

**TOWN OF CUMBERLAND, RHODE ISLAND**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

# TOWN OF CUMBERLAND, RHODE ISLAND

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the Town Council  
**Town of Cumberland, Rhode Island**

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, 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 (*Government Auditing Standards*). 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 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.

### Responsibilities of Management for the Financial Statements

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

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'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'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'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, presented on pages 5 through 14, and required supplementary information presented on pages 99 through 123, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information on pages 124 through 175, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these 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 auditing standards generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the Town of Cumberland'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'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 the Town's internal control over financial reporting and compliance.

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

Providence, RI  
December 28, 2023

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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As management of the Town of Cumberland, Rhode Island, we offer readers of the Town of Cumberland's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2023. The information complements the data presented in the basic financial statements and is intended to enhance the reader's understanding of the Town's financial performance.

### Financial Highlights:

- The assets and deferred outflows of resources for the Town of Cumberland exceeded its liabilities and deferred inflows of resources at the end of the fiscal year ended June 30, 2023 by \$72,180,852 for its Governmental Activities and \$26,126,664 for its Business-Type Activities (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town's total net position increased by \$14,986,654 for its Governmental Activities and decreased by \$600,313 for its Business-Type Activities, respectively, as compared to the previous year.
- As of the close of the current fiscal year, the Town of Cumberland's total governmental funds reported combined ending fund balances of \$26.4 million a decrease of \$23.6 million from the previous year. This decrease is predominately attributed to the school renovation fund which had a current year surplus of \$16.4 million due to the recognition of bond anticipation note proceeds.
- At the end of the current fiscal year, the total fund balance of the General Fund was \$23.4 million, or 24.6% of total general fund expenditures and other net financing uses. Of this amount, the unassigned fund balance for the General Fund was \$13.1 million, which is available for spending at the Town's discretion.
- The remaining balance consisted of:
  - \$4,576,596 non-spendable, of which \$4,324,254 are funds advanced to the Water Fund and \$252,342 are prepaid items.
  - Restricted Funds of \$20,105,288 which consists of \$16,420,263 of School Bond Renovation Funds School Special Revenue Grant Funds in the amount of \$2,000,823, Capital Projects Funds of \$30,009 and Town Special Revenue Grant Funds of \$1,654,193.
  - Committed Funds of \$7,686,642 which consists of the School Unrestricted Fund balance of \$5,365,692, Sewer funds of \$509,186, Capital Projects of \$20,487 and Town Special Revenue Funds of \$1,791,277.

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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- Assigned Funds of \$5,712,386 which consists of \$2,382,695 of revenue stabilization funds, town capital project funds of \$1,420,772, school capital project funds of \$600,000, debt service funds of \$550,000, community and economic funds of \$314,583, senior center funds of \$58,630, office of children youth and learning funds of \$164,674, library funds of \$33,042 and recreation program funds of \$187,990.

### Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Town of Cumberland's basic financial statements, which are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to basic financial statements

This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements** – The government-wide financial statements are designed to provide readers with a broad overview of the Town of Cumberland's finances, in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenses are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from the business-type activities that are supported by user fees and charges. The governmental activities of the Town include public safety, public works, parks and recreation education, library, community development, and general government. The business-type activities of the Town include its water fund.

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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Government-wide financial statements (statement of net position and statement of activities) are on pages 15-18 of this report.

### Fund Financial Statements

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

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term (current) inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Cumberland maintains one hundred and twenty four (124) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, School Unrestricted Fund, Public Safety Bond Fund, Sewer Fund, and School Renovations Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Basic Governmental Fund Financial Statements are on pages 19-22 of this report.

The Town of Cumberland adopts an annual budget for its General Fund and School Unrestricted Fund.

A Budgetary comparison statement has been provided on pages 115 through 123.

**Proprietary Funds:** The Town of Cumberland maintains one type of proprietary fund: Enterprise Funds. Enterprise Funds are used to report the same functions presented as business-

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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type activities in the government-wide financial statements, only in more detail. The Town of Cumberland uses enterprise funds to account for its water fund.

Basic proprietary fund financial statements can be found on pages 23-25 of this report.

***Fiduciary Funds:*** Fiduciary funds are used to account for resources held for 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 of Cumberland's own programs. The Town maintains three types of fiduciary funds: Custodial Funds, Employee Benefit Trust Funds and Private Purpose Trust Funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

Basic fiduciary fund financial statements can be found on pages 26-27 of this report.

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

Notes to the Financial Statements can be found on pages 28-98 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Cumberland's progress in funding its obligations to provide pension and other postemployment benefits to its employees.

Required supplementary information can be found on pages 99-123 of this report.

Combining Statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information on pages 124-175 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Cumberland, Rhode Island, liabilities, and deferred inflows of resources for the Town were exceeded by its assets and deferred outflows of resources by \$98,307,516 at the end of the fiscal year ended June 30, 2023.

The Town of Cumberland's unrestricted net deficit at June 30, 2023 is \$(30,865,540). Consistent with prior year, the Town of Cumberland has significant investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

outstanding. The Town of Cumberland uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of \$33.6 million is subject to external restrictions on how it may be used.

*Listed below is a comparison of the current and prior fiscal years.*

### Town of Cumberland Summary of Net Position

|                                  | <u>Government Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total</u>         |                      | <u>Percent<br/>Change</u> |
|----------------------------------|------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|---------------------------|
|                                  | <u>2023</u>                  | <u>2022</u>          | <u>2023</u>                     | <u>2022</u>          | <u>2023</u>          | <u>2022</u>          |                           |
| Current & other assets           | \$ 106,390,686               | \$ 112,515,857       | \$ (248,516)                    | \$ 1,561,309         | \$ 106,142,170       | \$ 114,077,166       | -7.0%                     |
| Capital assets                   | <u>151,297,749</u>           | <u>124,631,502</u>   | <u>41,617,901</u>               | <u>41,843,010</u>    | <u>192,915,650</u>   | <u>166,474,512</u>   | 15.9%                     |
| Total assets                     | <u>257,688,435</u>           | <u>237,147,359</u>   | <u>41,369,385</u>               | <u>43,404,319</u>    | <u>299,057,820</u>   | <u>280,551,678</u>   | 6.6%                      |
| Deferred outflows of resources   | <u>30,982,088</u>            | <u>21,938,937</u>    | <u>--</u>                       | <u>--</u>            | <u>30,982,088</u>    | <u>21,938,937</u>    | 41.2%                     |
| Current liabilities              | 67,311,311                   | 49,181,310           | 1,232,903                       | 1,635,324            | 68,544,214           | 50,816,634           | 34.9%                     |
| Long-term liabilities            | <u>123,756,437</u>           | <u>119,591,048</u>   | <u>14,009,818</u>               | <u>15,042,018</u>    | <u>137,766,255</u>   | <u>134,633,066</u>   | 2.3%                      |
| Total liabilities                | <u>191,067,748</u>           | <u>168,772,358</u>   | <u>15,242,721</u>               | <u>16,677,342</u>    | <u>206,310,469</u>   | <u>185,449,700</u>   | 11.2%                     |
| Deferred inflows of resources    | <u>25,421,923</u>            | <u>33,119,440</u>    | <u>--</u>                       | <u>--</u>            | <u>25,421,923</u>    | <u>33,119,440</u>    | -23.2%                    |
| Net investment in capital assets | 67,513,281                   | 83,001,849           | 28,046,903                      | 27,382,172           | 95,560,184           | 110,384,021          | -13.4%                    |
| Restricted                       | 32,176,512                   | 17,539,096           | 1,436,360                       | 1,390,940            | 33,612,872           | 18,930,036           | 77.6%                     |
| Unrestricted                     | <u>(27,508,941)</u>          | <u>(43,346,447)</u>  | <u>(3,356,599)</u>              | <u>(2,046,135)</u>   | <u>(30,865,540)</u>  | <u>(45,392,582)</u>  | -32.0%                    |
| Total net position               | <u>\$ 72,180,852</u>         | <u>\$ 57,194,498</u> | <u>\$ 26,126,664</u>            | <u>\$ 26,726,977</u> | <u>\$ 98,307,516</u> | <u>\$ 83,921,475</u> | 17.1%                     |

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

### Governmental Activities

Governmental Activities net position increased by \$14,986,354. Property taxes are the largest revenue source for governmental activities, accounting for 54.5% of total revenues while operating grants and contributions contributed to 32.4% of the revenues. A comparison of FY 2023 and FY 2022 activity can be found below:

