00%
Inflation	2.5%
Mortality	Mortality - Variants of the PUB (10) tables for Healthy and Disabled retirees, projected with scales Ultimate MP 16
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 42 sources. The June 30, 2023, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**F. Net Pension (Asset) Liability (Continued)**

Asset Class	Target Allocation Percent	Long-Term Expected Real Rate of Return Percent
Growth:		
Global Equity:		
U.S. Equity	25.10 %	6.46 %
International Developed Equity	10.70	6.91
Emerging Markets Equity	4.20	8.92
Subtotal	40.00	
Private Growth:		
Private Equity	12.50	10.30
Noncore Real Estate	2.50	5.01
Subtotal	15.00	
Income:		
Equity Options	2.00	6.20
Liquid Credit	5.00	4.56
Private Credit	3.00	4.56
Collateralized Loan Obligations (CLO)	2.00	4.56
Subtotal	12.00	
Stability:		
Crisis Protection Class:		
Treasury Duration	5.00	0.76
Systematic Trend	5.00	4.07
Subtotal	10.00	
Inflation Protection:		
Core Real Estate	4.00	5.01
Private Infrastructure	4.00	5.91
Subtotal	8.00	
Volatility Protection:		
IG Fixed Income	3.25	2.46
Securitized Credit	3.25	2.46
Absolute Return	6.50	4.07
Cash	2.00	0.76
Subtotal	15.00	
Total	100.00 %	

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**G. Discount Rate**

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

Changes in the net pension (asset) liability for General Employees were as follow:

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A - B) Net Pension Liability
Balances - Beginning of Year	\$ 3,428,350	\$ 3,345,460	\$ 82,890
Changes for the Year:			
Service Cost	78,458	-	78,458
Interest on the Total Pension Liability	236,404	-	236,404
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	23,800	-	23,800
Changes in Assumptions	27,051	-	27,051
Employer Contributions	-	95,129	(95,129)
Employee Contributions	-	7,901	(7,901)
Net Investment Income	-	263,091	(263,091)
Benefit Payments	(180,746)	(180,746)	-
Administrative Expense	-	(2,832)	2,832
Other Changes	-	(211,568)	211,568
Net Changes	<u>184,967</u>	<u>(29,025)</u>	<u>213,992</u>
Balances - End of Year	<u>\$ 3,613,317</u>	<u>\$ 3,316,435</u>	<u>\$ 296,882</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**G. Discount Rate (Continued)**

Changes in the net pension (asset) liability for Rescue Employees were as follows:

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A - B) Net Pension Liability
Balances - Beginning of Year	\$ 7,167,419	\$ 5,212,598	\$ 1,954,821
Changes for the Year:			
Service Cost	182,738	-	182,738
Interest on the Total Pension Liability	495,584	-	495,584
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	(257,089)	-	(257,089)
Changes in Assumptions	(24,426)	-	(24,426)
Employer Contributions	-	285,247	(285,247)
Employee Contributions	-	95,624	(95,624)
Net Investment Income	-	450,905	(450,905)
Benefit Payments	(358,029)	(358,029)	-
Administrative Expense	-	(4,853)	4,853
Other Changes	-	2,094	(2,094)
Net Changes	<u>38,778</u>	<u>470,988</u>	<u>(432,210)</u>
Balances - End of Year	<u>\$ 7,206,197</u>	<u>\$ 5,683,586</u>	<u>\$ 1,522,611</u>

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
<u>General Employee Plan</u>			
Net Pension Liability	\$ 639,158	\$ 296,882	\$ (14,069)
<u>Rescue Employee Plan</u>			
Net Pension Liability	\$ 2,205,110	\$ 1,522,611	\$ 902,585

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**I. Pension Plan Fiduciary Net Position**

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

**J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**1. General Employees Plan**

For the year ended June 30, 2024, the employer recognized pension expense of \$196,398. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Assumptions	\$ 14,401	\$ 37,411
Differences Between Expected and Actual Experience	12,671	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	35,671
Contributions Subsequent to the Measurement Date	68,547	-
Total	<u>\$ 95,619</u>	<u>\$ 73,082</u>
Net Amount of Deferred Outflows (Inflows) Excluding Contributions Subsequent to the Measurement Date		<u>\$ (46,010)</u>

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

<u>Year Ended June 30,</u>	Pension Expense Amount
2025	\$ (48,574)
2026	(48,909)
2027	59,298
2028	(7,825)
Total	<u>\$ (46,010)</u>



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Benefit Pension Plan (Continued)**

**J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**2. Rescue Employees Plan**

For the year ended June 30, 2024, the employer recognized pension expense of \$144,055. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in Assumptions	\$ 50,214	\$ 19,704
Differences Between Expected and Actual Experience	185,480	591,263
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	74,840
Contributions Subsequent to the Measurement Date	310,492	-
Total	<u>\$ 546,186</u>	<u>\$ 685,807</u>
Net Amount of Deferred Outflows (Inflows) Excluding Contributions Subsequent to the Measurement Date		<u>\$ (450,113)</u>

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

<u>Year Ended June 30,</u>	Pension Expense Amount
2025	\$ (117,884)
2026	(155,279)
2027	22,398
2028	(124,404)
2029	(54,646)
Thereafter	(20,298)
Total	<u>\$ (450,113)</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**MERS Defined Contribution Pension Plan**

**A. Plan Description**

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

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

The Town recognized pension expense of \$340,453 for the fiscal year ended June 30, 2024.

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

**Town Pension Plan**

**A. Plan Description**

The Town of Lincoln Retirement Plan (Town Plan) is a cost-sharing multiple employer defined benefit pension plan that covers substantially all Town and School Department employees not covered by other plans, as well as eligible firefighters employed by two fire districts: Lonsdale Fire and Saylesville Fire. Employees who work 20 hours or more per week for more than five months are eligible to participate. The Town Plan is reported as a Pension Trust Fund in the Town's financial statements.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Town Pension Plan (Continued)**

**B. Benefit Provisions**

The Town Plan provides retirement and survivor benefits. The following benefit provisions were established and may be amended by Town ordinance or union contract:

Any participant, who has attained his or her normal retirement date, as defined in the Town Plan, is eligible for a normal retirement benefit. The monthly benefit payable upon normal retirement is based on average monthly salary multiplied by credited service as follows:

Police (hired on or before July 1, 2013)	2½% of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to five additional years of credited service.
Police (hired after July 1, 2013)	2% of average monthly salary multiplied by credited services up to 30 years.
Saylesville Firefighters	2½% of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to 10 additional years of credited service.
Lonsdale Firefighters	2½% of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to five additional years of credited service.
All Other Employees	1½% of average monthly salary multiplied by credited service, with maximum benefit of 60% of average monthly salary.

Average monthly salary equals the average compensation during the highest three consecutive years out of the final 10 years of employment. Salary includes base compensation plus holiday and longevity pay, but not overtime. Payments commence on the first day of the month following the date of an employee's retirement.

- Participants who terminate employment before completing ten years of service are refunded their employee contributions with annual interest credited at 5% after 1997 and 3½% before 1998. Participants who terminate employment after completing 10 years of service have the option of either a refund of their employee contribution or a monthly benefit, as described above, at the normal retirement date.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Town Pension Plan (Continued)**

**B. Benefit Provisions (Continued)**

- The beneficiary of a participant who dies prior to retirement receives the participant's accumulated contributions. In lieu of this benefit, the surviving spouse can elect to receive a benefit equal to 50% of the participant's benefit accrued to the date of death, payable at the participant's normal retirement date.
- For participants other than police and firefighters, the normal form of benefit is a monthly life annuity. For the police and firefighters, the normal form of benefit is a monthly joint and 67½% survivor annuity. Optional forms of monthly benefits are available and are determined to be actuarially equivalent to the normal form of benefit.
- Police department employees who retire after June 30, 2004, receive an automatic 3% annual compounded COLA to their monthly pension benefit.

**C. Funding Policy and Contributions**

Contribution requirements are established and may be amended by Town Council ordinance or union contract.

Employees are required to contribute 4% of their salary; police and firefighters must contribute 8% and 6%, respectively.

The Town is required to contribute an amount determined in accordance with the actuarial valuation. Administrative costs are paid from plan assets. Contributions to the pension plan from the Town were \$2,021,124 for the fiscal year ended June 30.

**D. Actuarial Method and Significant Assumptions**

The annual required contribution (ARC) was determined as part of the June 30, 2024, actuarial valuation using the Entry Age Actuarial Cost Method. Under this method, the excess of the entry age actuarial accrued liability over the actuarial value of plan assets is amortized over a 20-year closed period as a level percentage of pay. The actuarial accrued liability, which is redetermined for each active participant as of each valuation date, represents the theoretical accumulation of all prior years' normal costs for the present participants as if the Town Plan had always been in effect. The unfunded actuarial accrued liability represents the excess of the actuarial accrued liability over the plan's assets, which are valued using the actuarial value of the assets using a five-year smoothing of appreciation and/or depreciation.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Town Pension Plan (Continued)**

**D. Actuarial Method and Significant Assumptions (Continued)**

Actuarial Assumptions:	
Interest Rate	6.75%
Long-Term Rate of Return	6.75%
Inflation	2.10%
Salary Increases	3.00 - 6.00%
Cost of Living	3.00% increase is assumed for Police retiring after June 30, 2004. Officers hired after July 1, 2015 will receive a 3.00% compounded COLA capped 18 years after the date of retirement.
Mortality	PUB-2010 Safety mortality table with fully generational from 2010 based on mortality improvement scale MP-21.

**E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the Town reported liability \$13,112,567 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The amount recognized by the Town as its proportionate share of the net pension liability were as follows:

Total Town Pension Liability	\$ 53,708,725
Plan Fiduciary Net Position	(40,596,158)
Net Pension Liability	<u>\$ 13,112,567</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.59 %
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For the year ended June 30, 2024, the Town recognized pension expense of \$1,811,846. At June 30, 2024, the Town reported deferred outflows of resources and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 846,542	\$ 407,610
Changes of Assumptions	24,671	45,163
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,172,434	3,041,102
Total Deferred Outflows (Inflows)	<u>\$ 3,043,647</u>	<u>\$ 3,493,876</u>
Total		<u>\$ 450,228</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Town Pension Plan (Continued)**

**E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

<u>Year Ended June 30,</u>	<u>Pension Expense Amount</u>
2025	\$ (310,560)
2026	561,719
2027	(336,828)
2028	(364,558)
Total	<u>\$ (450,228)</u>

**F. Investment Policy**

Investments shall be made solely in the interest of the plan with an emphasis on long-term growth of principal while avoiding excessive risk, primarily through asset diversification. Investments of the plan shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The plan shall be diversified by maturity, issuer and class of security in order to eliminate the risk of loss resulting from over-concentration of assets. Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

**G. Long-Term Expected Rate of Return**

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return Percent</u>
Domestic Fixed Income	0.88 %
International Fixed Income	1.86
Domestic Equities	4.90
International Equities	5.19
Real Estate	3.62

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 10 PENSION PLANS (CONTINUED)**

**Town Pension Plan (Continued)**

**G. Long-Term Expected Rate of Return (Continued)**

Asset Class	Target Allocation Percent
Domestic Fixed Income	30 %
Domestic Equities	56
International Equities	14
Total	<u>100 %</u>

**H. Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net Pension Liability	\$ 21,308,137	\$ 13,112,567	\$ 6,514,364

**Aggregate Pension Amounts Reported in the Financial Statements**

As required by GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, and amendment of GASB Statement No. 34, the table below presents the aggregate amount of pension expense, pension (assets) liabilities, and deferred inflows and outflows for the defined benefit plans of the Town of Lincoln, Rhode Island.

	ERS	TSB	MERS General	MERS Rescue	Town Plan	Total
Net Pension Asset	\$ -	\$ 9,377,645	\$ -	\$ -	\$ -	\$ 9,377,645
Deferred Outflows of Resources - Pension	5,310,727	496,194	95,619	546,186	3,043,647	9,492,373
Deferred Inflows of Resources - Pension	4,447,703	1,754,318	73,082	685,807	3,493,876	10,454,786
Net Pension Liability	34,137,487	-	296,882	1,522,611	13,112,567	49,069,547
Pension Expense	772,001	(818,050)	196,398	144,055	1,811,846	2,106,250
Total	<u>\$ 44,667,918</u>	<u>\$ 10,810,107</u>	<u>\$ 661,981</u>	<u>\$ 2,898,659</u>	<u>\$ 21,461,936</u>	<u>\$ 80,500,601</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 11 LABORER'S INTERNATIONAL UNION OF NORTH AMERICA PENSION FUND**

**A. Plan Description**

The Town of Lincoln Town Hall, Public Works, Library, and Water union employees participate in the Laborer's International Union of North America Pension Fund (Union Plan), a cost-sharing multiple employer defined benefit plan. Financial statements for the Union Plan are issued separately and may be obtained from the Laborers National (Industrial) Pension Fund, 905 165th Street, NW., Washington, D.C. 20006-1765 or by calling 202-737-1664.

Employees can retire on a regular pension if they have attained at least age 62, earned at least five years of Pension Credit, and earned at least one year of Pension Credit during the period that their employer is contributing to the Pension Fund. The amount of regular pension benefits payable to eligible participants is determined by the highest contribution rate at which they earned Pension Credit and the years of Pension Credits they earned (up to a maximum of 30 years of Pension Credits). Vesting of benefits is attained for participants who have five or more years of vesting credit (without a permanent break in service). The fund also provides death and disability benefits.

**B. Contributions Required and Contributions Made**

The Town's required contribution is negotiated with the local union. The Town's contribution was based upon \$2.89 per hour for Town Hall employees, \$2.72 per hour for Library employees, \$3.38 for hour for Public Works employees, and \$14.75 per day for Water employees participating in the Union Plan for the period of July 1, 2020, to June 30, 2024. Participating employees are not required to contribute. The Town's required contribution for the year ended June 30, 2024, was \$433,465 as follows: Public Works (including Sewer Department) \$204,907, Town Hall \$175,017, and Library \$53,541.

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The Town administers a single-employer, defined benefit post-employment health insurance plan. The plan provides medical and dental insurance for eligible retirees and their dependents through the Town's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report. The Town implemented GASB Statement No. 75 in fiscal year 2017 on a retroactive basis.

The plan provides the following benefits based on employee group:

*Police* – Officers are eligible for lifetime retiree health benefit at 20 years of service with mandatory retirement at 25 years of service. There are no age requirements to get retiree health benefits.



**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Plan Description (Continued)**

*All Other Town Employees* – COBRA coverage at retirement.

*All School Employees* – Certified teachers and certain administrators positions are eligible for retiree health benefits until Medicare eligibility once they meet the retirement eligibility requirements of ERS.

