

# Cranston

## Bond Ratings (as of February 2003)

**Moody's: Ba1**

**Fitch: BB-**

**Standard & Poor's: B**

In order to assess a community's financial condition, credit rating agencies focus on measuring a community's available resources to meet existing and projected obligations. The following indicators were developed to gauge these factors in order to provide an overview of a community's relative fiscal health. Taxpayers should not focus on any singular measure. Rather, they should evaluate their community's overall fiscal health using a range of the indicators discussed below.

The **General Fund balance as a percentage of the General Fund operating revenues** declined from 4.3% by the beginning of FY 2001 to -2.9% by the end of the year. One should note that some municipalities include school revenues and expenditures in a Special Revenue Fund and not in the General Fund. Therefore, this indicator doesn't include these revenues and expenditures for those communities. Hence, this indicator should not be used as a comparison among communities.

Cranston has an **unfunded private municipal pension liability** in the amount of \$190,994,000 as of July 1, 2001. The city participates in the Municipal Employees' Retirement System of the State of Rhode Island and has a pension funding surplus of \$30,312,135 in FY 2000.

The **estimated effective tax rate**, which is a tool to compare the overall property tax burden in each community is \$24.44 as of December 31, 1999, not taking into account the homestead provision. The state median is \$22.27. The tax levy as a percentage of the estimated full value is 2.5%. The state median is 2.2%.

The **outstanding long-term debt** per capita is \$2,265 and \$103 per \$1,000 of Personal Income. The statewide average is \$1,912 per capita and \$88 per \$1,000 of Personal Income. The outstanding debt as a percentage of estimated full value is 4.3%, while the statewide average is 3.3%.

Cranston's bond rating of Ba1 by Moody's and BB- by Fitch is considered "non investment grade". Standard & Poor's bond rating of B is considered "highly speculative." The General Fund balance as a percentage of the General Fund operating revenues declined during FY 2001. The city has an unfunded private municipal pension liability of \$190,994,000 as of July 1, 2001. The outstanding long-term debt per capita is 18.5% above the statewide average, ranking the city 7th within the state. The property tax burden, as estimated by the effective tax rate, ranks the city eighth in the state in FY 2001, not taking into account the homestead provision.

All municipal audits are required to be completed no later than six months after the close of the fiscal year. The Office of the Auditor General has discretion to grant extensions of up to three months after the legal deadline. Cranston's audit report for FY 2000 was submitted ten months after the extension period and the audit report for FY 2001 was submitted two months after the extension period.

### General Information

Form of Government	Mayor-Council
Population 2000	79,267
Personal Income Per Capita CY 2000	\$21,978

### Property Tax Data FY 2001 (Assessment as of 12/31/1999)

Estimated Full Value	\$4,163,281,358
Property tax collection rate	96.3%
Tax Rates by Class:	
Residential RE Tax Rate	\$31.74
Homestead Provision	30.0%
Commercial RE Tax Rate	31.74
Inventory Tax Rate	25.39
Motor Vehicle Tax Rate	42.44
Personal Property Tax Rate	31.74
Estimated Effective Tax Rate	24.44
State Median	22.27
Tax Levy as Percentage of Full Value	2.5%
State Median	2.2%