#### Town of Cumberland Summary of Changes in Net Position

|   | <u>Government Activities</u> |                      | <u>Business-Type Activities</u> |                      | <u>Total</u>         |                      |                |
|---|------------------------------|----------------------|---------------------------------|----------------------|----------------------|----------------------|----------------|
|   | 2023                         | 2022                 | 2023                            | 2022                 | 2023                 | 2022                 | Percent Change |
| <b>Revenues</b>                           |                              |                      |                                 |                      |                      |                      |                |
| Program revenues:                         |                              |                      |                                 |                      |                      |                      |                |
| Charges for services                      | \$ 7,354,204                 | \$ 7,923,803         | \$ 6,181,702                    | \$ 4,925,739         | \$ 13,535,906        | \$ 12,849,542        | 5.3%           |
| Operating grants                          | 37,779,086                   | 38,830,307           | --                              | --                   | 37,779,086           | 38,830,307           | -2.7%          |
| Capital grants                            | 5,254,273                    | 686,595              | --                              | --                   | 5,254,273            | 686,595              | 665.3%         |
| General revenues:                         |                              |                      |                                 |                      |                      |                      |                |
| Property taxes                            | 72,328,234                   | 72,127,521           | --                              | --                   | 72,328,234           | 72,127,521           | 0.3%           |
| State aid town                            | 7,565,677                    | 4,128,226            | --                              | --                   | 7,565,677            | 4,128,226            | 83.3%          |
| State aid to education                    | 1,909,848                    | 1,873,793            | --                              | --                   | 1,909,848            | 1,873,793            | 1.9%           |
| Unrestricted investment earnings          | 553,524                      | --                   | --                              | --                   | 553,524              | --                   | 100.0%         |
| Other                                     | 36,032                       | 520,029              | 45,421                          | (153,000)            | 81,453               | 367,029              | -77.8%         |
| Total Revenue                             | <u>132,780,878</u>           | <u>126,090,274</u>   | <u>6,227,123</u>                | <u>4,772,739</u>     | <u>139,008,001</u>   | <u>130,863,013</u>   | <u>6.2%</u>    |
| <b>Program Expenses</b>                   |                              |                      |                                 |                      |                      |                      |                |
| General government                        | 5,896,379                    | 1,091,047            | --                              | --                   | 5,896,379            | 1,091,047            | 440.4%         |
| Community development                     | 431,416                      | 531,856              | --                              | --                   | 431,416              | 531,856              | -18.9%         |
| Public safety                             | 13,420,100                   | 12,474,365           | --                              | --                   | 13,420,100           | 12,474,365           | 7.6%           |
| Public works                              | 9,618,199                    | 8,608,832            | --                              | --                   | 9,618,199            | 8,608,832            | 11.7%          |
| Public libraries                          | 2,733,707                    | 2,879,121            | --                              | --                   | 2,733,707            | 2,879,121            | -5.1%          |
| Education                                 | 82,713,155                   | 83,152,347           | --                              | --                   | 82,713,155           | 83,152,347           | -0.5%          |
| Parks and recreation                      | 1,041,281                    | 1,385,542            | --                              | --                   | 1,041,281            | 1,385,542            | -24.8%         |
| Interest on long-term debt                | 2,025,287                    | 1,697,457            | --                              | --                   | 2,025,287            | 1,697,457            | 19.3%          |
| Water                                     | --                           | --                   | 6,742,436                       | 5,836,107            | 6,742,436            | 5,836,107            | 15.5%          |
| Total Program Expenses                    | <u>117,879,524</u>           | <u>111,820,567</u>   | <u>6,742,436</u>                | <u>5,836,107</u>     | <u>124,621,960</u>   | <u>117,656,674</u>   | <u>5.9%</u>    |
| Change in net position prior to transfers | 14,901,354                   | 14,269,707           | (515,313)                       | (1,063,368)          | 14,386,041           | 13,206,339           | 8.9%           |
| Transfers                                 | 85,000                       | 85,000               | (85,000)                        | (85,000)             | --                   | --                   | 0.0%           |
| Change in net position                    | 14,986,354                   | 14,354,707           | (600,313)                       | (1,148,368)          | 14,386,041           | 13,206,339           | 8.9%           |
| Net Position - Beginning                  | <u>57,194,498</u>            | <u>42,839,791</u>    | <u>26,726,977</u>               | <u>27,875,345</u>    | <u>83,921,475</u>    | <u>70,715,136</u>    | <u>18.7%</u>   |
| Net Position - Ending                     | <u>\$ 72,180,852</u>         | <u>\$ 57,194,498</u> | <u>\$ 26,126,664</u>            | <u>\$ 26,726,977</u> | <u>\$ 98,307,516</u> | <u>\$ 83,921,475</u> | <u>17.1%</u>   |

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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- Property taxes revenue increased \$200,713 or 0.3% for fiscal year 2023 due to the Town's revaluation increasing the assessed value of property for the Town offset by the Town no longer assessing motor vehicle excises taxes. State aid for motor vehicles excise phase out increased by \$3,432,140 or 130.0% from the prior year.
- Charges for services increased by \$686,364 or 5.3%. This is primarily a result of increased public works charges for building permits and other associated fines as well as increased school lunch fund revenue.
- Grant Income (Operation and Capital) saw a combined increase of \$3,516,457 or 8.9%. Increases relate primarily to CARES act education grants and ARPA funds recognized in FY2023.
- Education expenses account for approximately 70.7% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 10.6% and 7.3%, respectively, public libraries makes up 2.5% and the remainder relates to the general government, interest on long-term debt and other areas.

**Business-Type Activities:** Net position of business-type activities (the Water Fund) decreased by \$600,313 which is a 2.2% decrease in business-type activities net position.

Charges for services for Water Fund increased \$1,255,963 or 25.5% while expenses increased \$906,329 or 15.5%.

### Financial Analysis of the Government's Funds

As noted earlier, the Town of Cumberland 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. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current fiscal year, the Town of Cumberland's governmental funds reported combined ending fund balances of \$2.0 million.

**General Fund.** 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 \$13.1 million, which is included in the total fund balance of \$23.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.5% of the 2023 Adopted General Fund Expenditure Budget.

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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The total fund balance of the Town's General Fund decreased by \$216,323 during the current fiscal year.

**School Unrestricted Fund:** The school fund has a total fund balance of \$5.4 million. The total fund balance of the School Unrestricted Fund increased by \$969,174 thousand during the current fiscal year.

### General Fund Budgetary Highlights

The Town finished the 2022-2023 Fiscal Year with budgetary surpluses (deficits) as follows:

- General Fund - \$119,597
- School Unrestricted Fund - \$969,174
- Sewer Fund - \$117,339
- Water Fund – (\$665,798)

Differences between the original budget and the final amended budget for the General Fund were in both the revenue and expenditure section. The Town continues to increase collection efforts on prior year taxes with tax revenue received over anticipated budget by \$553,269. Federal and State funds, primarily associated with Covid pandemic increased intergovernmental funds. Fringe benefit expenditures were over budget \$88,139.

### Capital Asset and Debt Administration:

**Capital Assets** – The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$192,915,650 (net of accumulated depreciation). This investment in capital assets includes investments in land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross increased in the Town's investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$30,597,010.

|                            | <b>Gross Governmental Capital Assets</b> |                       |
|----------------------------|--|-----------------------|
|                            | <b>June 30, 2023</b>                     | <b>June 30, 2022</b>  |
| Land                       | \$ 23,431,923                            | \$ 23,431,923         |
| Work in progress           | 37,773,420                               | 10,824,128            |
| Land improvements          | 4,610,307                                | 4,435,691             |
| Infrastructure             | 37,955,110                               | 37,945,110            |
| Buildings and improvements | 103,346,977                              | 102,737,357           |
| Machinery and equipment    | 9,638,181                                | 6,999,591             |
| Vehicles                   | 6,601,740                                | 6,386,848             |
|                            | <u>\$ 223,357,658</u>                    | <u>\$ 192,760,648</u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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Major capital asset events during the current fiscal year included the following:

- School Improvements from bond fund
- School capital equipment
- Street pavement and road infrastructure improvements
- Cumberland Community Center planning
- Various parks and playgrounds
- Diamond Hill Trailhead facilities

Information on the Town of Cumberland's capital assets can be found in Note 5 of this report.

**Long-term Debt** – At the end of the current fiscal year, the Town of Cumberland's governmental activities had \$16,335,000 in bonds outstanding, compared to \$18,555,000 last year, a decrease of \$2,220,000. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2023, the Town had a legal debt limit of \$171,142,833, based on net assessed valuations as of December 31, 2021. As of June 30, 2023, the Town had outstanding debt subject to the 3% debt limit of \$16,335,000.

The Town's general obligation bond ratings are Aa3 (Stable) from Moody's Investors Service and AA+ (Stable) from S&P Global Ratings.

Information on the Town of Cumberland's long-term debt can be found in Note 7 of this report.

### General Economic Factors

The October 2023 unemployment rate (not seasonally adjusted) for the Town of Cumberland was 2.4%, which compares favorably to the unemployment rate of the State of Rhode Island at 2.8% and favorably to the national rate of 3.9% from the same period. According to the most recent census data the median family income of the Town was \$104,613, compared to the State average of \$74,489. The median family income in the Town increased from \$63,194 in 2000, an increase of 65.5%. The Town's median family income ranks fifth among Rhode Island cities and towns.

The per capita income of the Town of Cumberland was \$46,179, compared to \$39,603 for the state in the 2017 – 2021 period. Per capita income in the Town increased from \$25,592 in 2000, an increase of 80.4%.

# TOWN OF CUMBERLAND, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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**Requests for Information:** The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have any questions about this report or need additional financial information, please contact the Finance Director, Cumberland Town Hall, 45 Broad Street, Cumberland, RI 02864.

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF NET POSITION

JUNE 30, 2023

|   | Primary Government         |                             |                    |
|---|----------------------------|-----------------------------|--------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total              |
| <b>Assets</b>                                   |                            |                             |                    |
| <b>Current Assets</b>                           |                            |                             |                    |
| Cash and cash equivalents                       | \$ 35,425,816              | \$ 982,492                  | \$ 36,408,308      |
| Restricted cash                                 | 9,925,441                  | 1,436,360                   | 11,361,801         |
| Investments                                     | 220,559                    | --                          | 220,559            |
| Funds on deposit                                | 444,201                    | --                          | 444,201            |
| Tax receivable, net                             | 35,821,513                 | --                          | 35,821,513         |
| Accounts receivable, net                        | 3,058,466                  | 275,637                     | 3,334,103          |
| Sewer use and assessment receivable             | 668,274                    | --                          | 668,274            |
| Due from federal and state governments          | 2,017,025                  | 1,381,249                   | 3,398,274          |
| Prepays and other assets                        | 2,413,913                  | --                          | 2,413,913          |
| <b>Total Current Assets</b>                     | <u>89,995,208</u>          | <u>4,075,738</u>            | <u>94,070,946</u>  |
| <b>Noncurrent Assets</b>                        |                            |                             |                    |
| Internal balances                               | 4,324,254                  | (4,324,254)                 | --                 |
| Net pension asset                               | 12,071,224                 | --                          | 12,071,224         |
| Capital assets not being depreciated            | 61,205,343                 | 1,278,804                   | 62,484,147         |
| Capital assets, net of accumulated depreciation | 90,092,406                 | 40,339,097                  | 130,431,503        |
| <b>Total Noncurrent Assets</b>                  | <u>167,693,227</u>         | <u>37,293,647</u>           | <u>204,986,874</u> |
| <b>Total Assets</b>                             | <u>257,688,435</u>         | <u>41,369,385</u>           | <u>299,057,820</u> |
| <b>Deferred Outflows of Resources</b>           |                            |                             |                    |
| Pension related deferred outflows of resources  | 29,859,855                 | --                          | 29,859,855         |
| OPEB related deferred outflows of resources     | 1,122,233                  | --                          | 1,122,233          |
| <b>Total Deferred Outflows of Resources</b>     | <u>30,982,088</u>          | <u>--</u>                   | <u>30,982,088</u>  |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