The above benefit provisions reflect changes implemented since the last valuation.

As of June 30, 2024, the plan membership data is as follows:

<u>Description</u>	Active	Inactive or	
Number	Employees	Beneficiaries	Total
	472	Receiving Benefits 84	556

**Funding Policy**

Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable employee share of medical or dental premiums. For the fiscal year ended June 30, 2024, the Town contributed \$2,576,795 to the plan, which is 191.1% of the annual determined contribution.

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The Other Post-Employment Benefits Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Investment Policy**

The Town's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town's adopted asset allocation policy as of June 30, 2024.

Asset Class	Target Allocation
U.S. Equity	36.00 %
Non-U.S. Equity	18.00
Other Growth	6.00
Fixed Income	40.00
Total	<u>100.00 %</u>

**Rate of Return**

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 6.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

The components of the net OPEB liability of the Town at June 30, 2024, were as follows:

Total OPEB Liability	\$ 24,303,634
Plan Fiduciary Net Position	<u>(11,653,120)</u>
Town's Net OPEB Liability	<u>\$ 12,650,514</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.95 %
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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 health care 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 the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions**

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

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified:

Measurement Date	For fiscal year ending June 30, 2024, a June 30, 2024 measurement date was used.
Actuarial Valuation Date	July 1, 2023 Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2023 projected to June 30, 2024, on a rolled forward basis with adjustment for actual premium and discount rate changes. Liabilities as of June 30, 2023 are based on an actuarial valuation date of July 1, 2023 with no adjustments to get to the measurement date of June 30, 2023.
Discount Rate	6.90% as of June 30, 2024 and 6.60% as of June 30, 2023
Long-Term Rate of Return	6.90% as of June 30, 2024 and 6.60% as of June 30, 2023
Payroll Growth	Payroll growth rates are based on the assumptions used in the RI ERS and RI MERS actuarial valuations as of June 30, 2023 for teachers/administrators and support/rescue employees. Rates shown in the actuarial report include both general wage inflation, as well as merit/productivity increases. For police, the payroll growth rates are based on the Town of Lincoln Police actuarial valuation as of January 1, 2023.
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the measurement Date was determined using Entry age Normal Level Percent of Salary method Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement. Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Health Care Trend Rates	FYE2024 Health Care Trend rates are based on the actual rate of increase from the medical premium rates effective July 1, 2023 to those effective July 1, 2024.
Retiree Contributions	Retiree contributions are assumed to increase according to health care trend rates for non-injunction retirees and the effects of any applicable Michigan hard caps. Retiree contributions for the Injunction group are assumed to increase by 4.5% annually in the future.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return Percent
U.S. Equity	7.50 %
Non-U.S. Equity	7.10
Other Growth	7.00
Fixed Income	5.40

**Changes in Net OPEB Liability**

	(A) Total OPEB Liability	(B) Plan Fiduciary Net Position	(A - B) Net OPEB Liability
Balances - Beginning of Year	\$ 23,360,761	\$ 11,339,098	\$ 12,021,663
Changes for the Year:			
Service Cost	389,722	-	389,722
Interest on the Net OPEB Liability and Service Cost	1,522,824	-	1,522,824
Change in Benefit Terms	1,722,523	-	1,722,523
Difference Between Expected and Actual Experience	(441,783)	-	(441,783)
Changes in Assumptions	(873,618)	-	(873,618)
Benefit Payments, Including Employee Refunds	(1,376,795)	(1,376,795)	-
Employer Contributions	-	2,576,795	(2,576,795)
Adjust for Cash and Accounts Payable	-	(2,355,647)	2,355,647
Administrative Expenses	-	(38,765)	38,765
Net Investment Income	-	1,508,434	(1,508,434)
Net Changes	942,873	314,022	628,851
Balances - End of Year	<u>\$ 24,303,634</u>	<u>\$ 11,653,120</u>	<u>\$ 12,650,514</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current discount rate:

Impact of 1% Change in Discount Rate			
	1% Decrease in Discount Rate (5.90%)	Current Discount Rate (6.90%)	1% Increase in Discount Rate (7.90%)
Net OPEB Liability	\$ 15,725,315	\$ 12,650,514	\$ 10,109,835

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current health care cost trend rates:

Impact of 1% Change in Health Care Trend Rate			
	1% Decrease (6.5% Decreasing to 3.50%)	Current Trend Rate (7.50% Decreasing to 4.50%)	1% Increase (8.50% Decreasing to 5.50%)
Net OPEB Liability	\$ 9,768,996	\$ 12,650,514	\$ 16,162,124

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

For the year ended June 30, 2024, the Town recognized OPEB expense of \$5,355,454. At June 30, 2024, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,075,460	\$ 2,718,643
Changes of Assumptions	1,015,398	728,015
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	137,069
Total Deferred Outflows/(Inflows)	<u>\$ 2,090,858</u>	<u>\$ 3,583,727</u>
Total		<u>\$ (1,492,869)</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)**

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

<u>Year Ended June 30,</u>	<u>OPEB Expense Amount</u>
2025	\$ (37,253)
2026	170,719
2027	(720,068)
2028	(687,036)
2029	(219,231)
Total	<u>\$ (1,492,869)</u>

**NOTE 13 FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS**

GAAP requires that all pension and other postemployment trust funds be combined and presented in one column in the fiduciary funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plan that are included in the fiduciary funds as Employee Benefit Trust Fund.

**Statement of Fiduciary Net Position**

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 3,459	\$ -	\$ 3,459
Investments	<u>42,949,668</u>	<u>14,008,767</u>	<u>56,958,435</u>
Total Assets	42,953,127	14,008,767	56,961,894
Liabilities:			
Due to Primary Government	<u>3,459</u>	<u>2,355,647</u>	<u>2,359,106</u>
Total Liabilities	3,459	2,355,647	2,359,106
Net Position:			
Restricted for Pension Trust	42,949,668	-	42,949,668
Restricted for OPEB Trust	<u>-</u>	<u>11,653,120</u>	<u>11,653,120</u>
Total Net Position	<u>42,949,668</u>	<u>11,653,120</u>	<u>54,602,788</u>
Total Liabilities and Net Position	<u>\$ 42,953,127</u>	<u>\$ 14,008,767</u>	<u>\$ 56,961,894</u>

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 13 FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS (CONTINUED)**

**Statement of Changes in Fiduciary Net Position**

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Employer Contributions	\$ 2,112,251	2,576,795	\$ 4,689,046
Plan Member Contributions	426,115	-	426,115
Investment Income, Net of Related Fees	4,717,278	1,508,434	6,225,712
Total Additions	<u>7,255,644</u>	<u>4,085,229</u>	<u>11,340,873</u>
Deductions:			
Benefits Paid	2,885,438	2,404,630	5,290,068
Administrative Expenses	-	38,765	38,765
Total Deductions	<u>2,885,438</u>	<u>2,443,395</u>	<u>5,328,833</u>
Changes in Net Position	4,370,206	1,641,834	6,012,040
Fiduciary Net Position - Beginning of Year	<u>38,579,462</u>	<u>10,011,286</u>	<u>48,590,748</u>
Fiduciary Net Position - End of Year	<u><u>\$ 42,949,668</u></u>	<u><u>\$ 11,653,120</u></u>	<u><u>\$ 54,602,788</u></u>

**NOTE 14 COMMITMENT AND CONTINGENCIES**

**Rhode Island Municipal Insurance Corporations**

At June 30, 2024, the incurred but not reported claims was \$0 as the Town does not participate further.

**Claims and Judgements**

The following matters have been asserted and are outstanding:

The Town is a party to various claims, legal actions, and complaints. It is not presently possible to determine the outcome of these cases; therefore, no liability has been recorded in the accompanying financial statements. In the opinion of the Town's management and Town Solicitor, these matters cannot be estimated, nor can the likelihood of a favorable outcome be made at this time.

**Other Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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 Town expects such amounts, if any, to be immaterial.

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 15 TAX ABATEMENTS**

The Town has tax incentive financing agreements in place at year-end.

Owner	Fleet National Bank
Authority	RIGL 42-64-1
Parcel ID	Lot 49, Plat 30
True Assessment	\$ 8,416,965
Address	670 George Washington Highway
TSA Payment	\$ 221,466
True Tax 12/31/2013	\$ 221,466
Difference	\$ -

This agreement was signed on May 29, 2017, and terminates on December 31, 2027. This agreement provides for the annual tax liability to be calculated at a mil rate of \$22.88 and an assessed value of \$8,416,965 for the initial five-year period and increases each five years by 15%.

Owner	Walker Lofts, LP
Authority	RIGL 44-3-9
Parcel ID	Lots 84, 95, 96, 98 and 100 Plat 02
True Assessment	\$ 19,972,800
Address	40 Walker Street
TSA Payment	\$ 41,077
True Tax 12/31/2023	\$ 41,077
Difference	\$ -

This agreement was signed on April 4, 2023, and terminates on December 31, 2035. This agreement provides for a 12-year tax stabilization. For tax year 1 through and including tax year 3, the property owner will make a tax payment equal to the taxes due and owing for the December 31, 2022, assessment value multiplies by each respective year's commercial tax rate. For each year thereafter, the property owner will pay the Base assessment Tax plus a percentage of the difference between the Base Assessment Tax on the property and the taxes due and owing on the then-current assessed value of the property multiplied by the then-current rate.



**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 16 ACCOUNTING CHANGES AND ERROR CORRECTIONS**

**Adjustments to and Restatements of Beginning Balances**

During fiscal year 2024, changes to or within the financial reporting entity, error corrects and the change in accounting principle for the implementation of GASB Statement No. 100 resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	Fund Restatement				Fiduciary Restatement		Government-Wide Restatement		
		Major	Major						
	General Fund	Public Building	School Revolving	Water	Nonmajor	Fiduciary Fund	Fiduciary Fund	Governmental	Business-Type
		Bond Fund	Fund	Fund	Governmental	OPEB	Custodial	Activities	Activities
					Funds	Fund	Funds		
Balance - Beginning of Year, as									
Previously Reported	\$ 9,448,190	\$ -	\$ -	\$ 26,192,756	\$ 12,901,743	\$ 10,011,286	\$ 309,063	\$ 46,560,614	\$ 35,716,505
Adjustment:									
Transfer not recorded in									
the prior period	(864,232)	-	-	-	864,232	-	-	-	-
Deferred Revenue Incorrectly									
Recorded as Deferred Inflow	-	3,040,951	-	-	-	-	-	(4,988,520)	-
Restatement as a Result of									
Changes in Major Fund									
Determination:									
School Revolving Fund									
Now Presented as Major									
Fund	-	-	5,354,788	-	(5,354,788)	-	-	-	-
Financial Reporting Entity:									
Custodial Fund to Capital									
Projects Fund	-	-	-	-	309,063	-	(309,063)	309,063	-
Restatement of:									
Accounts Payable	-	-	-	(478,481)	-	-	-	-	(478,481)
Financed Purchases	-	-	-	-	-	-	-	(1,126,761)	-
Bond Premium	-	-	-	-	-	-	-	1,663,271	-
Capital Assets/Lease									
Assets	-	-	-	-	-	-	-	1,188,495	-
Balance - Beginning of Year, as									
Adjusted or Restated	\$ 8,583,958	\$ 3,040,951	\$ 5,354,788	\$ 25,714,275	\$ 8,720,250	\$ 10,011,286	\$ -	\$ 43,606,162	\$ 35,238,024

**TOWN OF LINCOLN, RHODE ISLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 16 ACCOUNTING CHANGES AND ERROR CORRECTIONS (CONTINUED)**

**Changes to or within Financial Reporting Entity**

**Change in Fund Presentation from Major to Nonmajor**

The School Revolving fund previously reported as a nonmajor governmental fund now meets the criteria to be reported as a major governmental fund for the fiscal year ended June 30, 2024. The effect of that change to or within the financial reporting entity is shown in the table above.

During fiscal year 2024, the Town determined that the performance bonds (road surety) funds were previously classified as fiduciary funds but should have been classified as capital project funds. As a result, fiduciary funds and nonmajor governmental funds fund balance, and governmental activities net position were restated by \$309,063. The effect of correcting that error is shown in the table above.

**Correction of Errors in Previously Issued Financial Statements**

During fiscal year 2024, the Town determined that the Town Ordinance requiring the general fund to have an 8% fund balance at the end of each year, with any surplus being transferred to the open space reserve and capital project reserve, was not calculated in the prior year. Therefore, in the general fund, fund balance was overstated by \$864,230. The fund balances of the open space reserve and capital project reserve were both understated by \$432,115. The effect of correcting that error is shown in the table above.

During fiscal year 2024, the Town determined that a deferred inflow of \$3,040,951 from RIHEBC related to a school construction project should have been classified as deferred revenue. The project was completed in 2022 and the revenue should have been recognized upon completion. Therefore, in the public building bond fund, fund balance was understated by \$3,040,951. The effect of correcting that error is shown in the table above.

During fiscal year 2024 the Town determined that the water fund accounts payable contained an old debit balance related to the self-insured plan, which all related transactions were settled in 2023 and should have been expensed in a previous fiscal year. Therefore, in the water fund, fund balance, and in the business-type activities, net position, was overstated by \$478,481. The effect of correcting that error is shown in the table above.

During fiscal year 2024, the Town determined that deferred revenue related to the ARPA and Police Vest Grants were reported as deferred inflows in the fund and therefore recognized as revenue on the government-wide governmental activities. Grant accounting requires federal grant revenue to be deferred and recognized as eligible expenditures are incurred. As a result, governmental activities net position was overstated by \$4,988,520. The effect of correcting that error is shown in the table above.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 16 ACCOUNTING CHANGES AND ERROR CORRECTIONS (CONTINUED)**

**Correction of Errors in Previously Issued Financial Statements (Continued)**

During fiscal year 2024, the Town determined that there were two financed purchase agreements that were not recorded in the prior year. On the government-wide level, these should have been capitalized as fixed assets and a liability recorded for the remaining debt service. At the beginning of the year the capital asset net of accumulated depreciation totaled \$1,188,495 and the unpaid principal totaled \$1,126,761. As a result, governmental activities net position was understated by \$61,734. The effect of correcting these errors is shown in the table above.

During fiscal year 2024 the Town determined that outstanding bond premium was previously being amortized using a method other than the effective interest rate method in accordance with GASB Statement No. 34. Therefore, the beginning net position of the governmental activities was understated by \$1,663,271. The effect of correcting that error is shown in the table above.