|   | Primary Government         |                             |                      |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                |
| <b>Liabilities</b>                            |                            |                             |                      |
| <b>Current Liabilities</b>                    |                            |                             |                      |
| Accounts payable and accrued expenses         | 4,099,135                  | 186,751                     | 4,285,886            |
| Bond anticipation note                        | 48,000,000                 | --                          | 48,000,000           |
| Unearned revenue                              | 9,454,411                  | --                          | 9,454,411            |
| Escrow deposits                               | 46,835                     | --                          | 46,835               |
| Current portion of compensated absences       | 197,388                    | 10,372                      | 207,760              |
| Current portion of other commitments          | 17,850                     | --                          | 17,850               |
| Current portion of deferred salaries          | 50,448                     | --                          | 50,448               |
| Current portion of general obligation bonds   | 4,066,000                  | 899,730                     | 4,965,730            |
| Current portion of capital lease obligations  | 1,379,244                  | 136,050                     | 1,515,294            |
| <b>Total Current Liabilities</b>              | <u>67,311,311</u>          | <u>1,232,903</u>            | <u>68,544,214</u>    |
| <b>Noncurrent Liabilities</b>                 |                            |                             |                      |
| Compensated absences, net                     | 1,776,488                  | 93,351                      | 1,869,839            |
| Other commitments, net                        | 71,400                     | --                          | 71,400               |
| Deferred salaries, net                        | 49,374                     | --                          | 49,374               |
| General obligation bonds, net                 | 26,252,356                 | 13,830,272                  | 40,082,628           |
| Capital lease obligations, net                | 3,460,389                  | 86,195                      | 3,546,584            |
| Net pension liability                         | 71,396,243                 | --                          | 71,396,243           |
| Net OPEB liability                            | 20,750,187                 | --                          | 20,750,187           |
| <b>Total Noncurrent Liabilities</b>           | <u>123,756,437</u>         | <u>14,009,818</u>           | <u>137,766,255</u>   |
| <b>Total Liabilities</b>                      | <u>191,067,748</u>         | <u>15,242,721</u>           | <u>206,310,469</u>   |
| <b>Deferred inflows of resources</b>          |                            |                             |                      |
| Deferred sewer assessment                     | 668,274                    | --                          | 668,274              |
| Deferred gain on refunding                    | 626,479                    | --                          | 626,479              |
| Pension related deferred inflows of resources | 24,127,170                 | --                          | 24,127,170           |
| <b>Total Deferred Inflows of Resources</b>    | <u>25,421,923</u>          | <u>--</u>                   | <u>25,421,923</u>    |
| <b>Net Position</b>                           |                            |                             |                      |
| Net investment in capital assets              | 67,513,281                 | 28,046,903                  | 95,560,184           |
| Restricted:                                   |                            |                             |                      |
| Net pension asset                             | 12,071,224                 | --                          | 12,071,224           |
| School grant funds                            | 2,000,823                  | --                          | 2,000,823            |
| Town grant funds                              | 1,654,193                  | --                          | 1,654,193            |
| Capital project funds                         | 30,009                     | --                          | 30,009               |
| School renovation bond fund                   | 16,420,263                 | --                          | 16,420,263           |
| Water projects                                | --                         | 1,436,360                   | 1,436,360            |
| Unrestricted                                  | (27,508,941)               | (3,356,599)                 | (30,865,540)         |
| <b>Total Net Position</b>                     | <u>\$ 72,180,852</u>       | <u>\$ 26,126,664</u>        | <u>\$ 98,307,516</u> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED JUNE 30, 2023**

| Functions/Programs                    | Expenses              | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                     |
|---------------------------------------|-----------------------|-------------------------|--|--|--|-----------------------------|---------------------|
|                                       |                       | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                   |                             | Total               |
|                                       |                       |                         |  |  | Governmental<br>Activities                           | Business-type<br>Activities |                     |
|                                       |                       |                         |  |  |  |                             |                     |
| <b>Governmental Activities</b>        |                       |                         |  |  |  |                             |                     |
| General government                    | \$ 5,896,379          | \$ 611,057              | \$ 872,237                               | \$ --                                  | \$ (4,413,085)                                       |                             | \$ (4,413,085)      |
| Community development                 | 431,416               | --                      | --                                       | --                                     | (431,416)  |                             | (431,416)           |
| Public safety                         | 13,420,100            | 2,239,279               | 258,427                                  | 3,500                                  | (10,918,894)   |                             | (10,918,894)        |
| Public works                          | 9,618,199             | 3,046,439               | 143,698                                  | 867,518                                | (5,560,544)  |                             | (5,560,544)         |
| Public libraries                      | 2,733,707             | 13,552                  | --                                       | --                                     | (2,720,155)  |                             | (2,720,155)         |
| Education                             | 82,713,155            | 1,040,216               | 36,501,659                               | 4,380,755                              | (40,790,525)   |                             | (40,790,525)        |
| Parks and recreation                  | 1,041,281             | 403,661                 | 3,065                                    | 2,500                                  | (632,055)  |                             | (632,055)           |
| Interest on long-term debt            | 2,025,287             | --                      | --                                       | --                                     | (2,025,287)  |                             | (2,025,287)         |
| <b>Total Governmental Activities</b>  | <u>117,879,524</u>    | <u>7,354,204</u>        | <u>37,779,086</u>                        | <u>5,254,273</u>                       | <u>(67,491,961)</u>                                  |                             | <u>(67,491,961)</u> |
| <b>Business-Type Activities</b>       |                       |                         |  |  |  |                             |                     |
| Water                                 | 6,742,436             | 6,181,702               | --                                       | --                                     |  | \$ (560,734)                | (560,734)           |
| <b>Total Business-Type Activities</b> | <u>6,742,436</u>      | <u>6,181,702</u>        | <u>--</u>                                | <u>--</u>                              |  | <u>(560,734)</u>            | <u>(560,734)</u>    |
| <b>Total</b>                          | <u>\$ 124,621,960</u> | <u>\$ 13,535,906</u>    | <u>\$ 37,779,086</u>                     | <u>\$ 5,254,273</u>                    | <u>(67,491,961)</u>                                  | <u>(560,734)</u>            | <u>(68,052,695)</u> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

|   | Primary Government         |                             | Total                |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-type<br>Activities |                      |
| <b>General Revenues</b>                     |                            |                             |                      |
| Property taxes                              | 72,328,234                 | --                          | 72,328,234           |
| Motor vehicle phase-out taxes               | 6,073,469                  | --                          | 6,073,469            |
| Library state aid                           | 366,355                    | --                          | 366,355              |
| Public service corporation tax              | 479,585                    | --                          | 479,585              |
| Hotel, meals, and beverage tax              | 646,268                    | --                          | 646,268              |
| Housing aid                                 | 1,503,604                  | --                          | 1,503,604            |
| Medicaid reimbursement                      | 406,244                    | --                          | 406,244              |
| Unrestricted investment earnings            | 553,524                    | 45,421                      | 598,945              |
| Other                                       | 36,032                     | --                          | 36,032               |
| <b>Transfers in (out)</b>                   | <u>85,000</u>              | <u>(85,000)</u>             | <u>--</u>            |
| <b>Total General Revenues and Transfers</b> | <u>82,478,315</u>          | <u>(39,579)</u>             | <u>82,438,736</u>    |
| <b>Change in Net Position</b>               | 14,986,354                 | (600,313)                   | 14,386,041           |
| <b>Net Position - Beginning of Year</b>     | <u>57,194,498</u>          | <u>26,726,977</u>           | <u>83,921,475</u>    |
| <b>Net Position - End of Year</b>           | <u>\$ 72,180,852</u>       | <u>\$ 26,126,664</u>        | <u>\$ 98,307,516</u> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

|  | General<br>Fund      | School<br>Unrestricted | Sewer<br>Fund       | School<br>Renovations | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|------------------------|---------------------|-----------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>  |                      |                        |                     |                       |                                   |                                |
| Cash and cash equivalents  | \$ 31,526,721        | \$ 274,365             | \$ 937,695          | \$ --                 | \$ 2,687,035                      | \$ 35,425,816                  |
| Restricted cash  | 9,925,441            | --                     | --                  | --                    | --                                | 9,925,441                      |
| Investments  | 220,559              | --                     | --                  | --                    | --                                | 220,559                        |
| Taxes receivable, net  | 35,821,513           | --                     | --                  | --                    | --                                | 35,821,513                     |
| Other receivables, net   | 2,910,371            | 12,644                 | --                  | --                    | 135,451                           | 3,058,466                      |
| Sewer use and assessment receivable  | --                   | --                     | 668,274             | --                    | --                                | 668,274                        |
| Due from federal and state governments   | --                   | 54,197                 | --                  | --                    | 1,962,828                         | 2,017,025                      |
| Prepays  | 225,013              | 27,329                 | --                  | --                    | --                                | 252,342                        |
| Advanced to other fund   | 4,324,254            | --                     | --                  | --                    | --                                | 4,324,254                      |
| Due from other funds   | --                   | 6,536,421              | --                  | 16,420,263            | 12,836,300                        | 35,792,984                     |
| <b>Total Assets</b>  | <u>\$ 84,953,872</u> | <u>\$ 6,904,956</u>    | <u>\$ 1,605,969</u> | <u>\$ 16,420,263</u>  | <u>\$ 17,621,614</u>              | <u>\$ 127,506,674</u>          |
| <b>Liabilities</b>   |                      |                        |                     |                       |                                   |                                |
| Accounts payable and accrued liabilities                                       | \$ 344,626           | \$ 1,511,935           | \$ 99,652           | \$ --                 | \$ 756,927                        | \$ 2,713,140                   |
| Due to other funds   | 32,387,560           | --                     | 328,857             | --                    | 3,076,567                         | 35,792,984                     |
| Unearned revenue   | --                   | --                     | --                  | --                    | 9,454,411                         | 9,454,411                      |
| Escrow deposits  | --                   | --                     | --                  | --                    | 46,835                            | 46,835                         |
| <b>Total Liabilities</b>   | <u>32,732,186</u>    | <u>1,511,935</u>       | <u>428,509</u>      | <u>--</u>             | <u>13,334,740</u>                 | <u>48,007,370</u>              |
| <b>Deferred Inflows of Resources</b>   |                      |                        |                     |                       |                                   |                                |
| Deferred sewer receivable  | --                   | --                     | 668,274             | --                    | --                                | 668,274                        |
| Unavailable tax and EMS revenue  | 28,867,354           | --                     | --                  | --                    | --                                | 28,867,354                     |
| <b>Total Deferred Inflows of Resources</b>                                     | <u>28,867,354</u>    | <u>--</u>              | <u>668,274</u>      | <u>--</u>             | <u>--</u>                         | <u>29,535,628</u>              |
| <b>Fund Balances</b>   |                      |                        |                     |                       |                                   |                                |
| Non-spendable  | 4,549,267            | 27,329                 | --                  | --                    | --                                | 4,576,596                      |
| Restricted   | --                   | --                     | --                  | 16,420,263            | 3,685,025                         | 20,105,288                     |
| Committed  | --                   | 5,365,692              | 509,186             | --                    | 1,811,764                         | 7,686,642                      |
| Assigned   | 5,712,386            | --                     | --                  | --                    | --                                | 5,712,386                      |
| Unassigned   | 13,092,679           | --                     | --                  | --                    | (1,209,915)                       | 11,882,764                     |
| <b>Total Fund Balances</b>   | <u>23,354,332</u>    | <u>5,393,021</u>       | <u>509,186</u>      | <u>16,420,263</u>     | <u>4,286,874</u>                  | <u>49,963,676</u>              |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <u>\$ 84,953,872</u> | <u>\$ 6,904,956</u>    | <u>\$ 1,605,969</u> | <u>\$ 16,420,263</u>  | <u>\$ 17,621,614</u>              | <u>\$ 127,506,674</u>          |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2023