**NOTE 17 SUBSEQUENT EVENTS**

On January 29, 2025, the Town issued \$25,000,000 in Revenue Bonds, Series 2025 A, through the Rhode Island Health and Educational Building Corporation's Public Schools Revenue Bond Financing Program with a coupon rate of 5%. These Bonds were issued to fund various capital improvement projects.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF LINCOLN, RHODE ISLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budget Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 58,037,415	\$ 58,037,415	\$ 57,777,834	\$ (259,581)
Intergovernmental	33,886,898	33,886,898	36,190,204	2,303,306
Local Revenues	2,269,100	2,269,100	3,059,740	790,640
Interest and Investment Income	420,000	420,000	660,863	240,863
Total Revenues	94,613,413	94,613,413	97,688,641	3,075,228
<b>EXPENDITURES</b>				
General Government	979,234	979,234	932,531	46,703
Financial Administration	978,124	978,124	1,107,852	(129,728)
Public Library	1,303,171	1,303,171	1,143,256	159,915
Public Safety	7,657,726	7,657,726	8,248,550	(590,824)
Public Service	8,438,701	8,438,701	9,172,214	(733,513)
Municipal Resolutions	4,327,409	4,327,409	-	4,327,409
Grants and Contributions	52,500	52,500	62,500	(10,000)
Fixed Charges	5,716,312	5,716,312	5,561,850	154,462
Education	17,710,067	17,710,067	17,690,755	19,312
Debt Service:				
Principal Payments	4,675,000	4,675,000	4,675,000	-
Interest and Fiscal Charges	2,665,175	2,665,175	2,665,175	-
Total Expenditures	54,503,419	54,503,419	51,259,683	3,243,736
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	40,109,994	40,109,994	46,428,958	6,318,964
<b>OTHER FINANCING SOURCES (USES)</b>				
School Department Appropriation	(44,437,403)	(44,437,403)	(44,713,907)	(276,504)
Transfers to Capital Projects	-	-	(1,892,892)	(1,892,892)
Transfers to Open Space Reserve	-	-	(49,539)	(49,539)
Transfers to Capital Projects Reserve	-	-	(49,539)	(49,539)
Transfers from Capital Improvement Restricted Surplus	20,000	20,000	-	(20,000)
Transfers from Open Space	340,000	340,000	-	(340,000)
Transfers from Capital Project Fund	3,587,409	3,587,409	-	(3,587,409)
Transfers from ARPA	380,000	380,000	-	(380,000)
Sale of Capital Assets	-	-	1,125,775	1,125,775
Total Other Financing Sources (Uses)	(40,109,994)	(40,109,994)	(45,580,102)	(5,470,108)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 848,856</u>	<u>\$ 848,856</u>
			Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance - Budget Basis			\$ 98,814,416	\$ 97,965,560
Encumbrances:				
Outstanding at June 30, 2023 Liquidated			-	415,809
Outstanding at June 30, 2024			-	(461,966)
Revenues/Expenditures Accounted for on the Budgetary Basis				
Associated With Education Funds			(17,690,755)	(17,690,755)
Balance - GAAP Basis			<u>\$ 81,123,661</u>	<u>\$ 80,228,648</u>

See accompanying Notes to Budgetary Comparison Schedules.

**TOWN OF LINCOLN, RHODE ISLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SCHOOL UNRESTRICTED**  
**YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES</b>				
State Aid for Education	\$ 16,859,067	\$ 16,859,067	\$ 17,966,860	\$ 1,107,793
State Housing Aid	-	-	-	-
Medicaid	625,000	625,000	268,224	(356,776)
Miscellaneous	226,000	226,000	149,987	(76,013)
Total Revenues	17,710,067	17,710,067	18,385,071	675,004
<b>EXPENDITURES</b>				
Salaries	35,207,024	35,207,024	35,150,657	56,367
Employee Benefits	14,136,470	14,136,470	14,072,857	63,613
Purchased Services	10,657,070	10,657,070	10,874,754	(217,684)
Supplies and Materials	1,864,192	1,864,192	2,197,549	(333,357)
Other Expenditures	87,000	87,000	123,022	(36,022)
Capital Outlay	195,714	195,714	554,354	(358,640)
Total Expenditures	62,147,470	62,147,470	62,973,193	(825,723)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(44,437,403)	(44,437,403)	(44,588,122)	(150,719)
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriations from the Town's General Fund	44,437,403	44,437,403	44,713,907	276,504
Transfers to Other Funds	-	-	-	-
Total Other Financing Sources (Uses)	44,437,403	44,437,403	44,713,907	276,504
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>125,785</u>	<u>\$ 125,785</u>
			Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance - Budget Basis			\$ 63,098,978	\$ 62,973,193
Lease Proceeds			383,698	-
Capital Outlay			-	383,698
State On-Behalf Contributions			3,129,244	3,129,244
Balance - GAAP Basis			<u>\$ 66,611,920</u>	<u>\$ 66,486,135</u>

See accompanying Notes to Budgetary Comparison Schedules.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
YEAR ENDED JUNE 30, 2024**

**NOTE 1 BUDGET DATA AND BUDGETARY COMPLIANCE**

In accordance with the Town Charter, the Town Administrator must present to the Budget Board a recommended annual budget for the operations of all municipal departments no later than February 15 of each fiscal year. The recommended budget must include an appropriation to fund school expenditures. At least three weeks after the receipt of the budget from the Town Administrator, the Budget Board holds a public hearing thereon. The Budget Board completes its consideration of the budget thirty days prior to the date of the financial town meeting. The financial town meeting may increase or decrease items of the budget as presented by the Budget Board. The final recommended budget is legally adopted at the annual financial town meeting. All annual appropriations lapse at fiscal year-end.

The General Fund and the School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include reappropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

Costs of operations for all departments, offices and agencies established within the Town Charter must be approved through the annual budget process. These departments are presented within the General Fund and the School Department Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by the Town Council. Other appropriation increases require both the establishment of a funding source and passage of a budget amendment ordinance. Unencumbered and unexpended appropriations lapse at fiscal year-end.

The following table summarizes the differences between budgetary revenues and other financing sources and expenditures and other financing uses and GAAP revenues and other financing sources and expenditures and other financing uses:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance - Budget Basis	\$ 98,814,416	\$ 97,965,560
Encumbrances:		
Outstanding at June 30, 2023 Liquidated	-	415,809
Outstanding at June 30, 2024	-	(461,966)
Revenues/Expenditures Accounted for on the Budgetary		
Basis Associated With Education Funds	(17,690,755)	(17,690,755)
Balance - GAAP Basis	<u>\$ 81,123,661</u>	<u>\$ 80,228,648</u>

**TOWN OF LINCOLN, RHODE ISLAND  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Employer's Proportion of the Net Pension Liability	1.40666576 %	1.41678405 %	1.44159585 %	1.41442012 %	1.41864606 %	1.42207116 %	1.43163923 %	1.52732535 %	1.52994437 %	1.63791472 %
Employer's Proportionate Share of the Net Pension Liability	\$ 34,137,487	\$ 38,263,355	\$ 33,926,491	\$ 45,190,805	\$ 45,265,715	\$ 45,182,730	\$ 45,057,871	\$ 45,568,936	\$ 42,119,410	\$ 39,866,851
State's Proportionate Share of the Net Pension Liability Associated with the School District	24,883,554	28,298,439	25,159,534	33,577,875	33,908,708	33,703,071	34,052,925	31,208,030	28,774,659	27,338,536
Total	<u>\$ 59,021,041</u>	<u>\$ 66,561,794</u>	<u>\$ 59,086,025</u>	<u>\$ 78,768,680</u>	<u>\$ 79,174,423</u>	<u>\$ 78,885,801</u>	<u>\$ 79,110,796</u>	<u>\$ 76,776,966</u>	<u>\$ 70,894,069</u>	<u>\$ 67,205,387</u>
Employer's Covered-Employee Payroll	\$ 29,146,752	\$ 24,883,554	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	202.50 %	267.49 %	221.59 %	272.31 %	307.11 %	310.37 %	320.24 %	314.03 %	291.64 %	279.30 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.80 %	62.10 %	66.50 %	54.30 %	54.60 %	54.30 %	54.00 %	54.06 %	57.55 %	61.40 %

Notes:

1. The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
2. Employers participating in the State Employee's Retire System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

See accompanying Notes to ERS, MERS, and TSB Plans.



**TOWN OF LINCOLN, RHODE ISLAND  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Actuarially Determined Contribution	\$ 4,495,541	\$ 4,403,292	\$ 4,078,324	\$ 3,890,608	\$ 3,762,851	\$ 3,621,244	\$ 3,475,182	\$ 3,340,370	\$ 3,445,181	\$ 3,286,406
Contribution in Relation to the Actuarially Determined Contribution	<u>4,495,541</u>	<u>4,403,292</u>	<u>4,078,324</u>	<u>3,890,608</u>	<u>3,762,851</u>	<u>3,621,244</u>	<u>3,475,182</u>	<u>3,340,370</u>	<u>3,445,181</u>	<u>3,286,406</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 29,146,752	\$ 24,883,554	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Contributions as a Percentage of Covered-Employee Payroll	15.42 %	17.70 %	15.30 %	13.45 %	14.60 %	14.25 %	14.07 %	13.66 %	14.17 %	13.66 %

Note: Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND**  
**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEE PLAN**  
**LAST NINE YEARS\***

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016
Total Pension Liability:									
Service Cost	\$ 78,458	\$ 91,189	\$ 99,172	\$ 96,105	\$ 101,389	\$ 103,895	\$ 97,917	\$ 92,977	\$ 90,123
Interest on the Total Pension Liability	236,404	238,173	228,989	227,565	211,627	200,726	197,823	184,662	159,472
Changes of Benefit terms	-	-	-	-	-	-	-	-	2,927
Difference Between Expected and Actual									
Experience of the Total Pension Liability	23,800	(186,787)	(67,081)	(172,538)	20,072	(44,870)	(110,743)	1,134	186,180
Changes of Assumptions	27,051	-	-	(26,160)	-	-	146,156	-	-
Benefit Payments	(180,746)	(142,197)	(109,573)	(102,764)	(102,764)	(102,764)	(105,764)	(105,764)	(102,767)
Net Change in Total Pension Liability	184,967	378	151,507	22,208	230,324	156,987	225,389	173,009	335,935
Total Pension Liability - Beginning	3,428,350	3,427,972	3,276,465	3,254,257	3,023,933	2,866,946	2,641,557	2,468,548	2,132,613
Total Pension Liability - Ending (a)	3,613,317	3,428,350	3,427,972	3,276,465	3,254,257	3,023,933	2,866,946	2,641,557	2,468,548
Plan Fiduciary Net Position:									
Contributions - Employer	95,129	102,157	116,798	117,592	118,558	130,511	129,264	128,161	128,464
Contributions - Employee	7,901	8,947	9,685	9,767	10,160	11,546	10,772	10,092	9,882
Net Investment Income	263,091	(93,677)	751,253	102,739	166,539	187,052	231,038	(386)	45,319
Benefit Payments	(180,746)	(142,197)	(109,573)	(102,764)	(102,764)	(102,764)	(105,764)	(105,764)	(102,767)
Pension Plan Administrative Expense	(2,832)	(3,193)	(2,862)	(2,831)	(2,603)	(2,490)	(2,183)	(2,070)	(1,817)
Other	(211,568)	-	(106,028)	-	-	100,330	(4,893)	(46,510)	1
Net Change in Plan Fiduciary Net Position	(29,025)	(127,963)	659,273	124,503	189,890	324,185	258,234	(16,477)	79,082
Plan Fiduciary Net Position - Beginning	3,345,460	3,473,423	2,814,150	2,689,647	2,499,757	2,175,572	1,917,338	1,933,815	1,854,733
Plan Fiduciary Net Position - Ending (b)	3,316,435	3,345,460	3,473,423	2,814,150	2,689,647	2,499,757	2,175,572	1,917,338	1,933,815
Net Pension Liability - Ending (a) - (b)	<u>\$ 296,882</u>	<u>\$ 82,890</u>	<u>\$ (45,451)</u>	<u>\$ 462,315</u>	<u>\$ 564,610</u>	<u>\$ 524,176</u>	<u>\$ 691,374</u>	<u>\$ 724,219</u>	<u>\$ 534,733</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.78 %	97.58 %	101.33 %	85.89 %	82.65 %	82.67 %	75.88 %	72.58 %	78.34 %
Covered Employee Payroll	\$ 790,111	\$ 896,652	\$ 968,474	\$ 976,680	\$ 1,015,923	\$ 1,060,156	\$ 1,077,196	\$ 1,006,242	\$ 988,187
Net Pension Liability as a Percentage of Covered Payroll	37.57 %	9.24 %	(4.69)%	47.34 %	55.58 %	49.44 %	64.18 %	71.97 %	54.11 %

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

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
GENERAL EMPLOYEE PLAN  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Actuarially Determined Contribution	\$ 68,546	\$ 95,129	\$ 102,157	\$ 116,798	\$ 117,592	\$ 118,558	\$ 130,511	\$ 129,264	\$ 128,161	\$ 128,464
Contribution in Relation to the Actuarially Determined Contribution	<u>68,546</u>	<u>95,129</u>	<u>102,157</u>	<u>116,798</u>	<u>117,592</u>	<u>118,558</u>	<u>130,511</u>	<u>129,264</u>	<u>128,161</u>	<u>128,464</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 569,319	\$ 790,111	\$ 896,652	\$ 968,474	\$ 976,680	\$ 1,107,863	\$ 1,060,156	\$ 1,077,196	\$ 1,006,242	\$ 988,187
Contributions as a Percentage of Covered-Employee Payroll	12.04 %	12.04 %	11.39 %	12.06 %	12.04 %	10.70 %	12.31 %	12.00 %	12.74 %	13.00 %

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

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND**  
**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**RESCUE EMPLOYEE PLAN**  
**LAST NINE YEARS\***