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*Amounts reported for governmental activities in the Statement of Net Position are different because of the following:*

|  |                                    |
|--|------------------------------------|
| <b>Total Fund Balance reported in Governmental Funds</b>   | <b>\$ 49,963,676</b>               |
| Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the Governmental Funds Balance Sheet   | 151,297,749                        |
| Deferred outflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position                                 | 30,982,088                         |
| Deferred inflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position                                  | (24,127,170)                       |
| Deferred gain on refunding of bonds which is amortized over the life of the new bond   | (626,479)                          |
| Long-term assets (liabilities) and related items are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position:                                   |                                    |
| Accrual for net pension asset  | 12,071,224                         |
| Accrual for net pension and net OPEB liabilities   | (92,146,430)                       |
| Accrual for compensated absences   | (1,973,876)                        |
| Deferred salaries  | (99,822)                           |
| Bond anticipation note   | (48,000,000)                       |
| Other commitments  | (89,250)                           |
| Capital lease obligations  | (4,839,633)                        |
| General obligation bonds   | (29,221,000)                       |
| Bond premium, net of amortization  | (1,097,356)                        |
| Unavailable tax and EMS revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the Statement of Net Position  | 28,867,354                         |
| Internal Service Funds are recorded as Proprietary Funds in the Fund Statements but are recorded as Governmental Activities on the Government-Wide Statement of Net Position. This is the fiscal 2023 impact on the Statement of Net Position: | 1,611,849                          |
| Interest accrued on long-term debt obligations is reported as a liability in the Statement of Net Position but does not get reported in the Fund Statements  | <u>(392,072)</u>                   |
| <b>Total Net Position reported in Statement of Net Position</b>  | <b><u><u>\$ 72,180,852</u></u></b> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

**FOR THE YEAR ENDED JUNE 30, 2023**

|   | General<br>Fund      | School<br>Unrestricted | Sewer<br>Fund     | School<br>Renovations | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|------------------------|-------------------|-----------------------|-----------------------------------|--------------------------------|
| <b>Revenues</b>                                     |                      |                        |                   |                       |                                   |                                |
| Property taxes                                      | \$ 69,925,675        | \$ --                  | \$ --             | \$ --                 | \$ --                             | \$ 69,925,675                  |
| Intergovernmental                                   | 9,105,313            | 22,536,777             | --                | 3,193,826             | 10,778,628                        | 45,614,544                     |
| Licenses, fees, fines, charges, and assessments     | 4,095,399            | --                     | 602,627           | --                    | --                                | 4,698,026                      |
| Investment income                                   | 553,524              | --                     | --                | --                    | --                                | 553,524                        |
| State on behalf pension contribution                | --                   | 3,790,544              | --                | --                    | --                                | 3,790,544                      |
| Other miscellaneous                                 | 2,059,099            | 2,633,389              | --                | --                    | 1,551,828                         | 6,244,316                      |
| <b>Total Revenues</b>                               | <u>85,739,010</u>    | <u>28,960,710</u>      | <u>602,627</u>    | <u>3,193,826</u>      | <u>12,330,456</u>                 | <u>130,826,629</u>             |
| <b>Expenditures</b>                                 |                      |                        |                   |                       |                                   |                                |
| Current   |                      |                        |                   |                       |                                   |                                |
| General government                                  | 4,235,782            | --                     | --                | --                    | 1,243,612                         | 5,479,394                      |
| Community development                               | 325,408              | --                     | --                | --                    | --                                | 325,408                        |
| Public safety                                       | 10,168,345           | --                     | --                | --                    | 128,414                           | 10,296,759                     |
| Public works  | 7,890,557            | --                     | 445,288           | --                    | 220,286                           | 8,556,131                      |
| Social services                                     | 2,477,341            | --                     | --                | --                    | --                                | 2,477,341                      |
| Employee benefits                                   | 4,295,749            | --                     | --                | --                    | --                                | 4,295,749                      |
| Other miscellaneous                                 | 315,492              | --                     | --                | --                    | --                                | 315,492                        |
| Education   | --                   | 73,564,826             | --                | 202,050               | 10,396,307                        | 84,163,183                     |
| Parks and recreation                                | 630,969              | --                     | --                | --                    | 410,312                           | 1,041,281                      |
| Debt Service  |                      |                        |                   |                       |                                   |                                |
| Principal   | 5,570,596            | --                     | --                | --                    | --                                | 5,570,596                      |
| Interest and other costs                            | 1,567,008            | --                     | --                | 521,878               | 4,773                             | 2,093,659                      |
| Capital outlays                                     | 372,393              | 2,583,108              | --                | 26,581,419            | 1,167,769                         | 30,704,689                     |
| <b>Total Expenditures</b>                           | <u>37,849,640</u>    | <u>76,147,934</u>      | <u>445,288</u>    | <u>27,305,347</u>     | <u>13,571,473</u>                 | <u>155,319,682</u>             |
| <b>Excess of Revenues Over (Under) Expenditures</b> |                      |                        |                   |                       |                                   |                                |
| <b>Before Other Financing Sources (Uses)</b>        | <u>47,889,370</u>    | <u>(47,187,224)</u>    | <u>157,339</u>    | <u>(24,111,521)</u>   | <u>(1,241,017)</u>                | <u>(24,493,053)</u>            |
| <b>Other Financing Sources (Uses)</b>               |                      |                        |                   |                       |                                   |                                |
| Payment to refunded bonds escrow agent              | --                   | --                     | --                | 48,000,000            | --                                | 48,000,000                     |
| Transfers in  | 303,705              | 48,156,398             | --                | --                    | 229,295                           | 48,689,398                     |
| Transfers out                                       | (48,409,398)         | --                     | (40,000)          | --                    | (155,000)                         | (48,604,398)                   |
| <b>Total Other Financing Sources (Uses)</b>         | <u>(48,105,693)</u>  | <u>48,156,398</u>      | <u>(40,000)</u>   | <u>48,000,000</u>     | <u>74,295</u>                     | <u>48,085,000</u>              |
| <b>Net Change in Fund Balances</b>                  | (216,323)            | 969,174                | 117,339           | 23,888,479            | (1,166,722)                       | 23,591,947                     |
| <b>Fund Balance - Beginning of Year</b>             | <u>23,570,655</u>    | <u>4,423,847</u>       | <u>391,847</u>    | <u>(7,468,216)</u>    | <u>5,453,596</u>                  | <u>26,371,729</u>              |
| <b>Fund Balance - End of Year</b>                   | <u>\$ 23,354,332</u> | <u>\$ 5,393,021</u>    | <u>\$ 509,186</u> | <u>\$ 16,420,263</u>  | <u>\$ 4,286,874</u>               | <u>\$ 49,963,676</u>           |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

|   |                      |
|---|----------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>   | <b>\$ 23,591,947</b> |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.  |                      |
| Capital outlay, net of disposals  | 30,597,010           |
| Depreciation expense, net of disposals  | (3,930,763)          |
| Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.  | 5,570,596            |
| Governmental funds do not report other long-term obligations as a liability. This reports the decrease in liability for 2023.   | (47,931,702)         |
| Governmental funds report sewer usage as fully deferred under the modified accrual method of accounting. This reports the decrease in receivable from 2022.   | (102,569)            |
| Changes to the following accounts related to the Town's pension and OPEB plans are reported as an expense for governmental activities but are not reported as an expenditure in the fund financial statements until they are paid with measurable and available resources:                                    |                      |
| Decrease in net pension asset   | (1,217,875)          |
| Decrease in net pension liability   | (9,493,981)          |
| Increase in net OPEB liability  | (1,731,950)          |
| Increase in deferred outflows of resources  | 9,043,151            |
| Increase in deferred inflows of resources   | 7,618,279            |
| Governmental funds report premiums received on debt financing as other financing sources when received. However, the Statement of Activities amortizes these premiums over the life of the obligations and records the amortization as a credit to expenses. This is the amortization amount for fiscal 2023. | 164,815              |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. Net unavailable tax and EMS revenue increased from fiscal 2022.   | 2,402,559            |
| Accrued interest on long-term debt obligations is reported in the governmental activities but is not reported in the governmental fund statements. This is the decrease in accrued interest expense from fiscal 2022.   | 68,372               |
| The governmental funds reflect compensated absences when they will be paid with measurable and available resources. The change from prior year balances is reflected in the statement of activities. Compensated absences decreased from fiscal 2022.   | 574,432              |
| The activity for the current year amortization of loss on bond refundings.  | 109,774              |
| The activity reported in the Internal Service Funds is presented with the Proprietary Fund Statements. However, this activity is reported as a component of the Governmental Activities in the Statement of Activities. This is the net activity reported for fiscal 2023.                                    | (345,741)            |
| <b>Change in Net Position of Governmental Activities in the Statement of Activities</b>   | <b>\$ 14,986,354</b> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2023

|   | Business-type Activities<br>Enterprise Funds<br>Water | Internal<br>Service Fund |
|---|---|--------------------------|
| <b>Assets</b>                                   |   |                          |
| <b>Current Assets</b>                           |   |                          |
| Cash and cash equivalents                       | \$ 982,492  | \$ --                    |
| Restricted cash                                 | 1,436,360   | --                       |
| User charges receivable, net                    | 275,637   | --                       |
| Deposits  | --  | 444,201                  |
| Due from federal and state governments          | 1,381,249   | --                       |
| Prepaid items                                   | --  | 2,161,571                |
| <b>Total Current Assets</b>                     | <u>4,075,738</u>                                      | <u>2,605,772</u>         |
| <b>Noncurrent Assets</b>                        |   |                          |
| Capital assets not being depreciated            | 1,278,804   | --                       |
| Capital assets, net of accumulated depreciation | 40,339,097  | --                       |
| <b>Total Noncurrent Assets</b>                  | <u>41,617,901</u>                                     | <u>--</u>                |
| <b>Total Assets</b>                             | <u>45,693,639</u>                                     | <u>2,605,772</u>         |
| <b>Liabilities</b>                              |   |                          |
| <b>Current Liabilities</b>                      |   |                          |
| Accounts payable and accrued expenses           | 10,368  | 993,923                  |
| Current portion of compensated absences         | 10,372  | --                       |
| Accrued interest                                | 176,383   | --                       |
| Current portion of general obligation bonds     | 899,730   | --                       |
| Current portion of capital lease obligations    | 136,050   | --                       |
| <b>Total Current Liabilities</b>                | <u>1,232,903</u>                                      | <u>993,923</u>           |
| <b>Noncurrent Liabilities</b>                   |   |                          |
| Long-term advance from Town                     | 4,324,254   | --                       |
| General obligation bonds, net                   | 13,830,272  | --                       |
| Capital lease obligations, net                  | 86,195  | --                       |
| Compensated absences, net                       | 93,351  | --                       |
| <b>Total Noncurrent Liabilities</b>             | <u>18,334,072</u>                                     | <u>--</u>                |
| <b>Total Liabilities</b>                        | <u>19,566,975</u>                                     | <u>993,923</u>           |
| <b>Net Position</b>                             |   |                          |
| Net investment in capital assets                | 28,046,903  | --                       |
| Restricted                                      |   |                          |
| Water projects                                  | 1,436,360   | --                       |
| Unrestricted                                    | (3,356,599)   | 1,611,849                |
| <b>Total Net Position</b>                       | <u>\$ 26,126,664</u>                                  | <u>\$ 1,611,849</u>      |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2023**

|   | Business-type Activities<br>Enterprise Funds<br>Water | Internal<br>Service Fund   |
|---|---|----------------------------|
| <b>Operating Revenues</b>                   |   |                            |
| Charges for usage, service, and assessments | \$ 4,804,810  | \$ 13,946,029              |
| Surcharge revenue                           | 1,376,892   | --                         |
| <b>Total Operating Revenues</b>             | <u>6,181,702</u>                                      | <u>13,946,029</u>          |
| <b>Operating Expenses</b>                   |   |                            |
| Personnel services                          | 1,881,729   | --                         |
| Maintenance and servicing                   | 320,140   | --                         |
| Operating supplies                          | 43,951  | --                         |
| Purchased water                             | 1,819,709   | --                         |
| Health care management                      | --  | 14,291,770                 |
| Fixed and general charges                   | 1,285,178   | --                         |
| Depreciation and amortization               | 939,530   | --                         |
| <b>Total Operating Expenses</b>             | <u>6,290,237</u>                                      | <u>14,291,770</u>          |
| <b>Operating Loss</b>                       | <u>(108,535)</u>                                      | <u>(345,741)</u>           |
| <b>Nonoperating Revenue (Expenses)</b>      |   |                            |
| Investment income                           | 45,421  | --                         |
| Interest expense                            | (452,199)   | --                         |
| <b>Net Nonoperating Expenses</b>            | <u>(406,778)</u>                                      | <u>--</u>                  |
| <b>Loss Before Transfers</b>                | <u>(515,313)</u>                                      | <u>(345,741)</u>           |
| Transfers out                               | (85,000)  | --                         |
| <b>Total Transfers</b>                      | <u>(85,000)</u>                                       | <u>--</u>                  |
| <b>Changes in Net Position</b>              | (600,313)   | (345,741)                  |
| <b>Total Net Position - Beginning</b>       | <u>26,726,977</u>                                     | <u>1,957,590</u>           |
| <b>Total Net Position - Ending</b>          | <u><u>\$ 26,126,664</u></u>                           | <u><u>\$ 1,611,849</u></u> |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2023**

|  | Business-type Activities |               |
|--|--------------------------|---------------|
|  | Enterprise Funds         | Internal      |
|  | Water                    | Service Fund  |
| <b>Cash Flows from Operating Activities</b>                                |                          |               |
| Cash received from customers   | \$ 6,232,054             | \$ 13,946,029 |
| Claims paid  | --                       | (13,946,029)  |
| Cash paid to suppliers for goods and services and other operating payments | (3,936,556)              | --            |
| Cash paid for employees and benefits                                       | (1,884,526)              | --            |
| <b>Net Cash Provided by Operating Activities</b>                           | <u>410,972</u>           | <u>--</u>     |
| <b>Cash Flows from Noncapital Financing Activities</b>                     |                          |               |
| Transfers from (to) other funds  | (85,000)                 | --            |
| (Payments to) receipts from other funds                                    | (215,837)                | --            |
| <b>Net Cash Used in Noncapital Financing Activities</b>                    | <u>(300,837)</u>         | <u>--</u>     |
| <b>Cash Flows from Capital and Related Financing Activities</b>            |                          |               |
| Acquisition of capital assets  | (714,420)                | --            |
| Capital debt drawdown  | 115,175                  | --            |
| Principal payments on long-term debt                                       | (1,005,015)              | --            |
| Interest and finance charges paid on debt obligations                      | (411,431)                | --            |
| <b>Net Cash Used in Capital and Related Financing Activities</b>           | <u>(2,015,691)</u>       | <u>--</u>     |
| <b>Cash Flows from Investing Activities</b>                                |                          |               |
| Investment income  | 45,421                   | --            |
| <b>Net Cash Provided by Investing Activities</b>                           | <u>45,421</u>            | <u>--</u>     |
| <b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b>          | <u>(1,860,135)</u>       | <u>--</u>     |
| <b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>     | <u>4,278,987</u>         | <u>--</u>     |
| <b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>           | <u>\$ 2,418,852</u>      | <u>\$ --</u>  |
| <b>Reconciliation of Operating Income to Net Cash</b>                      |                          |               |
| <b>Provided by Operating Activities</b>                                    |                          |               |
| Operating income (loss)  | \$ (108,535)             | \$ (345,741)  |
| Adjustments to reconcile operating income to                               |                          |               |
| net cash provided by operating activities:                                 |                          |               |
| Depreciation and amortization expense                                      | 939,530                  | --            |
| (Increase) decrease in assessments and fees receivable                     | 50,352                   | --            |
| (Increase) decrease in prepaid costs                                       | --                       | (115,445)     |
| Increase (decrease) in accounts payable and accrued expenses               | (467,578)                | 461,186       |
| Increase (decrease) in compensated absence                                 | (2,797)                  | --            |
| <b>Net Cash Provided by Operating Activities</b>                           | <u>\$ 410,972</u>        | <u>\$ --</u>  |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

JUNE 30, 2023

|  | Employee<br>Benefit<br>Trust Funds | Private<br>Purpose<br>Trust Funds | Custodial<br>Funds |
|--|------------------------------------|-----------------------------------|--------------------|
| <b>Assets</b>  |                                    |                                   |                    |
| Cash and cash equivalents                                  | \$ 1,017,457                       | \$ 231,293                        | \$ 314,489         |
| Receivables  | 26,691                             | --                                | --                 |
| Investments, at fair value:                                |                                    |                                   |                    |
| Fixed income securities                                    | 10,328,835                         | --                                | --                 |
| Equities   | 21,762,670                         | --                                | --                 |
| <b>Total Assets</b>  | <u>33,135,653</u>                  | <u>231,293</u>                    | <u>314,489</u>     |
| <b>Liabilities</b>   |                                    |                                   |                    |
| Other liabilities  | <u>1,644</u>                       | <u>486</u>                        | <u>14,988</u>      |
| <b>Total Liabilities</b>                                   | <u>1,644</u>                       | <u>486</u>                        | <u>14,988</u>      |
| <b>Net Position</b>  |                                    |                                   |                    |
| Held for individuals, organizations, and other governments | --                                 | --                                | 299,501            |
| Restricted for pension benefits                            | 26,613,898                         | --                                | --                 |
| Restricted for other post-employment benefits              | 6,520,111                          | --                                | --                 |
| Held in trust for private purposes per trust agreement     | <u>--</u>                          | <u>230,807</u>                    | <u>--</u>          |
| <b>Total Net Position</b>                                  | <u>\$ 33,134,009</u>               | <u>\$ 230,807</u>                 | <u>\$ 299,501</u>  |

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2023**

|   | Employee<br>Benefit<br>Trust Funds | Private<br>Purpose<br>Trust Funds | Custodial<br>Funds |
|---|------------------------------------|-----------------------------------|--------------------|
| <b>Additions</b>                        |                                    |                                   |                    |
| Contributions:                          |                                    |                                   |                    |
| Employer contributions                  | \$ 4,081,841                       | \$ --                             | \$ --              |
| Member contributions                    | 265,984                            | --                                | --                 |
| Other revenue                           | --                                 | --                                | 16,038             |
| <b>Total Contributions</b>              | <u>4,347,825</u>                   | <u>--</u>                         | <u>16,038</u>      |
| Investment earnings:                    |                                    |                                   |                    |
| Interest and dividends                  | <u>2,939,601</u>                   | <u>1,077</u>                      | <u>--</u>          |
| <b>Total Investment Earnings</b>        | <u>2,939,601</u>                   | <u>1,077</u>                      | <u>--</u>          |
| <b>Total Additions</b>                  | <u>7,287,426</u>                   | <u>1,077</u>                      | <u>16,038</u>      |
| <b>Deductions</b>                       |                                    |                                   |                    |
| Benefits paid                           | 4,031,159                          | --                                | --                 |
| Other operating expenses                | <u>19,797</u>                      | <u>--</u>                         | <u>28,409</u>      |
| <b>Total Deductions</b>                 | <u>4,050,956</u>                   | <u>--</u>                         | <u>28,409</u>      |
| <b>Change in Net Position</b>           | 3,236,470                          | 1,077                             | (12,371)           |
| <b>Net Position - Beginning of Year</b> | <u>29,897,539</u>                  | <u>229,730</u>                    | <u>311,872</u>     |
| <b>Net Position - End of Year</b>       | <u>\$ 33,134,009</u>               | <u>\$ 230,807</u>                 | <u>\$ 299,501</u>  |

*The accompanying notes are an integral part of these financial statements.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Cumberland, Rhode Island (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental entities. In certain instances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

#### ***REPORTING ENTITY***

The Town of Cumberland was founded in 1747. The Town of Cumberland is governed largely under the 1978 Home Rule Charter, which provides for a Council-Mayor form of government. In some matters, including the issuance of short and long-term debt, the Town is governed by the general laws of the State of Rhode Island. Legislative authority is vested in a seven-member Town Council, one from each of five voting districts and two at large. The Mayor and Members of the Town Council are elected to biennial terms. A seven-member School Committee, one from each of the five voting districts and two at large, is vested with autonomous legislative authority over the Town's public school system. Members of the School Committee are elected to nonpartisan biennial terms.