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016
Total Pension Liability:									
Service Cost	\$ 182,738	\$ 169,820	\$ 162,821	\$ 180,311	\$ 173,179	\$ 171,482	\$ 170,422	\$ 168,655	\$ 148,381
Interest on the Total Pension Liability	495,584	495,997	479,019	426,701	419,609	414,749	370,389	358,289	321,600
Changes of Benefit terms	-	-	-	-	-	-	-	-	199,797
Difference Between Expected and Actual Experience of the Total Pension Liability	(257,089)	(332,099)	(59,327)	420,183	(204,833)	(238,456)	263,444	(187,182)	(32,356)
Changes of Assumptions	(24,426)	-	-	66,541	-	-	428,763	-	-
Benefit Payments	(358,029)	(334,127)	(352,812)	(322,352)	(258,085)	(300,304)	(193,838)	(164,793)	(151,960)
Net Change in Total Pension Liability	38,778	(409)	229,701	771,384	129,870	47,471	1,039,180	174,969	485,462
Total Pension Liability - Beginning	7,167,419	7,167,828	6,938,127	6,166,743	6,036,873	5,989,402	4,950,222	4,775,253	4,289,791
Total Pension Liability - Ending (a)	7,206,197	7,167,419	7,167,828	6,938,127	6,166,743	6,036,873	5,989,402	4,950,222	4,775,253
Plan Fiduciary Net Position:									
Contributions - Employer	285,247	263,513	208,769	205,154	168,971	152,968	175,174	172,028	179,605
Contributions - Employee	95,624	88,725	85,246	90,337	85,860	87,109	94,281	94,536	71,166
Net Investment Income	450,905	(145,958)	1,162,861	156,139	257,077	291,985	390,188	(1,181)	77,451
Benefit Payments	(358,029)	(334,127)	(352,812)	(322,352)	(258,085)	(300,304)	(193,838)	(164,793)	(151,960)
Pension Plan Administrative Expense	(4,853)	(4,976)	(4,431)	(4,302)	(4,017)	(3,887)	(3,686)	(3,177)	(3,105)
Other	2,094	(31,071)	-	-	(1)	-	(190,244)	-	(4,765)
Net Change in Plan Fiduciary Net Position	470,988	(163,894)	1,099,633	124,976	249,805	227,871	271,875	97,413	168,392
Plan Fiduciary Net Position - Beginning	5,212,598	5,376,492	4,276,859	4,151,883	3,902,078	3,674,207	3,402,332	3,304,919	3,136,527
Plan Fiduciary Net Position - Ending (b)	5,683,586	5,212,598	5,376,492	4,276,859	4,151,883	3,902,078	3,674,207	3,402,332	3,304,919
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,522,611</u>	<u>\$ 1,954,821</u>	<u>\$ 1,791,336</u>	<u>\$ 2,661,268</u>	<u>\$ 2,014,860</u>	<u>\$ 2,134,795</u>	<u>\$ 2,315,195</u>	<u>\$ 1,547,890</u>	<u>\$ 1,470,334</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.87 %	72.73 %	75.01 %	61.64 %	67.33 %	64.64 %	61.35 %	68.73 %	69.21 %
Covered Employee Payroll	\$ 956,244	\$ 887,250	\$ 852,467	\$ 903,364	\$ 858,598	\$ 853,146	\$ 960,666	\$ 952,317	\$ 889,575
Net Pension Liability as a Percentage of Covered Payroll	159.23 %	220.32 %	210.14 %	294.60 %	234.67 %	250.23 %	241.00 %	162.54 %	165.28 %

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

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS  
RESCUE EMPLOYEE PLAN  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Actuarially Determined Contribution	\$ 310,492	\$ 285,247	\$ 263,513	\$ 208,769	\$ 205,154	\$ 168,971	\$ 152,968	\$ 175,174	\$ 172,028	\$ 179,605
Contribution in Relation to the Actuarially Determined Contribution	<u>310,492</u>	<u>285,247</u>	<u>263,513</u>	<u>208,769</u>	<u>205,154</u>	<u>168,971</u>	<u>152,968</u>	<u>175,174</u>	<u>172,028</u>	<u>179,605</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 1,336,358	\$ 956,244	\$ 887,250	\$ 852,467	\$ 903,364	\$ 891,538	\$ 853,146	\$ 960,666	\$ 952,317	\$ 889,575
Contributions as a Percentage of Covered-Employee Payroll	23.23 %	29.83 %	29.70 %	24.49 %	22.71 %	18.95 %	17.93 %	18.23 %	18.06 %	20.19 %

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

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND  
TEACHERS' SURVIVORS BENEFIT PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSET  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Employer's Proportion of the Net Pension Liability (Asset)	4.66418318 %	4.68775134 %	4.85355551 %	4.60912777 %	4.64097503 %	4.71249896 %	4.67075334 %	4.78468663 %	4.90497735 %	4.97709490 %
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ (9,377,645)	\$ (8,237,742)	\$ (9,498,078)	\$ (5,473,964)	\$ (5,264,993)	\$ (4,204,930)	\$ (3,863,946)	\$ (4,764,203)	\$ (4,579,071)	\$ (6,187,561)
Employer's Covered-Employee Payroll	\$ 29,146,752	\$ 28,542,249	\$ 26,664,102	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	(32.17)%	(28.86)%	(35.62)%	(18.92)%	(20.42)%	(16.54)%	(15.64)%	(19.49)%	(18.84)%	(25.71)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	190.2 %	177.7 %	153.1 %	153.1 %	150.2 %	137.4 %	136.1 %	153.3 %	146.6 %	173.3 %

Note: The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND  
TEACHERS' SURVIVORS BENEFIT PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 YEARS**

Measurement Date Fiscal Years	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015
Statutorily Determined Contribution	\$ 36,685	\$ 35,731	\$ 35,416	\$ 35,732	\$ 34,380	\$ 34,615	\$ 35,063	\$ 27,552	\$ 30,731	\$ 28,406
Contribution in Relation to the Statutorily Determined Contribution	<u>36,685</u>	<u>35,731</u>	<u>35,416</u>	<u>35,732</u>	<u>34,380</u>	<u>34,615</u>	<u>35,063</u>	<u>27,552</u>	<u>30,731</u>	<u>28,406</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 29,146,752	\$ 28,542,249	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Contributions as a Percentage of Covered-Employee Payroll	0.13 %	0.13 %	0.13 %	0.12 %	0.13 %	0.14 %	0.14 %	0.11 %	0.13 %	0.12 %

Note: Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.

See accompanying Notes to ERS, MERS, and TSB Plans.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO ERS, MERS, AND TSB PLANS  
JUNE 30, 2024**

**NOTE 1 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

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

Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

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

Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

**June 30, 2023 Measurement Date**

As part of the 2023 Actuarial Experience Study for the six-year period ending June 30, 2022 as approved by the System Board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones, this had no material impact to the liabilities or contributions.
- Modestly increased turnover rates.
- Slight modifications to the retirement rates.
- Modified slightly the rates of disability.

**June 30, 2022 Measurement Date**

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

**June 30, 2021 Measurement Date**

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



**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO ERS, MERS, AND TSB PLANS  
JUNE 30, 2024**

**NOTE 1 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
(CONTINUED)**

**June 30, 2020 Measurement Date**

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

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

**June 30, 2019 Measurement Date**

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

**June 30, 2018 Measurement Date**

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

**June 30, 2017 Measurement Date**

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

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

**June 30, 2016 Measurement Date**

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

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO ERS, MERS, AND TSB PLANS  
JUNE 30, 2024**

**NOTE 1 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
(CONTINUED)**

**June 30, 2015 Measurement Date**

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at four year rather than five year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous five year average investment return, less 5.5% (five year Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective January, 1, 206, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

**TOWN OF LINCOLN, RHODE ISLAND  
NOTES TO ERS, MERS, AND TSB PLANS  
JUNE 30, 2024**

**NOTE 2 SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Teachers' Survivors Benefit Plan**

The employee and employer contribution rates were applied to the first \$11,500 of member salary for fiscal 2018. In fiscal 2017 and prior, the rate was applied to salary up to \$9,600.

Covered employee payroll is the full amount of employee payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

**TOWN OF LINCOLN, RHODE ISLAND  
TOWN PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST 10 YEARS**

Fiscal Years	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 2,021,124	\$ 2,214,808	\$ 2,261,259	\$ 1,907,506	\$ 1,808,739	\$ 1,729,370	\$ 1,700,406	\$ 1,522,833	\$ 1,374,183	\$ 1,222,045
Contribution in Relation to the Actuarially Determined Contribution	2,021,124	2,214,808	2,261,259	2,279,326	1,435,705	1,729,370	1,700,406	1,522,833	1,393,880	1,222,045
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (371,820)	\$ 373,034	\$ -	\$ -	\$ -	\$ (19,697)	\$ -
Covered-Employee Payroll	\$ 7,293,909	\$ 6,164,184	\$ 6,705,553	\$ 6,254,322	\$ 5,476,470	\$ 5,425,686	\$ 5,275,079	\$ 4,868,352	\$ 5,073,432	\$ 5,068,754
Contributions as a Percentage of Covered-Employee Payroll	27.71 %	35.93 %	33.72 %	36.44 %	26.22 %	31.87 %	32.23 %	31.28 %	27.47 %	24.11 %

**TOWN OF LINCOLN, RHODE ISLAND**  
**TOWN PENSION PLAN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Proportion of the Net Pension Liability (Asset)	93.77 %	93.69 %	93.69 %	93.57 %	93.77 %	93.67 %	93.81 %	94.67 %	94.59 %	93.81 %
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,112,567	\$ 15,281,384	\$ 15,670,414	\$ 11,911,747	\$ 16,774,487	\$ 14,217,768	\$ 13,682,963	\$ 14,121,027	\$ 14,881,202	\$ 14,391,640
Town's Covered-Employee Payroll	\$ 7,293,909	\$ 6,164,184	\$ 6,705,553	\$ 6,696,904	\$ 6,267,639	\$ 5,453,717	\$ 5,450,472	\$ 5,323,702	\$ 5,142,178	\$ 5,073,432
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	179.77 %	247.91 %	233.69 %	177.87 %	267.64 %	260.70 %	251.04 %	265.25 %	289.39 %	283.67 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.44 %	70.49 %	67.84 %	62.87 %	62.87 %	65.72 %	64.60 %	62.04 %	58.04 %	58.10 %

**TOWN OF LINCOLN, RHODE ISLAND  
NATIONAL (INDUSTRIAL) PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
LAST EIGHT YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017
Town's Contribution:								
Public Works	\$ 246,565	\$ 198,732	\$ 198,732	\$ 198,732	\$ 198,732	\$ 195,866	\$ 183,669	\$ 174,847
Library	53,540	44,866	44,866	44,866	44,866	44,781	41,674	45,618
Town Hall	181,546	84,128	84,128	84,128	84,128	86,077	107,895	-
Total Contributions	481,651	327,726	327,726	327,726	327,726	326,724	333,238	220,465
Contribution in Relation to the Actuarially Determined Contribution	481,651	327,726	327,726	327,726	327,726	326,724	333,238	220,465
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution Rates:								
Public Works	\$3.38/hour							
Library	\$2.72/hour							
Town Hall	\$2.89/hour							

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

**TOWN OF LINCOLN, RHODE ISLAND  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS  
LAST EIGHT FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	\$ 389,722	\$ 481,483	\$ 466,789	\$ 466,086	\$ 453,128	\$ 490,133	\$ 486,994	\$ 494,754
Interest	1,522,824	1,588,090	1,671,478	1,369,694	1,313,614	1,226,993	1,268,985	1,283,840
Difference Between Expected and Actual Experience	(441,783)	(2,474,093)	(1,752,743)	2,974,484	503,794	1,415,712	(1,172,388)	(1,850,157)
Change of benefit terms	1,722,523							
Changes in Assumptions	(873,618)	534,090	691,380	1,148,354	-	(523,899)	-	2,226,107
Benefit Payments	(1,376,795)	(1,416,665)	(1,426,503)	(1,548,401)	(1,360,025)	(1,219,596)	(1,198,427)	(727,240)
Net Change in Total OPEB Liability	942,873	(1,287,095)	(349,599)	4,410,217	910,511	1,389,343	(614,836)	1,427,304
Total OPEB Liability - Beginning	23,360,761	24,647,856	24,997,455	20,587,238	19,676,727	18,287,384	18,902,220	17,474,916
Total OPEB Liability - Ending	24,303,634	23,360,761	24,647,856	24,997,455	20,587,238	19,676,727	18,287,384	18,902,220
OPEB Fiduciary Net Position:								
Benefit Payments	(3,732,442)	(1,416,665)	(1,426,503)	(1,548,401)	(1,360,025)	(1,219,596)	(1,198,427)	(727,240)
Trust Administrative Expenses	(38,765)	(29,844)	(31,704)	(27,381)	(17,742)	(14,222)	(10,350)	(9,932)
Contributions - Employer	2,576,795	2,763,225	2,773,063	1,933,780	1,886,424	1,948,878	1,804,537	1,534,402
Net Investment Income	1,508,434	806,315	(1,407,568)	1,944,460	423,511	414,990	276,633	362,250
Net Change in Plan Fiduciary Net Position	314,022	2,123,031	(92,712)	2,302,458	932,168	1,130,050	872,393	1,159,480
Plan Fiduciary Net Position - Beginning	11,339,098	9,216,067	9,308,779	7,006,321	6,074,153	4,944,103	4,071,710	2,912,230
Plan Fiduciary Net Position - Ending	11,653,120	11,339,098	9,216,067	9,308,779	7,006,321	6,074,153	4,944,103	4,071,710
Plan's Net Pension Liability - Ending	<u>\$ 12,650,514</u>	<u>\$ 12,021,663</u>	<u>\$ 15,431,789</u>	<u>\$ 15,688,676</u>	<u>\$ 13,580,917</u>	<u>\$ 13,602,574</u>	<u>\$ 13,343,281</u>	<u>\$ 14,830,510</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.95%	48.54%	37.39%	37.24%	34.03%	30.87%	27.04%	21.54%
Covered-Employee Payroll	\$ 40,451,197	\$ 39,083,282	\$ 34,805,098	\$ 33,628,114	\$ 29,018,945	\$ 33,645,972	\$ 32,927,613	\$ 31,814,119
Net OPEB Liability as a Percentage of Covered-Employee Payroll	31.27%	30.76%	44.34%	46.65%	46.80%	40.43%	40.52%	46.62%

\* Includes \$2,355,647 benefit payments paid outside trust assets that is payable to general funds.

**TOWN OF LINCOLN, RHODE ISLAND  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF CONTRIBUTIONS  
LAST EIGHT FISCAL YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 1,171,735	\$ 1,445,602	\$ 1,445,415	\$ 1,548,401	\$ 1,264,735	\$ 1,271,875	\$ 1,333,965	\$ 1,352,133
Contributions in Relation to the								
Actuarially Determined Contribution	<u>2,576,795</u>	<u>2,763,225</u>	<u>2,773,063</u>	<u>1,933,780</u>	<u>1,886,424</u>	<u>1,948,878</u>	<u>1,804,537</u>	<u>1,534,402</u>
Contribution Deficiency (Excess)	<u><u>\$ (1,405,060)</u></u>	<u><u>\$ (1,317,623)</u></u>	<u><u>\$ (1,327,648)</u></u>	<u><u>\$ (385,379)</u></u>	<u><u>\$ (621,689)</u></u>	<u><u>\$ (677,003)</u></u>	<u><u>\$ (470,572)</u></u>	<u><u>\$ (182,269)</u></u>
Covered Employee Payroll	\$ 40,451,197	\$ 39,083,282	\$ 34,805,098	\$ 33,628,114	\$ 29,018,945	\$ 33,645,972	\$ 32,927,613	\$ 31,814,119
Contributions as a Percentage of								
Covered Employee Payroll	6.37 %	7.07 %	7.97 %	5.75 %	6.50 %	5.79 %	5.48 %	4.82 %

\*Eighth year of implementation of GASB 74/75; therefore, data is only available for eight of the required ten years.



**TOWN OF LINCOLN, RHODE ISLAND  
OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF INVESTMENT RETURNS AND NOTES  
LAST EIGHT FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.90 %	5.44 %	(13.24)%	10.51 %	4.94 %	4.11 %	6.79 %	12.43 %

\*Eighth year of implementation of GASB 74/75, therefore data is only available for eight years of the required ten.

Notes to Required Supplementary Information

Measurement Date	For fiscal year ending June 30, 2024, a June 30, 2024 measurement date was used.
Actuarial Valuation Date	July 1, 2023 Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2023 projected to June 30, 2024, on a rolled forward basis with adjustment for actual premium and discount rate changes. Liabilities as of June 30, 2023 are based on an actuarial valuation date of July 1, 2023 with no adjustments to get to the measurement date of June 30, 2023.
Discount Rate	6.90% as of June 30, 2024 and 6.60% as of June 30, 2023
Long-term Rate of Return	6.90% as of June 30, 2024 and 6.60% as of June 30, 2023
Payroll Growth	Payroll growth rates are based on the assumptions used in the RI ERS and RI MERS actuarial valuations as of June 30, 2023 for teachers/administrators and support/rescue employees. Rates shown in the actuarial report include both general wage inflation, as well as merit/productivity increases. For police, the payroll growth rates are based on the Town of Lincoln Police actuarial valuation as of January 1, 2023.
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the measurement Date was determined using Entry age Normal Level % of Salary method Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement  Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Health Care Trend Rates	FYE2024 Health Care Trend rates are based on the actual rate of increase from the medical premium rates effective July 1, 2023 to those effective July 1, 2024.
Retiree Contributions	Retiree contributions are assumed to increase according to health care trend rates for non-injunction retirees and the effects of any applicable Michigan hard caps.  Retiree contributions for the Injunction group are assumed to increase by 4.5% annually in the future.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET  
JUNE 30, 2024**

	Town Special Revenue	School Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,494,241	\$ 1,501,673	\$ -	\$ 2,995,914
Due from Other Governments	-	64,612	-	64,612
Receivables	4,523	777,538	-	782,061
Due from Other Funds	3,581,456	7,913,313	7,467,597	18,962,366
Total Assets	<u>\$ 5,080,220</u>	<u>\$ 10,257,136</u>	<u>\$ 7,467,597</u>	<u>\$ 22,804,953</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,080,220</u>	<u>\$ 10,257,136</u>	<u>\$ 7,467,597</u>	<u>\$ 22,804,953</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Expenses	\$ 154,632	\$ 85,540	\$ 231,391	\$ 471,563
Due to Other Funds	651,433	8,517,492	2,452,289	11,621,214
Unearned Revenue	3,423,667	-	-	3,423,667
Total Liabilities	4,229,732	8,603,032	2,683,680	15,516,444
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned Revenue	-	682,092	-	682,092
Total Deferred Inflows of Resources	-	682,092	-	682,092
<b>FUND BALANCE</b>				
Restricted	1,273,964	1,710,957	154,433	3,139,354
Committed	-	-	7,081,773	7,081,773
Unassigned	(423,476)	(738,945)	(2,452,289)	(3,614,710)
Total Fund Balance	<u>850,488</u>	<u>972,012</u>	<u>4,783,917</u>	<u>6,606,417</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,080,220</u>	<u>\$ 10,257,136</u>	<u>\$ 7,467,597</u>	<u>\$ 22,804,953</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2024**

	Town Special Revenue	School Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Federal and State Grant Income	\$ 1,834,523	\$ 4,851,964	\$ -	\$ 6,686,487
Charges for Services	107,199	721,656	-	828,855
Other Revenue	209,009	802,199	-	1,011,208
Investment Income	16	-	-	16
Total Revenues	<u>2,150,747</u>	<u>6,375,819</u>	<u>-</u>	<u>8,526,566</u>
<b>EXPENDITURES</b>				
General Government	302,099	-	-	302,099
Public Safety	789,559	-	-	789,559
Public Services	1,013,164	-	1,378,541	2,391,705
Education	-	7,122,700	2,026,306	9,149,006
Total Expenditures	<u>2,104,822</u>	<u>7,122,700</u>	<u>3,404,847</u>	<u>12,632,369</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	45,925	(746,881)	(3,404,847)	(4,105,803)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	1,991,970	1,991,970
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,991,970</u>	<u>1,991,970</u>
<b>NET CHANGE IN FUND BALANCES</b>	45,925	(746,881)	(1,412,877)	(2,113,833)
Fund Balance - Beginning of Year, As Originally Reported	6,159,349	1,718,893	5,023,501	12,901,743
Restatement	-	-	864,230	864,230
Adjustment (Nonmajor to Major Fund)	(5,354,788)	-	-	(5,354,788)
(Custodial to Capital Projects)	<u>-</u>	<u>-</u>	<u>309,063</u>	<u>309,063</u>
Fund Balance - Beginning of Year, As Adjusted or Restated	<u>804,561</u>	<u>1,718,893</u>	<u>6,196,794</u>	<u>8,720,248</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 850,486</u>	<u>\$ 972,012</u>	<u>\$ 4,783,917</u>	<u>\$ 6,606,415</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
TOWN SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	19	20	21	22	23	30	34	35	36
	ARPA	Partnership For Success	DCF Grant	Substance Abuse	CDBG	Animal Care	Holiday Basket	Lincoln Days	Memorial Day Parade
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 879,256	\$ -	\$ -	\$ 162,869	\$ -	\$ -	\$ 43,277	\$ -	\$ 36,675
Intergovernmental Receivable	-	-	-	-	-	-	-	-	-
Due from Other Funds	2,678,238	43,977	7,022	137,111	28,931	92,345	-	-	-
Total Assets	3,557,494	43,977	7,022	299,980	28,931	92,345	43,277	-	36,675
<b>LIABILITIES</b>									
Accounts Payable	133,827	2,051	5,131	-	-	764	-	-	-
Due to Other Funds	-	-	99,661	-	-	5,332	36	-	5,820
Unearned Revenue	3,423,667	-	-	-	-	-	-	-	-
Total Liabilities	3,557,494	2,051	104,792	-	-	6,096	36	-	5,820
<b>FUND BALANCES</b>									
Restricted	-	41,926	-	299,980	28,931	86,249	43,241	-	30,855
Unassigned	-	-	(97,770)	-	-	-	-	-	-
Total Fund Balances	-	41,926	(97,770)	299,980	28,931	86,249	43,241	-	30,855
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,557,494	\$ 43,977	\$ 7,022	\$ 299,980	\$ 28,931	\$ 92,345	\$ 43,277	\$ -	\$ 36,675

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
TOWN SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	37	39	40	41	42	43	45	46	47	48	49
	Honest Abe	Police Vest Grant	SHSP Grant	Police Forfeiture	Senior Center Donations	Pandemic Response Program	Fed Drug Forfeiture	Local Seized Funds	Rescue Grants and Donations	MEDS	Byrne JAG 2009
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 3,662	\$ -	\$ -	\$ 78,193	\$ -	\$ -	\$ 19	\$ 28,782	\$ -	\$ -	\$ 388
Intergovernmental Receivable	-	-	-	-	-	-	-	4,523	-	-	-
Due from Other Funds	-	1,819	10,000	2,544	86,692	-	-	-	1,459	64,095	525
Total Assets	3,662	1,819	10,000	80,737	86,692	-	19	33,305	1,459	64,095	913
<b>LIABILITIES</b>											
Accounts Payable	-	-	-	-	-	-	-	12,524	-	-	-
Due to Other Funds	-	2,652	-	-	-	311,431	-	-	-	27,862	-
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	2,652	-	-	-	311,431	-	12,524	-	27,862	-
<b>FUND BALANCES</b>											
Restricted	3,662	-	10,000	80,737	86,692	-	19	20,781	1,459	36,233	913
Unassigned	-	(833)	-	-	-	(311,431)	-	-	-	-	-
Total Fund Balances	3,662	(833)	10,000	80,737	86,692	(311,431)	19	20,781	1,459	36,233	913
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,662</u>	<u>\$ 1,819</u>	<u>\$ 10,000</u>	<u>\$ 80,737</u>	<u>\$ 86,692</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 33,305</u>	<u>\$ 1,459</u>	<u>\$ 64,095</u>	<u>\$ 913</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
TOWN SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	65	66	67	68	69	71	72	73	74	84	
	Hearthside Building	Senior Center	Affordable Housing Trust	Disaster Mitigation	Pacemaking	Operation Riptide	Town Clerk Technician	Historical Records	Senior Center Programs	School Revolving	Total
<b>ASSETS</b>											
Cash and Cash Equivalents	\$ 6,642	\$ 62,944	\$ 152,571	\$ -	\$ 9,899	\$ 19,591	\$ -	\$ 6,026	\$ 3,447	\$ -	\$ 1,494,241
Intergovernmental Receivable	-	-	-	-	-	-	-	-	-	-	4,523
Due from Other Funds	-	-	206,827	-	-	-	152,514	62,135	5,222	-	3,581,456
Total Assets	6,642	62,944	359,398	-	9,899	19,591	152,514	68,161	8,669	-	5,080,220
<b>LIABILITIES</b>											
Accounts Payable	-	335	-	-	-	-	-	-	-	-	154,632
Due to Other Funds	-	49,765	-	-	17,398	25,534	105,942	-	-	-	651,433
Unearned Revenue	-	-	-	-	-	-	-	-	-	-	3,423,667
Total Liabilities	-	50,100	-	-	17,398	25,534	105,942	-	-	-	4,229,732
<b>FUND BALANCES</b>											
Restricted	6,642	12,844	359,398	-	-	-	46,572	68,161	8,669	-	1,273,964
Unassigned	-	-	-	-	(7,499)	(5,943)	-	-	-	-	(423,476)
Total Fund Balances	6,642	12,844	359,398	-	(7,499)	(5,943)	46,572	68,161	8,669	-	850,488
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,642</u>	<u>\$ 62,944</u>	<u>\$ 359,398</u>	<u>\$ -</u>	<u>\$ 9,899</u>	<u>\$ 19,591</u>	<u>\$ 152,514</u>	<u>\$ 68,161</u>	<u>\$ 8,669</u>	<u>\$ -</u>	<u>\$ 5,080,220</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TOWN SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	19	20	21	22	23	30	34	35	36
	ARPA	Partnership For Success	DCF Grant	Substance Abuse	CDBG	Animal Care	Holiday Basket	Lincoln Days	Memorial Day Parade
<b>REVENUES</b>									
Grant Revenue	\$ 1,563,631	\$ -	\$ 75,812	\$ 93,522	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	6,477	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	14,508	6	40,885
Total Revenues	1,563,631	-	75,812	93,522	-	6,477	14,508	6	40,885
<b>EXPENDITURES</b>									
General Government	165,995	-	-	-	-	-	-	4,806	-
Public Safety	664,945	2,050	98,422	-	-	-	-	-	-
Public Service	732,691	-	-	-	-	17,321	19,033	-	36,657
Total Expenditures	1,563,631	2,050	98,422	-	-	17,321	19,033	4,806	36,657
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	(2,050)	(22,610)	93,522	-	(10,844)	(4,525)	(4,800)	4,228
Fund Balance - Beginning of Year, As Originally Reported	-	43,976	(75,160)	206,458	28,931	97,093	47,766	4,800	26,627
Adjustment (Nonmajor to Major Fund)	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year, As Adjusted or Restated	-	43,976	(75,160)	206,458	28,931	97,093	47,766	4,800	26,627
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ 41,926	\$ (97,770)	\$ 299,980	\$ 28,931	\$ 86,249	\$ 43,241	\$ -	\$ 30,855