The Mayor serves as the chief executive officer over all municipal services except those performed by the Canvassing Authority, whose members are appointed by and report directly to the Council. Municipal services include public safety, highway and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning, zoning, inspection, and general administrative services.

The Superintendent of Schools, appointed by the School Committee, serves as the chief executive officer for the School Department. The School Department provides elementary and secondary education to Town residents.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***REPORTING ENTITY (CONTINUED)***

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

Through the application of GASB Statement No. 61 criteria, the Town does not have any component units.

#### ***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 and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### ***Fund Financial Statements***

Financial Activity of the Town is organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BASIS OF PRESENTATION (CONTINUED)*

#### *Fund Financial Statements (Continued)*

- a) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expense of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Management may also designate a fund as major which does not meet the above parameters. The funds of the Town are described below:

#### **GOVERNMENTAL FUNDS**

Governmental funds are used to account for operations that supply basic governmental services. The Town uses the following types of governmental funds:

**General Fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in other funds.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town's major special revenue funds are the School Unrestricted Fund and Sewer Fund.

**Capital Project Funds** are used to account for and report resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Town's major capital project fund is the School Renovations Fund.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *GOVERNMENTAL FUNDS (CONTINUED)*

##### **Proprietary Funds**

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service 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. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Proprietary Funds include Enterprise Funds. During the year ended June 30, 2023 the Town maintained one enterprise fund (Water Fund) as well as two Internal Service funds for Town and School Healthcare management.

##### **Fiduciary Funds (Not Included in Government-Wide Statements)**

Fiduciary Funds are used to report assets held by the Town in a trustee or custodial capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

***Pension and OPEB (Other Post-Employment Benefits) Trust Fund*** is used to account for payment of pension and post-employment benefits that the Town provides to qualified retirees in accordance with union contract provisions.

***Private Purpose Trust Funds*** account 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. The Town has twenty-one private purpose trust funds.

***Custodial Funds*** account for assets held by the Town in a purely custodial capacity. The Town has one custodial fund (Burial Fund).

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MAJOR AND NON-MAJOR FUNDS*

The funds are further classified as major or non-major as follows:

| <u>Fund</u>                   | <u>Brief Description</u>  |
|-------------------------------|---|
| <b><i>Major:</i></b>          |   |
| General Fund                  | See above for description.  |
| <b>Special Revenue Funds:</b> |   |
| School Unrestricted           | Acts as the primary operating fund for the Cumberland School Department.  |
| Sewer Fund                    | Accounts for and report all financial transactions regarding the Town's Sewer Department.   |
| <b>Capital Project Funds:</b> |   |
| School Renovations            | Accounts for the activities of the Town and School Departments Renovation Bond.   |
| <b>Proprietary Funds:</b>     |   |
| Water Fund                    | Accounts for the operations of the Town's Water Department.   |
| Internal Service Funds        | Accounts for the Town and School's healthcare management.   |
| <b><i>Non Major:</i></b>      |   |
| Special Revenue Funds         | Grant programs including federal grants, state grants, and private grants. The Town currently maintains one hundred and thirteen (113) special revenue funds which have been classified as non-major Governmental Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements. |

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***MAJOR AND NON-MAJOR FUNDS (CONTINUED)***

##### ***Non Major (Continued):***

|                       |   |
|-----------------------|---|
| Capital Project Funds | The Town currently maintains five (5) Capital Project Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements. |
|-----------------------|---|

#### ***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

On the Government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities (proprietary funds) are presented using the economic resources measurement focus as defined in item (b) below and the accrual basis of accounting. In the fund financial statements, the current financial resources measurement focus (modified accrual) or the economic resources measurement focus (full accrual) is used as appropriate:

- (a) All governmental funds utilize a current financial resources measurement focus and a modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (c) Custodial funds are not involved in the measurement of results of operations.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

The Government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, 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 are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (usually 60 days). Revenues not considered to be available are recorded as deferred inflows. Expenditures, including capital outlays, are recognized when a related fund liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when due.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

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 actually 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 within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as unearned revenues.

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

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)***

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. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

#### ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE***

##### ***Cash and Cash Equivalents***

For purposes of balance sheet presentation, all investments with original maturities of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents consist of cash on hand, demand and time deposits maturing within three months from the date of acquisition. The Town maintains deposits in various financial institutions, which are separately displayed in the financial statements as "cash and cash equivalents."

Under Rhode Island General Law, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is insured by Federal Deposit Insurance Corporation (FDIC).

##### ***Investments***

The Town invests in various types of investments, which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported as investment income. The Town's investments are held in the Town's Fiduciary Funds.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position and activities.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)***

##### ***Accounts Receivable***

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At June 30, 2023, the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$1,944,396.

##### ***Property Taxes***

Real and personal property taxes are based on values assessed as of each December 31 (lien date), and attach as an enforceable lien on property in April (levy date). Taxes are due in equal quarterly installments in May, August, November and February. Taxes due and unpaid after the respective due dates are subject to interest at the rate of 14% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes are recognized as revenue in the year they are levied. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

For 2023, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)***

##### ***Prepays***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. Prepays recorded in governmental-type funds do not reflect current appropriated resources and, as such are reported as non-spendable fund balance.

##### ***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

##### ***Capital Assets***

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the Government-wide or fund financial statements.

In the Government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets or donated works of art and similar items, which are recorded at acquisition value. Also, capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

##### *Capital Assets (Continued)*

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The ranges of estimated useful lives by type of asset are as follows:

|                            |                |
|----------------------------|----------------|
| Building and improvements  | 20 - 50 years  |
| Mains, valves and laterals | 50 - 100 years |
| Standpipes and wells       | 10 - 50 years  |
| Equipment and vehicles     | 5 - 25 years   |
| Infrastructure             | 30 - 50 years  |
| Land improvements          | 15 - 30 years  |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-wide statements.

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during fiscal year 2023.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)***

##### ***Bond Premiums, Discounts and Issuance Costs***

In the Government-wide statement of net position, bond premiums and discounts are deferred and amortized over the term of the related bonds using the straight-line method. Bond premiums and discounts are presented as an addition or deduction to the face amount of the bonds payable. Bond issuance costs are expensed in the year incurred.

In the governmental funds, bond premiums, discounts and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental funds financial statements, while discounts are reported as other financing uses.

##### ***Long-Term Obligations***

In the Government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences, and accrued claims and judgements) are reported as liabilities in the statement of net position.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The face amount of debt issued is reported as other financing sources in the governmental fund financial statements.

##### ***Compensated Absences***

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave is recorded as a long-term obligation in the government-wide financial statements. Compensated absence liabilities related to Town employees are typically liquidated in the Town's general fund whereas school compensated absence liabilities are liquidated in the school unrestricted fund.

##### ***Judgments 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.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2023, the Town reported \$30,982,088 of deferred outflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023 the Town reported \$24,127,170 of deferred inflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). In addition, at June 30, 2023 the Town also reported \$626,479 of deferred inflows related to deferred gain on refundings in the Government-wide statement of net position. The deferred gain on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. At June 30, 2023 the Town also reported in the Government-wide statement of net position \$668,274 of deferred inflows related to deferred sewer assessments.

At June 30, 2023 the Town also had three items that qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax and EMS revenue of \$28,867,354 and deferred sewer receivables of \$668,274. The unavailable tax revenue at June 30, 2023 represents property taxes receivables which are assessed on December 31, 2021 and prior and are not collected within 60 days of June 30, 2023. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2023 but not recognized as revenue since they are considered unavailable as of June 30, 2023. The net unavailable tax and EMS revenue are considered unavailable and will be recognized as an inflow of resources in the year(s) in which the amounts become available.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

##### *Interfund Transactions*

Interfund activity within and among the funds of the Town have been classified and reported as follows:

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds transfers are reported after nonoperating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

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.

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.”

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

##### *Net Position/Fund Balance*

##### **Government-Wide Financial Statements**

Net position is classified and displayed in the following three components:

- (a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and deferred inflows of resources, if any, that are attributable to the acquisition, construction, or improvement of those assets, increased by deferred outflows of resources related to those assets, if any.
- (b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position – The remaining net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Proprietary fund net position is classified the same as in the Government-wide statements.

##### **Governmental Fund Financial Statements**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned. These categories are defined below:

- Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash within one year.
- Restricted – includes amounts that are restricted for specific purposes. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)*

##### *Net Position/Fund Balance (Continued)*

##### **Governmental Fund Financial Statements (Continued)**

- Committed – the Town Council and Mayor with the adoption of an ordinance or resolution, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year-end, but the specific amount may be determined at a later date.
- Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balance is designated to the Mayor.
- Unassigned – the residual amount in the General Fund available for any purpose.

In accordance with the Town's spending policy, the Town shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last. It shall be the Finance Director's responsibility to ensure the Town's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the definitions listed above.

#### **PENSIONS**

##### ***Employees' Retirement System (ERS)***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)***

##### ***PENSIONS (CONTINUED)***

##### ***Municipal Employees' Retirement System (MERS)***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### ***Teachers' Survivors Benefit plan (TSB)***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### ***Police Pension***

The Pension Trust Fund's financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. Employer contributions are recognized when made, because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

#### ***POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of Cumberland's Post Employment Health Insurance Plan (the "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, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***RECENTLY ISSUED ACCOUNTING STANDARDS***

During the year ended June 30, 2023 the Town adopted GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the impact of which was not material to the Town. There was no significant impact on these financial statements from the implementation of additional accounting standards.

#### ***USE OF ESTIMATES***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, and liabilities and deferred inflows, 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. Significant items subject to such estimates include the pollution remediation obligation and the other postemployment benefit liability. Actual results could differ from those estimates.

#### ***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 28, 2023, which is the date these financial statements were available to be issued. Except as disclosed below, there were no subsequent events requiring recognition or disclosure in these financial statements.

On July 26, 2023 the Town secured a series 2023 bond in the amount of \$85,004,084 in connection with its school renovations project at an interest rate of 5.00%. The bond matures in May 2053.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 2 - CASH DEPOSITS AND INVESTMENTS

#### *CASH AND CASH EQUIVALENTS*

At June 30, 2023, the carrying amount of the Town's cash and cash equivalents was \$49,333,348 (including \$11,361,801 of restricted cash and \$1,563,239 of cash held in fiduciary funds). The Town's entire balance was covered by either FDIC insurance or collateral held in the Town's name.

#### *INVESTMENTS*

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. 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 the 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).

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value (NAV) and to transact at that price. The mutual funds held by the Town are deemed to be actively traded.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

The following table summarizes the investments of the Town and also held in the Pension and OPEB trust fund, at fair value, as of June 30, 2023:

|  | Level 1              | Level 2      | Level 3      | Total                |
|--|----------------------|--------------|--------------|----------------------|
| <b>Investments by Fair Value Level</b> |                      |              |              |                      |
| Domestic fixed income funds            | \$ 10,328,835        | \$ --        | \$ --        | \$ 10,328,835        |
| International equities                 | 2,205,860            | --           | --           | 2,205,860            |
| Domestic equities                      | 14,998,983           | --           | --           | 14,998,983           |
| Money market mutual funds              | <u>4,557,827</u>     | <u>--</u>    | <u>--</u>    | <u>4,557,827</u>     |
| <b>Total Investments by Fair Value</b> | <u>\$ 32,091,505</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 32,091,505</u> |

#### *Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. It is the Town's policy to follow the requirements contained in Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, which requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty or agent 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 the outside party.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates and will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Town manages this risk by investing in certificates of deposit with a maturity date of three months or less.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

#### ***INVESTMENTS (CONTINUED)***

##### ***Credit Risk***

Credit risk, the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, is measured by the assignment of a rating to debt securities by a nationally recognized statistical rating organization.

##### ***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 manages its risk by participating in a certificate of deposit pool, maximizing the FDIC coverage over deposits by limiting the amount on deposit in any one financial institution, and also by securing full collateralization of any remaining uninsured deposits.

### **NOTE 3 - PROPERTY TAXES**

The Town is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Net property taxes levied for fiscal year 2023 were based on a net asset value of \$5,713,939,322, and amounted to \$70,477,328.

Unpaid property taxes as of June 30, 2023 of \$37,765,909, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,944,396. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2023, are recorded as a deferred inflow in fiscal 2023. Property taxes collected within 60 days following June 30, 2023, are recognized as revenue in the governmental fund financial statements and amounted to \$10,071,236.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Due to/from balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursements for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2023, was as follows:

|                              | Due<br>From          | Due<br>To            |
|------------------------------|----------------------|----------------------|
| General Fund                 | \$ --                | \$ 32,387,560        |
| School Unrestricted          | 6,536,421            | --                   |
| Sewer Fund                   | --                   | 328,857              |
| School Renovations           | 16,420,263           | --                   |
| Non-Major Governmental Funds | <u>12,836,300</u>    | <u>3,076,567</u>     |
| Total                        | <u>\$ 35,792,984</u> | <u>\$ 35,792,984</u> |
|                              | Advance<br>From      | Advance<br>To        |
| General Fund                 | \$ 4,324,254         | \$ --                |
| Water Fund                   | <u>--</u>            | <u>4,324,254</u>     |
| Total                        | <u>\$ 4,324,254</u>  | <u>\$ 4,324,254</u>  |

The Town had interfund transfers totaling \$48,689,398 during the year ended June 30, 2023. The purpose of these transfers were either to move local appropriation to the School Unrestricted fund, to cover fund deficits or to cover departmental costs. The composition of these interfund transfers was as follows:

|                              | Transfers<br>In      | Transfers<br>Out     |
|------------------------------|----------------------|----------------------|
| General Fund                 | \$ 303,705           | \$ 48,409,398        |
| School Unrestricted          | 48,156,398           | --                   |
| Sewer Fund                   | --                   | 40,000               |
| Non-Major Governmental Funds | 229,295              | 155,000              |
| Water Fund                   | <u>--</u>            | <u>85,000</u>        |
| Total                        | <u>\$ 48,689,398</u> | <u>\$ 48,689,398</u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 5 - CAPITAL ASSETS

#### Governmental Activities:

|  | Beginning<br>Balance<br>7/1/2022 | Increases            | Decreases           | Ending<br>Balance<br>6/30/2023 |
|--|----------------------------------|----------------------|---------------------|--------------------------------|
| <b>Capital Assets Not Being Depreciated</b>        |                                  |                      |                     |                                |
| Land   | \$ 23,431,923                    | \$ --                | \$ --               | \$ 23,431,923                  |
| Construction in progress                           | 10,824,128                       | 27,560,913           | (611,621)           | 37,773,420                     |
| <b>Total Capital Assets Not Being Depreciated</b>  | <u>34,256,051</u>                | <u>27,560,913</u>    | <u>(611,621)</u>    | <u>61,205,343</u>              |
| <b>Capital Assets Being Depreciated</b>            |                                  |                      |                     |                                |
| Land improvements                                  | 4,435,691                        | 174,616              | --                  | 4,610,307                      |
| Infrastructure                                     | 37,945,110                       | 10,000               | --                  | 37,955,110                     |
| Building and improvements                          | 102,737,357                      | 609,620              | --                  | 103,346,977                    |
| Machinery and equipment                            | 6,999,591                        | 2,638,590            | --                  | 9,638,181                      |
| Vehicles   | 6,386,848                        | 322,571              | (107,679)           | 6,601,740                      |
| <b>Total Capital Assets Being Depreciated</b>      | <u>158,504,597</u>               | <u>3,755,397</u>     | <u>(107,679)</u>    | <u>162,152,315</u>             |
| <b>Less: Accumulated Depreciation For</b>          |                                  |                      |                     |                                |
| Land improvements                                  | (2,356,526)                      | (186,954)            | --                  | (2,543,480)                    |
| Infrastructure                                     | (21,054,927)                     | (747,108)            | --                  | (21,802,035)                   |
| Building and improvements                          | (34,505,437)                     | (2,087,229)          | --                  | (36,592,666)                   |
| Machinery and equipment                            | (5,630,791)                      | (506,615)            | --                  | (6,137,406)                    |
| Vehicles   | (4,581,465)                      | (510,536)            | 107,679             | (4,984,322)                    |
| <b>Total Accumulated Depreciation</b>              | <u>(68,129,146)</u>              | <u>(4,038,442)</u>   | <u>107,679</u>      | <u>(72,059,909)</u>            |
| <b>Governmental Activities Capital Assets, Net</b> | <u>\$ 124,631,502</u>            | <u>\$ 27,277,868</u> | <u>\$ (611,621)</u> | <u>\$ 151,297,749</u>          |

Depreciation was charged to functions as follows:

#### Governmental Activities:

|   |                     |
|---|---------------------|
| General government  | \$ 154,855          |
| Public safety   | 500,181             |
| Public works  | 1,070,948           |
| Education   | 2,047,213           |
| Public libraries  | <u>265,245</u>      |
| <b>Total Governmental Activities Depreciation Expense</b> | <u>\$ 4,038,442</u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 5 - CAPITAL ASSETS (CONTINUED)

#### Business-Type Activities:

|   | Beginning<br>Balance<br>7/1/2021 | Increases                  | Decreases                | Ending<br>Balance<br>6/30/2022 |
|---|----------------------------------|----------------------------|--------------------------|--------------------------------|
| <b>Capital assets not being depreciated:</b>        |                                  |                            |                          |                                |
| Land  | \$ 1,210,433                     | \$ --                      | \$ --                    | \$ 1,210,433                   |
| Construction in progress                            | <u>75,595</u>                    | <u>--</u>                  | <u>(7,224)</u>           | <u>68,371</u>                  |
| <b>Total Capital Assets Not Being Depreciated</b>   | <u>1,286,028</u>                 | <u>--</u>                  | <u>(7,224)</u>           | <u>1,278,804</u>               |
| <b>Capital Assets Being Depreciated:</b>            |                                  |                            |                          |                                |
| Buildings   | 5,099,280                        | 19,854                     | --                       | 5,119,134                      |
| Mains, laterals, standpipes and other               | 52,866,517                       | 531,411                    | (2,543)                  | 53,395,385                     |
| Vehicles  | <u>423,643</u>                   | <u>172,923</u>             | <u>--</u>                | <u>596,566</u>                 |
| <b>Total Capital Assets Being Depreciated</b>       | <u>58,389,440</u>                | <u>724,188</u>             | <u>(2,543)</u>           | <u>59,111,085</u>              |
| <b>Less: Accumulated Depreciation For</b>           |                                  |                            |                          |                                |
| Buildings   | (1,261,732)                      | (92,325)                   | --                       | (1,354,057)                    |
| Mains, laterals, standpipes and other               | (16,193,038)                     | (807,258)                  | --                       | (17,000,296)                   |
| Vehicles  | <u>(377,688)</u>                 | <u>(39,947)</u>            | <u>--</u>                | <u>(417,635)</u>               |
| <b>Total Accumulated Depreciation</b>               | <u>(17,832,458)</u>              | <u>(939,530)</u>           | <u>--</u>                | <u>(18,771,988)</u>            |
| <b>Business-Type Activities Capital Assets, Net</b> | <u><u>\$ 41,843,010</u></u>      | <u><u>\$ (215,342)</u></u> | <u><u>\$ (9,767)</u></u> | <u><u>\$ 41,617,901</u></u>    |

Depreciation was charged to functions as follows:

#### Business-Type Activities:

|  |                          |
|--|--------------------------|
| Water  | <u>\$ 939,530</u>        |
| <b>Total Business-Type Activities Depreciation Expense</b> | <u><u>\$ 939,530</u></u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 6 - SHORT-TERM OBLIGATIONS

|                         | <u>Beginning<br/>Balance</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Ending<br/>Balance</u> |
|-------------------------|------------------------------|---------------|-----------------|---------------------------|
| Bond anticipation notes | \$ 33,000,000                | \$ 48,000,000 | \$ 33,000,000   | \$ 48,000,000             |

### NOTE 7 - LONG-TERM OBLIGATIONS

#### ***GENERAL OBLIGATION BONDS PAYABLE***

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, as well as to refund previously outstanding general obligation bonds. General obligation bonds pledge the full faith and credit of the Town.