**TOWN OF LINCOLN, RHODE ISLAND**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)**  
**TOWN SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	37	39	40	41	42	43	45	46	47	48	49
	Honest Abe	Police Vest Grant	SHSP Grant	Police Forfeiture	Senior Center Donations	Pandemic Response Program	Fed Drug Forfeiture	Local Seized Funds	Rescue Grants and Donations	MEDS	Byrne JAG 2009
<b>REVENUES</b>											
Grant Revenue	\$ -	\$ 5,313	\$ -	\$ 51,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	14,960	-	-	-	-	-	-	437	-	-	-
Total Revenues	14,960	5,313	-	51,102	-	-	-	437	-	-	-
<b>EXPENDITURES</b>											
General Government	11,298	-	-	-	-	-	-	-	-	-	-
Public Safety	-	5,258	-	7,640	-	-	-	64	-	3,268	-
Public Service	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	11,298	5,258	-	7,640	-	-	-	64	-	3,268	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>3,662</u>	<u>55</u>	<u>-</u>	<u>43,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373</u>	<u>-</u>	<u>(3,268)</u>	<u>-</u>
Fund Balance - Beginning of Year, As Originally Reported	-	(888)	10,000	37,275	86,692	(311,431)	19	20,408	1,459	39,501	913
Adjustment (Nonmajor to Major Fund)	-	-	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year, As Adjusted or Restated	-	(888)	10,000	37,275	86,692	(311,431)	19	20,408	1,459	39,501	913
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,662</u>	<u>\$ (833)</u>	<u>\$ 10,000</u>	<u>\$ 80,737</u>	<u>\$ 86,692</u>	<u>\$ (311,431)</u>	<u>\$ 19</u>	<u>\$ 20,781</u>	<u>\$ 1,459</u>	<u>\$ 36,233</u>	<u>\$ 913</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
TOWN SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	65	66	67	68	69	71	72	73	74	84	
	Hearthside Building	Senior Center	Affordable Housing Trust	Disaster Mitigation	Pacemaking	Operation Riptide	Town Clerk Technician	Historical Records	Senior Center Programs	School Revolving	Total
<b>REVENUES</b>											
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,710	\$ -	\$ -	\$ 38,433	\$ -	\$ 1,834,523
Charges for Services	-	81,196	-	-	-	-	16,676	2,850	-	-	107,199
Investment Income	16	-	-	-	-	-	-	-	-	-	16
Other Revenue	-	-	138,213	-	-	-	-	-	-	-	209,009
Total Revenues	16	81,196	138,213	-	-	6,710	16,676	2,850	38,433	-	2,150,747
<b>EXPENDITURES</b>											
General Government	-	-	120,000	-	-	-	-	-	-	-	302,099
Public Safety	-	-	-	-	-	7,912	-	-	-	-	789,559
Public Service	-	74,573	-	-	-	-	102,467	-	30,422	-	1,013,164
Total Expenditures	-	74,573	120,000	-	-	7,912	102,467	-	30,422	-	2,104,822
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	16	6,623	18,213	-	-	(1,202)	(85,791)	2,850	8,011	-	45,925
Fund Balance - Beginning of Year, As Originally Reported	6,626	6,221	341,185	-	(7,499)	(4,741)	132,363	65,311	658	5,354,788	6,159,349
Adjustment (Nonmajor to Major Fund)	-	-	-	-	-	-	-	-	-	(5,354,788)	(5,354,788)
Fund Balance - Beginning of Year, As Adjusted or Restated	6,626	6,221	341,185	-	(7,499)	(4,741)	132,363	65,311	658	-	804,563
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,642</u>	<u>\$ 12,844</u>	<u>\$ 359,398</u>	<u>\$ -</u>	<u>\$ (7,499)</u>	<u>\$ (5,943)</u>	<u>\$ 46,572</u>	<u>\$ 68,161</u>	<u>\$ 8,669</u>	<u>\$ -</u>	<u>\$ 850,488</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SCHOOL SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	21011100 SPED IDEA Part B	21011200 SPED IDEA Preschool	21013100 SPED IDEA Part B Support	21021100 Title I Part A Disadvantaged Youth	21031100 Title II Part A Teacher Quality	21041100 Title III Language Acquisition	21061100 Title V	21091100 Perkins Vocational Even	21092101 Perkins V	21162100 USDA FFVP	21251705 ESSER II Priority V
<b>ASSETS</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	1,194,012	38,492	38	1,279,983	528,908	74,116	-	232,666	5,794	2,044	-
Due from State or Federal Government	-	-	-	-	-	36	-	-	-	-	-
Total Assets	<u>\$ 1,194,012</u>	<u>\$ 38,492</u>	<u>\$ 38</u>	<u>\$ 1,279,983</u>	<u>\$ 528,908</u>	<u>\$ 74,152</u>	<u>\$ -</u>	<u>\$ 232,666</u>	<u>\$ 5,794</u>	<u>\$ 2,044</u>	<u>\$ -</u>
<b>LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	1,194,012	38,492	-	1,279,983	528,908	74,116	-	232,666	5,794	2,044	-
Total Liabilities	<u>1,194,012</u>	<u>38,492</u>	<u>-</u>	<u>1,279,983</u>	<u>528,908</u>	<u>74,116</u>	<u>-</u>	<u>232,666</u>	<u>5,794</u>	<u>2,044</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred Inflows	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	-	-	38	-	-	36	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance (Deficits)	<u>-</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,194,012</u>	<u>\$ 38,492</u>	<u>\$ 38</u>	<u>\$ 1,279,983</u>	<u>\$ 528,908</u>	<u>\$ 74,152</u>	<u>\$ -</u>	<u>\$ 232,666</u>	<u>\$ 5,794</u>	<u>\$ 2,044</u>	<u>\$ -</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	21251706	21251802	21251805	21251806	21251810	21251815	21251816	21251820	21251824	21413100	22071000
	ESSER	ARPA	ESSER II	ESSER II	ARPA	ARPA	ARPA	ARPA		RIDHS	
	Grant	ESSER III	Digital Divide	Other Priority	Homeless	IDEA	IDEA	ELC	ESSER III	Bright Stars	NOAA
		Priority 2			Youth	Part B	Preschool				
<b>ASSETS</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	98,680	76,413	506,999	-	-	-	-	-	-	-
Due from Other Funds	888,226	-	-	2,903,133	-	184,245	-	42,995	-	2,751	187
Due from State or Federal Government	-	-	-	-	19,597	-	-	-	14,456	-	-
Total Assets	<u>\$ 888,226</u>	<u>\$ 98,680</u>	<u>\$ 76,413</u>	<u>\$ 3,410,132</u>	<u>\$ 19,597</u>	<u>\$ 184,245</u>	<u>\$ -</u>	<u>\$ 42,995</u>	<u>\$ 14,456</u>	<u>\$ 2,751</u>	<u>\$ 187</u>
<b>LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	28,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	888,226	98,680	76,413	3,382,010	19,597	184,245	-	42,995	14,456	-	-
Total Liabilities	<u>888,226</u>	<u>98,680</u>	<u>76,413</u>	<u>3,410,132</u>	<u>19,597</u>	<u>184,245</u>	<u>-</u>	<u>42,995</u>	<u>14,456</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred Inflows	-	98,680	76,413	506,999	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>98,680</u>	<u>76,413</u>	<u>506,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	-	-	-	-	-	-	-	-	-	2,751	187
Unassigned	-	(98,680)	(76,413)	(506,999)	-	-	-	-	-	-	-
Total Fund Balance (Deficits)	<u>-</u>	<u>(98,680)</u>	<u>(76,413)</u>	<u>(506,999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,751</u>	<u>187</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 888,226</u>	<u>\$ 98,680</u>	<u>\$ 76,413</u>	<u>\$ 3,410,132</u>	<u>\$ 19,597</u>	<u>\$ 184,245</u>	<u>\$ -</u>	<u>\$ 42,995</u>	<u>\$ 14,456</u>	<u>\$ 2,751</u>	<u>\$ 187</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	22291010 Emergency Connectivity Fund	23112001 Legislative Grant	23142000 RI State Council	23163000 RICAPP	23183000 RI State Council #2	23463000 RI Skills Commission	23581000 CTE Categorical 2013	23581001 CTE Categorical Even	23582000 CTE Course Sequence	23582001 CTE Categorical 2014	23671000 ELL Categorical
<b>ASSETS</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	2,876	1,270	1,083	1,401	10,426	19,530	5,570	301	17,488	-
Due from State or Federal Government	-	-	-	-	-	-	-	-	-	-	30,523
Total Assets	<u>\$ -</u>	<u>\$ 2,876</u>	<u>\$ 1,270</u>	<u>\$ 1,083</u>	<u>\$ 1,401</u>	<u>\$ 10,426</u>	<u>\$ 19,530</u>	<u>\$ 5,570</u>	<u>\$ 301</u>	<u>\$ 17,488</u>	<u>\$ 30,523</u>
<b>LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	14,457	5,431	-	-	30,523
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,457</u>	<u>5,431</u>	<u>-</u>	<u>-</u>	<u>30,523</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred Inflows	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	-	2,876	1,270	1,083	1,401	10,426	5,073	139	301	17,488	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance (Deficits)	<u>-</u>	<u>2,876</u>	<u>1,270</u>	<u>1,083</u>	<u>1,401</u>	<u>10,426</u>	<u>5,073</u>	<u>139</u>	<u>301</u>	<u>17,488</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ -</u>	<u>\$ 2,876</u>	<u>\$ 1,270</u>	<u>\$ 1,083</u>	<u>\$ 1,401</u>	<u>\$ 10,426</u>	<u>\$ 19,530</u>	<u>\$ 5,570</u>	<u>\$ 301</u>	<u>\$ 17,488</u>	<u>\$ 30,523</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	23911001	23911007	23911008	24012005	24012020	24020077	24030009	24030018 ED	24030060	24030727 National Restaurant Dues	24040030 Reading Excellence
	SBA Capital	SBA Capital #2	SBA Capital #3	Feinstein Foundation	Champlin Foundation	LHS Scholarship	Target Grant	Development Center, Inc.	IBM		
<b>ASSETS</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	35,589	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	336,768	9,300	-	18,053	-	-	231	1,099	122	10	1,465
Due from State or Federal Government	-	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 336,768</u>	<u>\$ 9,300</u>	<u>\$ -</u>	<u>\$ 18,053</u>	<u>\$ -</u>	<u>\$ 35,589</u>	<u>\$ 231</u>	<u>\$ 1,099</u>	<u>\$ 122</u>	<u>\$ 10</u>	<u>\$ 1,465</u>
<b>LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	336,768	9,300	56,853	-	-	-	-	-	-	-	-
Total Liabilities	<u>336,768</u>	<u>9,300</u>	<u>56,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred Inflows	-	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	-	-	-	18,053	-	35,589	231	1,099	122	10	1,465
Unassigned	-	-	(56,853)	-	-	-	-	-	-	-	-
Total Fund Balance (Deficits)	<u>-</u>	<u>-</u>	<u>(56,853)</u>	<u>18,053</u>	<u>-</u>	<u>35,589</u>	<u>231</u>	<u>1,099</u>	<u>122</u>	<u>10</u>	<u>1,465</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 336,768</u>	<u>\$ 9,300</u>	<u>\$ -</u>	<u>\$ 18,053</u>	<u>\$ -</u>	<u>\$ 35,589</u>	<u>\$ 231</u>	<u>\$ 1,099</u>	<u>\$ 122</u>	<u>\$ 10</u>	<u>\$ 1,465</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
JUNE 30, 2024**

	24040059	24040060	24040065	24040079	24040160	24050040	24060001	24060002	24060003	60010000	
	NE Food and Dairy	NFL 360	RI Jump Stop	PTO Donations	American Chemical Society	Donations Instruction	LHS Student Activities #1	LMS Student Activities	LHS Student Activities #2	School Lunch	Total
<b>ASSETS</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,612	\$ 342,360	\$ 51,458	\$ 755,654	\$ 1,501,673
Receivables	-	-	-	-	-	-	-	-	-	95,446	777,538
Due from Other Funds	1,672	-	850	872	153	850	-	-	-	104,333	7,913,313
Due from State or Federal Government	-	-	-	-	-	-	-	-	-	-	64,612
Total Assets	<u>\$ 1,672</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 872</u>	<u>\$ 153</u>	<u>\$ 850</u>	<u>\$ 316,612</u>	<u>\$ 342,360</u>	<u>\$ 51,458</u>	<u>\$ 955,433</u>	<u>\$ 10,257,136</u>
<b>LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,418	85,540
Due to Other Funds	1,523	-	-	-	-	-	-	-	-	-	8,517,492
Total Liabilities	<u>1,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,418</u>	<u>8,603,032</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Deferred Inflows	-	-	-	-	-	-	-	-	-	-	682,092
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,092</u>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	149	-	850	872	153	850	316,612	342,360	51,458	898,015	1,710,957
Unassigned	-	-	-	-	-	-	-	-	-	-	(738,945)
Total Fund Balance (Deficits)	<u>149</u>	<u>-</u>	<u>850</u>	<u>872</u>	<u>153</u>	<u>850</u>	<u>316,612</u>	<u>342,360</u>	<u>51,458</u>	<u>898,015</u>	<u>972,012</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,672</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 872</u>	<u>\$ 153</u>	<u>\$ 850</u>	<u>\$ 316,612</u>	<u>\$ 342,360</u>	<u>\$ 51,458</u>	<u>\$ 955,433</u>	<u>\$ 10,257,136</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
SCHOOL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	21011100 SPED IDEA Part B	21011200 SPED IDEA Preschool	21013100 SPED IDEA Part B Support	21021100 Title I Part A Disadvantaged Youth	21031100 Title II Part A Teacher Quality	21041100 Title III Language Acquisition	21061100 Title V	21091100 Perkins Vocational Even	21092101 Perkins V	21162100 USDA FFVP	21251705 ESSER II Priority V
<b>REVENUES</b>											
Federal and State Grant Income	\$ 953,191	\$ 28,461	\$ -	\$ 689,095	\$ 261,828	\$ 35,052	\$ -	\$ 106,653	\$ 5,794	\$ 45,617	\$ 89,289
Charges for Service	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	953,191	28,461	-	689,095	261,828	35,052	-	106,653	5,794	45,617	89,289
<b>EXPENDITURES</b>											
Education	953,191	28,461	-	689,095	261,828	35,052	1,803	106,653	5,794	45,617	44,423
Total Expenditures	953,191	28,461	-	689,095	261,828	35,052	1,803	106,653	5,794	45,617	44,423
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	-	-	-	-	-	(1,803)	-	-	-	44,866
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-	(1,803)	-	-	-	44,866
Fund Balance - Beginning of Year	-	-	38	-	-	36	1,803	-	-	-	(44,866)
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	21251706	21251802	21251805	21251806	21251810	21251815	21251816	21251820	21251824	21413100	22071000
	ESSER Grant	ARPA ESSER III Priority 2	ESSER II Digital Divide	ESSER II Other Priority	ARPA Homeless Youth	ARPA IDEA Part B	ARPA IDEA Preschool	ARPA ELC	ESSER III	RIDHS Bright Stars	NOAA
<b>REVENUES</b>											
Federal and State Grant Income	\$ -	\$ -	\$ -	\$ 1,764,970	\$ 19,597	\$ 11,750	\$ 4,188	\$ -	\$ 14,456	\$ -	\$ 5,000
Charges for Service	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	1,764,970	19,597	11,750	4,188	-	14,456	-	5,000
<b>EXPENDITURES</b>											
Education	-	98,680	32,933	2,544,824	19,597	11,750	-	-	14,456	-	4,813
Total Expenditures	-	98,680	32,933	2,544,824	19,597	11,750	-	-	14,456	-	4,813
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	(98,680)	(32,933)	(779,854)	-	-	4,188	-	-	-	187
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	254,943	-	-	-	-	-	-	-
Transfers Out	(254,943)	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(254,943)	-	-	254,943	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(254,943)	(98,680)	(32,933)	(524,911)	-	-	4,188	-	-	-	187
Fund Balance - Beginning of Year	254,943	-	(43,480)	17,912	-	-	(4,188)	-	-	2,751	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (98,680)</u>	<u>\$ (76,413)</u>	<u>\$ (506,999)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,751</u>	<u>\$ 187</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	22291010 Emergency Connectivity Fund	23112001 Legislative Grant	23142000 RI State Council	23163000 RICAPP	23183000 RI State Council #2	23463000 RI Skills Commission	23581000 CTE Categorical 2013	23581001 CTE Categorical Even	23582000 CTE Course Sequence	23582001 CTE Categorical 2014	23671000 ELL Categorical
<b>REVENUES</b>											
Federal and State Grant Income	\$ 137,200	\$ 2,000	\$ -	\$ -	\$ 1,000	\$ -	\$ 8,278	\$ -	\$ -	\$ -	\$ 30,523
Charges for Service	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	137,200	2,000	-	-	1,000	-	8,278	-	-	-	30,523
<b>EXPENDITURES</b>											
Education	137,200	1,591	-	-	-	-	6,687	-	-	-	30,523
Total Expenditures	137,200	1,591	-	-	-	-	6,687	-	-	-	30,523
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	409	-	-	1,000	-	1,591	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	409	-	-	1,000	-	1,591	-	-	-	-
Fund Balance - Beginning of Year	-	2,467	1,270	1,083	401	10,426	3,482	139	301	17,488	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,876</u>	<u>\$ 1,270</u>	<u>\$ 1,083</u>	<u>\$ 1,401</u>	<u>\$ 10,426</u>	<u>\$ 5,073</u>	<u>\$ 139</u>	<u>\$ 301</u>	<u>\$ 17,488</u>	<u>\$ -</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	23911001	23911007	23911008	24012005	24012020	24020077	24030009	24030018 ED	24030060	24030727 National Restaurant Dues	24040030 Reading Excellence
	SBA Capital	SBA Capital #2	SBA Capital #3	Feinstein Foundation	Champlin Foundation	LHS Scholarship	Target Grant	Development Center, Inc.	IBM		
<b>REVENUES</b>											
Federal and State Grant Income	\$ 2,550	\$ 9,300	\$ -	\$ 11,500	\$ -	\$ 22,310	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	2,550	9,300	-	11,500	-	22,310	-	-	-	-	-
<b>EXPENDITURES</b>											
Education	-	9,300	56,853	3,735	1,492	31,115	-	-	-	-	-
Total Expenditures	-	9,300	56,853	3,735	1,492	31,115	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	2,550	-	(56,853)	7,765	(1,492)	(8,805)	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	2,550	-	(56,853)	7,765	(1,492)	(8,805)	-	-	-	-	-
Fund Balance - Beginning of Year	(2,550)	-	-	10,288	1,492	44,394	231	1,099	122	10	1,465
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,853)</u>	<u>\$ 18,053</u>	<u>\$ -</u>	<u>\$ 35,589</u>	<u>\$ 231</u>	<u>\$ 1,099</u>	<u>\$ 122</u>	<u>\$ 10</u>	<u>\$ 1,465</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)  
SCHOOL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2024**

	24040059	24040060	24040065	24040079	24040160	24050040	24060001	24060002	24060003	60010000	
	NE Food and Dairy	NFL 360	RI Jump Stop	PTO Donations	American Chemical Society	Donations Instruction	LHS Student Activities #1	LMS Student Activities	LHS Student Activities #2	School Lunch	Total
<b>REVENUES</b>											
Federal and State Grant Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 592,362	\$ 4,851,964
Charges for Service	-	-	-	-	-	-	-	-	-	721,656	721,656
Other Income	-	3,123	-	-	-	-	504,567	92,183	88,991	113,335	802,199
Total Revenues	-	3,123	-	-	-	-	504,567	92,183	88,991	1,427,353	6,375,819
<b>EXPENDITURES</b>											
Education	-	-	-	-	-	-	419,407	102,984	85,916	1,336,927	7,122,700
Total Expenditures	-	-	-	-	-	-	419,407	102,984	85,916	1,336,927	7,122,700
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	-	3,123	-	-	-	-	85,160	(10,801)	3,075	90,426	(746,881)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	3,123	-	-	-	-	85,160	(10,801)	3,075	90,426	(746,881)
Fund Balance - Beginning of Year	149	(3,123)	850	872	153	850	231,452	353,161	48,383	807,589	1,718,893
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 872</u>	<u>\$ 153</u>	<u>\$ 850</u>	<u>\$ 316,612</u>	<u>\$ 342,360</u>	<u>\$ 51,458</u>	<u>\$ 898,015</u>	<u>\$ 972,012</u>

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS  
JUNE 30, 2024**

	Open Space Reserve	Capital Projects Reserve	Town Capital Projects	Town Surety Escrow	School Capital Projects	Total
<b>ASSETS</b>						
Due from Other Funds	\$ 858,548	\$ 944,694	\$ 5,482,466	\$ 181,889	\$ -	\$ 7,467,597
Total Assets	858,548	944,694	5,482,466	181,889	-	7,467,597
 Total Assets	 \$ 858,548	 \$ 944,694	 \$ 5,482,466	 \$ 181,889	 \$ -	 \$ 7,467,597
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 20,000	\$ 183,935	27,456	\$ -	\$ 231,391
Due to Other Funds	-	-	-	-	2,452,289	2,452,289
Total Liabilities	-	20,000	183,935	27,456	2,452,289	2,683,680
<b>FUND BALANCES</b>						
Restricted	-	-	-	154,433	-	154,433
Committed	858,548	924,694	5,298,531	-	-	7,081,773
Unassigned	-	-	-	-	(2,452,289)	(2,452,289)
Total Fund Balances	858,548	924,694	5,298,531	154,433	(2,452,289)	4,783,917
 Total Liabilities and Fund Balances	 \$ 858,548	 \$ 944,694	 \$ 5,482,466	 \$ 181,889	 \$ -	 \$ 7,467,597

**TOWN OF LINCOLN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
CAPITAL PROJECT FUNDS  
YEAR ENDED JUNE 30, 2024**

	Open Space Reserve	Capital Projects Reserve	Town Capital Projects	Town Surety Escrow	School Capital Projects	Total
<b>REVENUES</b>						
Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Education	-	20,000	1,311,361	-	694,945	2,026,306
Public Services	140,000	-	1,083,911	154,630	-	1,378,541
Total Expenditures	140,000	20,000	2,395,272	154,630	694,945	3,404,847
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	(140,000)	(20,000)	(2,395,272)	(154,630)	(694,945)	(3,404,847)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer In	49,539	49,539	1,892,892	-	-	1,991,970
Total Other Financing Sources (Uses)	49,539	49,539	1,892,892	-	-	1,991,970
<b>NET CHANGE IN FUND BALANCE</b>	(90,461)	29,539	(502,380)	(154,630)	(694,945)	(1,412,877)
Fund Balance - Beginning of Year, as Originally Reported	516,894	463,040	5,800,911	-	(1,757,344)	5,023,501
Restatement	432,115	432,115	-	-	-	864,230
Adjustment Custodial Fund to Capital Projects	-	-	-	309,063	-	309,063
Fund Balance - Beginning of Year, as Adjusted or Restated	949,009	895,155	5,800,911	309,063	(1,757,344)	6,196,794
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 858,548</u>	<u>\$ 924,694</u>	<u>\$ 5,298,531</u>	<u>\$ 154,433</u>	<u>\$ (2,452,289)</u>	<u>\$ 4,783,917</u>

**TOWN OF LINCOLN, RHODE ISLAND  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Eunice L. Hopkins Fund	Rufus Jenkins Fund	McDevitt Historical Cemetery Fund	Totals
<b>ASSETS</b>				
Cash	\$ 1,514	\$ 6,021	\$ 26,729	\$ 34,264
Total Assets	1,514	6,021	26,729	34,264
<b>NET POSITION</b>				
Restricted for Individuals	1,514	6,021	-	7,535
Restricted for Organizations	-	-	26,729	26,729
Total Net Position	<u>\$ 1,514</u>	<u>\$ 6,021</u>	<u>\$ 26,729</u>	<u>\$ 34,264</u>

**TOWN OF LINCOLN, RHODE ISLAND  
PRIVATE PURPOSE TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2024**

	Eunice L. Hopkins Fund	Rufus Jenkins Fund	McDevitt Historical Cemetery Fund	Totals
<b>ADDITIONS</b>				
Investment Income	\$ 3	\$ 15	\$ 67	\$ 85
Total Additions	3	15	67	85
<b>CHANGES IN NET POSITION</b>	3	15	67	85
Net Position - Beginning of Year	1,511	6,006	26,662	34,179
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,514</u>	<u>\$ 6,021</u>	<u>\$ 26,729</u>	<u>\$ 34,264</u>



**TOWN OF LINCOLN, RHODE ISLAND  
TAX COLLECTORS ANNUAL REPORT  
YEAR ENDED JUNE 30, 2024**

<u>Tax Roll Year</u>	<u>Balance July 1, 2023</u>	<u>Assessment</u>	<u>Abatements and Adjustments</u>	<u>Amount to Be Collected (Credited)</u>	<u>Current Year Collections (Credits)</u>	<u>Balance June 30, 2024</u>
2023	\$ -	\$ 58,164,143	\$ (1,309,435)	\$ 56,854,708	\$ 55,267,387	\$ 1,587,321
2022	1,392,108	-	(1,649,073)	(256,965)	(747,126)	490,161
2021	572,927	-	(12,222)	560,705	206,883	353,822
2020	286,016	-	(12,364)	273,652	51,299	222,353
2019	318,577	-	(23,689)	294,888	27,358	267,530
2018	188,631	-	(12,457)	176,174	15,470	160,704
2017	142,281	-	(275)	142,006	7,296	134,710
2016	128,508	-	(373)	128,135	4,700	123,435
2015	127,014	-	-	127,014	5,630	121,384
2014	114,685	-	-	114,685	3,280	111,405
2013 and Prior	<u>612,485</u>	<u>-</u>	<u>(266,571)</u>	<u>350,761</u>	<u>1,330</u>	<u>354,278</u>
Total	3,883,232	<u>\$ 58,164,143</u>	<u>\$ (3,286,459)</u>	<u>\$ 58,765,763</u>	<u>\$ 54,843,507</u>	3,927,103
Less: Allowance for Uncollectible Accounts	<u>(571,764)</u>					<u>(1,011,393)</u>
Total	<u>\$ 3,311,468</u>					<u>\$ 2,915,710</u>

**TOWN OF LINCOLN, RHODE ISLAND  
TAX COLLECTORS ANNUAL REPORT (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

FY24 Tax Collection Summary				Schedule of Property Valuation Assessed as of December 31, 2022			
Tax Roll Year	Collections Subject to 60-Day FY23 Accrual	Sept - June 2024 Collections	Total FY24 Cash Collections	FY24 Cash Collections Collections Subject to 60-Day FY24		Valuation	Levy
2023	\$ -	\$ 54,226,636	\$ 54,226,636	\$ 447,598	Real Property	\$ 3,817,665,119	\$ 69,519,947
2022	479,222	(180,631)	298,590	46,910			
2021	15,721	190,238	205,959	23,873	Tangible Personal Property	181,815,170	5,467,182
2020	6,134	44,995	51,129	11,769			
2019	4,982	22,208	27,190	4,663	Total	3,999,480,289	74,987,129
2018	1,375	13,869	15,244	3,587	Less Exemptions and Motor		
2017	852	6,981	7,833	2,595	Vehicle Phase Out:		
2016	10	4,518	4,528	1,760	Real Property	(1,021,535,255)	(16,858,333)
2015	-	4,269	4,269	467			
2014	-	3,335	3,335	1,951	Total	\$ 2,977,945,034	\$ 58,128,796
2013 and Prior	-	603	603	181			
	<u>\$ 508,296</u>	<u>\$ 54,337,020</u>	<u>\$ 54,845,316</u>	<u>\$ 545,352</u>			

Note: Current year collections excludes interest collected.

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 54,845,316
60-Day FY24 Accrual July - August 2024 Collections	545,352
60-Day FY23 Accrual July - August 2023 Collections	<u>(508,296)</u>
Total	<u>\$ 54,882,372</u>

## **OTHER SUPPLEMENTARY INFORMATION**

The Annual Supplemental Transparency Report Schedules

Required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) – Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

**TOWN OF LINCOLN, RHODE ISLAND  
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)  
FISCAL YEAR ENDED JUNE 30, 2024**

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 57,569,698	\$ -
Last Year's Levy Tax Collection	(133,722)	-
Prior Years Property Tax Collection	341,858	-
Interest & Penalty	379,489	-
PILOT & Tax Treaty (excluded from levy) Collection	161,282	-
Other Local Property Taxes	-	-
Licenses and Permits	40,432	-
Fines and Forfeitures	1,819	-
Investment Income	281,374	-
Departmental	1,497,799	-
Rescue Run Revenue	1,192,116	-
Police & Fire Detail	1,769,508	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	276,105
Impact Aid	-	-
Medicaid	-	544,728
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	92,401
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,270,442
COVID - ESSER	-	1,892,497
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	70,984	-
COVID - Other	-	-
COVID - ARPA	1,563,631	11,750
MV Excise Tax Reimbursement	5,683,016	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	259,616	-
Library Construction Aid	-	-
Public Service Corporation Tax	297,074	-
Meals & Beverage Tax / Hotel Tax	1,157,164	-
LEA Aid	-	17,690,755
Group Home	-	-
Housing Aid Capital Projects	3,385,729	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	26,443
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	7,716,850	51,101
Motor Vehicle Phase Out	-	-
Other Revenue	95,308	2,070,837
Local Appropriation for Education	-	44,437,403
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 83,331,025</b>	<b>\$ 69,364,462</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	1,125,775	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 1,125,775</b>	<b>\$ -</b>

**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FISCAL YEAR ENDED JUNE 30, 2024**

<u>EXPENDITURES</u>	<u>General Government</u>	<u>Finance</u>	<u>Social Services</u>	<u>Centralized IT</u>	<u>Planning</u>	<u>Libraries</u>	<u>Public Works</u>	<u>Parks and Rec</u>	<u>Police Department</u>
Compensation- Group A	\$ 596,400	\$ 534,815	\$ 303,430	\$ 76,836	\$ 152,553	\$ 708,034	\$ 2,618,731	\$ 345,092	\$ 3,111,524
Compensation - Group B	-	-	-	-	-	-	-	-	93,181
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	1,203	4,791	2,161	-	-	2,699	152,449	7,325	78,595
Overtime - Group B	-	-	-	-	-	-	-	-	216
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	987,621
Active Medical Insurance - Group A	128,242	98,657	71,896	6,645	34,783	156,456	646,250	15,669	593,938
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	25,228
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	6,323	3,450	2,243	742	1,337	4,526	23,904	505	22,321
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	953
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	44,038	37,102	22,925	7,026	11,394	53,479	203,966	26,970	378,806
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	6,769
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,878	-	-	-	-	-	-	-	122,826
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	1,430,046
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	8,116	7,648	-	-	9,519	30,414	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	66,101	53,680	14,498	7,190	15,160	73,689	287,480	18,497	12,906
Purchased Services	141,865	106,842	34,165	6,541	7,492	43,998	195,432	-	361,330
Materials/Supplies	12,470	11,863	25,769	-	697	190,365	26,423	43,718	64,647
Software Licenses	7,000	-	-	162,395	-	-	486	-	38,465
Capital Outlays	-	-	-	-	-	-	3,113,181	-	518,313
Insurance	442,632	-	-	-	-	-	-	-	-
Maintenance	-	-	32,721	-	-	10,084	127,968	110,939	107,155
Vehicle Operations	-	-	-	-	55	-	735,058	5,281	161,730
Utilities	-	-	51,622	1,800	-	36,522	82,470	45,395	18,424
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	466,080	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	273,420	-	-
Trash Removal & Recycling	-	-	-	-	-	-	456,555	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	206,349	20,020	6,540	17,380	8,435	731	7,181	21,705	46,464
Tipping Fees	-	-	-	-	-	-	506,379	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,656,501</b>	<b>\$ 879,336</b>	<b>\$ 575,618</b>	<b>\$ 286,555</b>	<b>\$ 231,906</b>	<b>\$ 1,290,102</b>	<b>\$ 9,953,827</b>	<b>\$ 641,096</b>	<b>\$ 8,181,458</b>

**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FISCAL YEAR ENDED JUNE 30, 2024**

<u>EXPENDITURES</u>	<u>Fire Department</u>	<u>Centralized Dispatch</u>	<u>Public Safety Other</u>	<u>Education Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total Municipal</u>	<u>Education Department</u>
Compensation- Group A	\$ -	\$ 378,214	\$ 1,189,943	\$ -	\$ -	\$ -	\$ 10,015,572	\$ 28,242,409
Compensation - Group B	-	54,046	-	-	-	-	147,227	2,215,112
Compensation - Group C	-	-	-	-	-	-	-	5,951,092
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	464,958	-	-	-	714,181	-
Overtime - Group B	-	-	-	-	-	-	216	-
Overtime - Group C	-	-	-	-	-	-	-	117,290
Police & Fire Detail	-	-	-	-	-	-	987,621	-
Active Medical Insurance - Group A	-	67,331	323,319	-	-	-	2,143,186	4,355,672
Active Medical Insurance- Group B	-	-	-	-	-	-	25,228	308,526
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,871,281
Active Dental insurance- Group A	-	3,385	12,296	-	-	-	81,032	186,741
Active Dental Insurance- Group B	-	-	-	-	-	-	953	11,551
Active Dental Insurance- Group C	-	-	-	-	-	-	-	77,465
Payroll Taxes	-	34,171	121,742	-	-	-	941,619	920,784
Life Insurance	-	-	-	-	-	-	-	330,668
State Defined Contribution- Group A	-	-	-	-	-	-	6,769	713,979
State Defined Contribution - Group B	-	-	-	-	-	-	-	54,486
State Defined Contribution - Group C	-	-	-	-	-	-	-	3,534
Other Benefits- Group A	-	-	29,060	-	-	-	155,764	174,789
Other Benefits- Group B	-	-	-	-	-	-	-	3,081
Other Benefits- Group C	-	-	-	-	-	-	-	4,601
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	1,430,046	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	535,889
State Defined Benefit Pension- Group A	-	-	310,492	-	-	-	366,189	4,186,607
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	314,851
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	23,674
Other Defined Benefit / Contribution	-	36,032	14,438	-	-	-	599,671	-
Purchased Services	-	-	71,661	-	-	-	969,326	12,290,801
Materials/Supplies	-	-	52,551	-	-	-	428,503	1,571,153
Software Licenses	-	-	-	-	-	-	208,346	192,688
Capital Outlays	336,346	-	-	-	-	-	3,967,840	1,772,128
Insurance	-	-	-	-	-	-	442,632	603,119
Maintenance	-	-	22,400	-	-	-	411,267	338,953
Vehicle Operations	-	-	92,935	-	-	-	995,059	72,584
Utilities	-	-	40,650	-	-	-	276,883	1,288,041
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	466,080	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	273,420	-
Trash Removal & Recycling	-	-	-	-	-	-	456,555	-
Claims & Settlements	-	-	-	-	-	-	-	50,411
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	23,727	-	-	-	358,532	920,264
Tipping Fees	-	-	-	-	-	-	506,379	-
Local Appropriation for Education	-	-	-	44,713,907	-	-	44,713,907	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	896,755	-	896,755	-
Municipal Debt- Interest	-	-	-	-	131,409	-	131,409	-
School Debt- Principal	-	-	-	-	4,305,000	-	4,305,000	-
School Debt- Interest	-	-	-	-	2,580,450	-	2,580,450	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	269,705
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,203,850	1,203,850	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 336,346</b>	<b>\$ 573,179</b>	<b>\$ 2,770,172</b>	<b>\$ 44,713,907</b>	<b>\$ 7,913,614</b>	<b>\$ 1,203,850</b>	<b>\$ 81,207,467</b>	<b>\$ 69,973,929</b>

Financing Uses: Transfer to Capital Funds	\$ 1,991,970	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 1,991,970</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>1,257,363</b>	<b>(609,467)</b>
<b>Fund Balance1- beginning of year</b>	<b>\$10,080,495</b>	<b>\$1,963,979</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	(864,230)	-
Misc. Adjustment	-	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>9,216,265</b>	<b>1,963,979</b>
Rounding	-	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 10,473,628</b>	<b>\$ 1,354,512</b>

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**COMBINING SCHEDULE OF REPORTABLE GOVERNMENT SERVICES WITH RECONCILIATION TO MTP2**  
**MUNICIPAL**  
**FISCAL YEAR ENDED JUNE 30, 2024**

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023</b>						\$ 10,080,495	(864,230)	\$ 9,216,265	
<i>No funds removed from RGS for fiscal 2023</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2023</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2023</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024 adjusted</b>						<u>\$ 10,080,495</u>	<u>-</u>	<u>\$ 9,216,265</u>	
General Fund	\$ 79,997,886	\$ 1,125,775	\$ 33,522,773	\$ 46,705,877	\$ 895,011	\$ 9,448,190	\$ (864,230)	\$ 8,583,960	\$ 9,478,971
Police Detail	1,769,508	-	1,407,156	-	362,352	632,305	-	632,305	994,657
American Rescue Plan Fund	1,563,631	-	1,563,631	-	-	-	-	-	-
<b>Totals per audited financial statements</b>	<u>\$ 83,331,025</u>	<u>\$ 1,125,775</u>	<u>\$ 36,493,560</u>	<u>\$ 46,705,877</u>	<u>\$ 1,257,363</u>	<u>\$ 10,080,495</u>	<u>\$ (864,230)</u>	<u>\$ 9,216,265</u>	<u>\$ 10,473,628</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 44,713,907.00	\$ (44,713,907.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 83,331,025</u>	<u>\$ 1,125,775</u>	<u>\$ 81,207,467</u>	<u>\$ 1,991,970</u>	<u>\$ 1,257,363</u>	<u>\$ 10,080,495</u>	<u>\$ (864,230)</u>	<u>\$ 9,216,265</u>	<u>\$ 10,473,628</u>

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**COMBINING SCHEDULE OF REPORTABLE GOVERNMENT SERVICES WITH RECONCILIATION TO MTP2**  
**EDUCATION DEPARTMENT**  
**FISCAL YEAR ENDED JUNE 30, 2024**

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023</b>						\$ 1,963,979	-	\$ 1,963,979	
<i>No misc. adjustments made for fiscal 2023</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024 adjusted</b>						<u>\$ 1,963,979</u>	-	<u>\$ 1,963,979</u>	
School Unrestricted Fund	\$ 21,514,315	\$ 45,097,605	\$ 66,486,135	\$ -	\$ 125,785	\$ 245,086	\$ -	\$ 245,086	\$ 370,871
School Special Revenue Funds	6,375,819	-	7,122,700	-	(746,881)	1,718,893	-	1,718,893	972,012
<b>Totals per audited financial statements</b>	<u>\$ 27,890,134</u>	<u>\$ 45,097,605</u>	<u>\$ 73,608,835</u>	<u>\$ -</u>	<u>\$ (621,096)</u>	<u>\$ 1,963,979</u>	<u>\$ -</u>	<u>\$ 1,963,979</u>	<u>\$ 1,342,883</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 44,713,907	\$ (44,713,907)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,129,244)	-	(3,129,244)	-	-	-	-	-	-
GAAP reporting on loan proceeds for HVAC SBA Loan Project & capital outlay as a Other Source but reported as revenue on MTP2	-	(383,698)	(383,698)	-	-	-	-	-	-
School Nutrition Fund. These donated food commodities were reported as a reduction of food costs. Financial statements reports this item as revenue with an offsetting amount charged to food costs.	(110,335)	-	(110,335)	-	-	-	-	-	-
Miscellaneous variances between UCOA & FS	-	-	(11,629)	-	11,629	-	-	-	11,629
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 69,364,462</u>	<u>\$ -</u>	<u>\$ 69,973,929</u>	<u>\$ -</u>	<u>\$ (609,467)</u>	<u>\$ 1,963,979</u>	<u>\$ -</u>	<u>\$ 1,963,979</u>	<u>\$ 1,354,512</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Miscellaneous variance between MTP2 and UCOA	-	-	-	-	-	-	-	-	-
<b>Totals per UCOA Validated Totals Report dated 5/9/2025</b>	<u>\$ 69,364,462</u>		<u>\$ 69,973,929</u>						

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



**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**NOTES TO THE ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

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

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

**NOTE 2 REPORTABLE GOVERNMENT SERVICES**

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

**NOTE 3 ALLOCATIONS**

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

**TOWN OF LINCOLN, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**NOTES TO THE ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**JUNE 30, 2024**

**NOTE 4 EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS**

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

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

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

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

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

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

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

**NOTE 5 EDUCATION REVENUE AND EXPENDITURES**

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

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

**APPENDIX B**

**PROPOSED FORM OF LEGAL OPINION  
FOR THE BONDS**

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Date of Delivery

Town of Lincoln  
Lincoln, Rhode Island 02865

**Re: \$[] Town of Lincoln, Rhode Island General Obligation Bonds, 2025 Series A**

Dear Sir or Madam:

We have examined the law, a certified copy of proceedings and other papers relating to the issuance of the \$[] Town of Lincoln, Rhode Island General Obligation Bonds 2025 Series A (the "Bonds").

As to questions of fact, material to our opinion, we have relied upon representations of the Town of Lincoln contained in the certified proceedings and other certifications of public officials, furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds are valid general obligations of the Town of Lincoln, Rhode Island, enforceable in accordance with their terms in accordance with law, and all taxable property in the Town of Lincoln is subject to taxation without limitation as to rate or amount to pay the Bonds and the interest thereon.
2. Interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2025 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, although such interest will be taken into account in computing the alternative minimum tax imposed on certain corporations.

In rendering the opinions set forth in this paragraph, we have assumed compliance by the Town with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income

tax purposes. The Town has covenanted to comply with all such requirements. Failure by the Town to comply with certain of such requirements may cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. Income from the Bonds is free from taxation by the State of Rhode Island (the “State”) or any instrumentality of the State, although income from the Bonds may be included in the measure of State estate taxes and certain State corporate and business taxes.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in accordance with general equitable principles.

Very truly yours,

SAVAGE LAW PARTNERS, LLP



**SAVAGE**  
LAW PARTNERS  
LLP

SAVAGELAWPARTNERS.COM

## **APPENDIX C**

### **PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Lincoln, Rhode Island (the “Issuer”) in connection with the issuance of its \$18,740,000\* General Obligation Bonds, Series 2025 A dated their date of delivery (the “Obligations”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of Owners of the Obligations and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of the 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing Information relating to the MSRB is set forth in Exhibit A attached hereto.

“Owners of the Obligations” shall mean the registered owners, including beneficial owners, of the Obligations.

“Participating Underwriter” shall mean any of the original underwriters of the Obligations required to comply with the Rule in connection with offering of the Obligations.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, not later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted when available separately from the balance of the Annual Report.

If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB, in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report described in Section 1 shall contain or incorporate by reference the following:

\*Preliminary, subject to change

(a) quantitative information for the preceding fiscal year of the type presented in the Issuer's Official Statement dated June \_\_, 2025 relating to the Obligations, including, but not limited to (i) the revenues and expenditures of the Issuer relating to its operating budget, (ii) capital expenditures, (iii) fund balances, (iv) property tax information, (v) outstanding indebtedness and overlapping debt of the Issuer, (vi) pension obligations of the Issuer, and (vii) other post-employment benefits liability of the Issuer, and

(b) the most recently available audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles. If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year and audited financial statements for such fiscal year shall be submitted when available.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which (i) are available to the public on the MSRB internet website or (ii) have been filed with the Securities and Exchange Commission. The Issuer shall clearly identify each such other document so incorporated by reference.

#### SECTION 5. Reporting of Significant Events.

(a) The Issuer shall give notice, in accordance with the provisions of this Section 5, of the occurrence of any of the following events with respect to the Obligations:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations.
7. Modifications to rights of the Owners of the Obligations, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the Obligations, if material.
11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.\*

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a financial obligation of the Issue, any of which affects Owners of the Obligations, if material.\*\*

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.\*\*

(b) Upon the occurrence of a Listed Event, the Issuer shall in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance in accordance with the terms of the Obligations or payment in full of all of the Obligations. If such termination occurs prior to the final maturity of the Obligations, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

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\* As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

\*\* For the purposes of event number 15 and 16 in Section 5(a) of this Disclosure Certificate, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may include bond counsel to the Issuer), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Owner of the Obligations may seek a court order for specific performance by the Issuer of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Obligations and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action for specific performance of the Issuer's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Obligations from time to time, and shall create no rights in any other person or entity.

Date: June \_\_\_\_\_, 2025

TOWN OF LINCOLN,  
RHODE ISLAND

By : \_\_\_\_\_  
John Cimino  
Finance Director

## EXHIBIT A

Filing information relating to the Municipal Securities Rulemaking Board as follows:

Municipal Securities Rulemaking Board

<http://emma.msrb.org>

EXHIBIT B  
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:       Town of Lincoln, Rhode Island  
Name of Issue:       \$18,740,000\* General Obligation Bonds, Series 2025 A  
Date of Issuance:     June \_\_, 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Obligations as required by the Continuing Disclosure Certificate of the Issuer dated June \_\_, 2025. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

TOWN OF LINCOLN,  
RHODE ISLAND

By: \_\_\_\_\_

## **APPENDIX D**

### **TABLE OF REFUNDED BONDS**

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## TABLE OF REFUNDED BONDS

Town of Lincoln, Rhode Island

General Obligation Refunding Bonds, Series 2015A

<u>Series</u>	<u>Maturity</u> <u>Date</u>	<u>Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>	<u>CUSIP</u> <sup>†</sup>
2015 A	8/1/2025	3.500 %	\$ 2,325,000	8/1/2025	100 %	534697 VF1
2015 A	8/1/2026	5.000	2,425,000	8/1/2025	100	534697 VG9

† The CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the Refunded Bonds. Neither the Underwriter, the Financial Advisor, nor the Town is responsible for the selection or use of the CUSIP numbers, and no representation is made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as to the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.

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