The Town's maximum aggregate indebtedness under Rhode Island General Laws 45-12-2 is limited to 3% of total assessed value, with certain exemptions. The assessed value of the Town's properties at December 31, 2021, was \$5,713,939,322, limiting the amount of non-excepted debt outstanding to \$171,142,833. At June 30, 2023, the Town had \$16,335,000 outstanding subject to the limit.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of long-term obligations as of June 30, 2023, is as follows:

|  | Beginning<br>Balance  | Additions            | Retirements         | Ending Balance        | Amounts Due<br>Within One<br>Year |
|--|-----------------------|----------------------|---------------------|-----------------------|-----------------------------------|
| <b>Governmental Activities:</b>                              |                       |                      |                     |                       |                                   |
| Bonds, notes, loans, and capital leases payables:            |                       |                      |                     |                       |                                   |
| Bonds payable  | \$ 18,555,000         | \$ --                | \$ 2,220,000        | \$ 16,335,000         | \$ 2,070,000                      |
| Notes and loans payable                                      | 14,895,475            | --                   | 2,009,475           | 12,886,000            | 1,996,000                         |
| Capital leases payable                                       | 6,180,754             | --                   | 1,341,121           | 4,839,633             | 1,379,244                         |
| Plus amortized premium bonds and loans                       | 1,262,171             | --                   | 164,815             | 1,097,356             | --                                |
| <b>Total bonds, notes, loans, and capital leases payable</b> | <u>40,893,400</u>     | <u>--</u>            | <u>5,735,411</u>    | <u>35,157,989</u>     | <u>5,445,244</u>                  |
| Other liabilities:   |                       |                      |                     |                       |                                   |
| Deferred salary  | 150,270               | --                   | 50,448              | 99,822                | 50,448                            |
| Compensated absences   | 2,548,308             | 1,350,632            | 1,925,064           | 1,973,876             | 197,388                           |
| Net OPEB liability   | 19,018,237            | 1,731,950            | --                  | 20,750,187            | --                                |
| Net pension liability  | 62,669,929            | 8,726,314            | --                  | 71,396,243            | --                                |
| Other commitments  | 107,100               | --                   | 17,850              | 89,250                | 17,850                            |
| <b>Governmental Activities Long-Term Liabilities</b>         | <u>\$ 125,387,244</u> | <u>\$ 11,808,896</u> | <u>\$ 7,728,773</u> | <u>\$ 129,467,367</u> | <u>\$ 5,710,930</u>               |
| <b>Business-Type Activities:</b>                             |                       |                      |                     |                       |                                   |
| Loans payable  | \$ 15,633,730         | \$ --                | \$ 903,729          | \$ 14,730,001         | \$ 899,730                        |
| Capital lease payable  | 323,532               | --                   | 104,942             | 218,590               | 107,818                           |
| Total bonds and loans payable                                | 15,957,262            | --                   | 1,008,671           | 14,948,591            | 1,007,548                         |
| Compensated absences   | 99,364                | 42,633               | 38,274              | 103,723               | 10,372                            |
| <b>Business-Type Activities Long-Term Liabilities</b>        | <u>\$ 16,056,626</u>  | <u>\$ 42,633</u>     | <u>\$ 1,046,945</u> | <u>\$ 15,052,314</u>  | <u>\$ 1,017,920</u>               |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

| Issued Through Public Sale Purpose<br>Governmental Activities: | Date Issued | Interest Rate | Maturity Date | Authorized and<br>Issued | Outstanding<br>June 30, 2022 | New Issues   | Maturities<br>During Year | Outstanding<br>June 30, 2023 |
|--|-------------|---------------|---------------|--------------------------|------------------------------|--------------|---------------------------|------------------------------|
| <b>Governmental Activities:</b>                                |             |               |               |                          |                              |              |                           |                              |
| Open Space/Recreation Bond                                     | 8/28/2013   | 3.00%-5.00%   | 2/01/2033     | \$ 3,500,000             | \$ 2,335,000                 | \$ --        | \$ 170,000                | \$ 2,165,000                 |
| School Bond (Refunding)  | 8/28/2013   | 3.00%-5.00%   | 2/01/2023     | 2,370,000                | 235,000                      | --           | 235,000                   | --                           |
| Road Improvements  | 11/30/2011  | 3.00%-6.25%   | 11/01/2031    | 2,500,000                | 1,250,000                    | --           | 125,000                   | 1,125,000                    |
| Road Improvements  | 10/29/2015  | 3.00%-5.00%   | 10/01/2025    | 2,380,000                | 1,265,000                    | --           | 295,000                   | 970,000                      |
| Public Safety Complex  | 3/22/2018   | 3.00%-5.00%   | 3/15/2038     | 12,500,000               | 11,160,000                   | --           | 490,000                   | 10,670,000                   |
| School and Town (Refunding)                                    | 9/24/2014   | 2.00%-4.00%   | 3/15/2026     | 7,630,000                | 2,310,000                    | --           | 905,000                   | 1,405,000                    |
| <b>Total Governmental Activities</b>                           |             |               |               | <u>30,880,000</u>        | <u>18,555,000</u>            | <u>--</u>    | <u>2,220,000</u>          | <u>16,335,000</u>            |
| <b>Total Bonds Payable</b>                                     |             |               |               | <u>\$ 30,880,000</u>     | <u>\$ 18,555,000</u>         | <u>\$ --</u> | <u>\$ 2,220,000</u>       | <u>\$ 16,335,000</u>         |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

#### Loans Payable

| Issued Through Public Sale Purpose<br>Governmental Activities:         | Date Issued | Interest Rate | Maturity Date | Authorized and<br>Issued | Outstanding<br>June 30, 2022 | New Issues   | Maturities<br>During Year | Outstanding<br>June 30, 2023 |
|--|-------------|---------------|---------------|--------------------------|------------------------------|--------------|---------------------------|------------------------------|
| <b>Governmental Activities:</b>  |             |               |               |                          |                              |              |                           |                              |
| Issued Through Public Sale:  |             |               |               |                          |                              |              |                           |                              |
| School RIHEBC - Refunding  | 11/26/2016  | 2.00 - 5.00%  | 5/15/2028     | \$ 17,230,000            | \$ 11,160,000                | \$ --        | \$ 1,645,000              | \$ 9,515,000                 |
| Total Governmental Activities - issued through Public Sale             |             |               |               | <u>17,230,000</u>        | <u>11,160,000</u>            | <u>--</u>    | <u>1,645,000</u>          | <u>9,515,000</u>             |
| <b>Issued Through Direct Borrowing:</b>                                |             |               |               |                          |                              |              |                           |                              |
| Lambert Property Note  | 5/01/1997   | 2.59%         | 6/01/2023     | 190,000                  | 97,475                       | --           | 97,475                    | --                           |
| RI Infrastructure Bank   | 9/03/2014   | .12-2.48%     | 5/15/2028     | 518,000                  | 393,000                      | --           | 26,000                    | 367,000                      |
| RIIB EBF Street Lights   | 12/05/2017  | 1.368-2.176%  | 9/01/2028     | 1,343,000                | 964,000                      | --           | 130,000                   | 834,000                      |
| RIIB Road and Bridge   | 4/22/2020   | .83-2.27%     | 9/01/2039     | 2,500,000                | 2,281,000                    | --           | 111,000                   | 2,170,000                    |
| <i>Total Governmental Activities - Issued through Direct Borrowing</i> |             |               |               | <u>4,551,000</u>         | <u>3,735,475</u>             | <u>--</u>    | <u>364,475</u>            | <u>3,371,000</u>             |
| <i>Total Governmental Activities</i>                                   |             |               |               | <u>21,781,000</u>        | <u>14,895,475</u>            | <u>--</u>    | <u>2,009,475</u>          | <u>12,886,000</u>            |
| <b>Business-Type Activities</b>  |             |               |               |                          |                              |              |                           |                              |
| Issued Through Direct Borrowing:                                       |             |               |               |                          |                              |              |                           |                              |
| RI Clean Water Sewer Loan  | 3/10/1993   | 3.56%         | 9/01/2036     | 3,000,000                | 2,320,613                    | --           | 128,454                   | 2,192,159                    |
| RIIB Safe Drinking Water   | 6/12/2018   | 1.0-2.85%     | 9/01/2037     | 4,000,000                | 3,493,000                    | --           | 176,000                   | 3,317,000                    |
| RI Clean Water Loan  | 11/19/2009  | 1.15-4.04%    | 9/01/2030     | 5,750,000                | 2,373,259                    | --           | 225,037                   | 2,148,222                    |
| RI Infrastructure Bank   | 12/17/2015  | .31-2.90%     | 9/01/2035     | 1,750,000                | 1,245,858                    | --           | 74,238                    | 1,171,620                    |
| RIIB Safe Drinking Water   | 6/30/2020   | .36-2.49%     | 9/01/2039     | 4,000,000                | 3,812,000                    | --           | 188,000                   | 3,624,000                    |
| 2020 B RIIB Safe Drinking Water  | 10/01/2020  | .49-2.81%     | 9/01/2040     | 2,500,000                | 2,389,000                    | --           | 112,000                   | 2,277,000                    |
| <i>Total Business-Type Activities</i>                                  |             |               |               | <u>21,000,000</u>        | <u>15,633,730</u>            | <u>--</u>    | <u>903,729</u>            | <u>14,730,001</u>            |
| <b>Total Loans Payable</b>   |             |               |               | <u>\$ 42,781,000</u>     | <u>\$ 30,529,205</u>         | <u>\$ --</u> | <u>\$ 2,913,204</u>       | <u>\$ 27,616,001</u>         |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2023, scheduled annual debt service requirements to maturity for general obligation bonds are as follows:

| Issued Through Public Sale<br>Fiscal Year Ending June 30, | Governmental Activities<br>General Obligation Bonds |                     |
|---|---|---------------------|
|   | Principal   | Interest            |
| 2024  | \$ 4,066,000  | \$ 1,199,255        |
| 2025  | 3,486,000   | 1,020,956           |
| 2026  | 3,625,000   | 870,019             |
| 2027  | 3,190,000   | 721,627             |
| 2028  | 3,325,000   | 571,979             |
| 2029-2033   | 6,096,000   | 1,654,111           |
| 2034-2038   | 5,066,000   | 565,550             |
| 2039-2040   | 367,000   | 7,253               |
|   | <u>\$ 29,221,000</u>                                | <u>\$ 6,610,750</u> |

| Fiscal Year Ending June 30, | Business-Type Activities<br>Issued Through Public Sale |                     |
|-----------------------------|--|---------------------|
|                             | Principal  | Interest            |
| 2024                        | \$ 922,894   | \$ 390,560          |
| 2025                        | 941,875  | 369,606             |
| 2026                        | 963,760  | 347,155             |
| 2027                        | 988,229  | 323,035             |
| 2028                        | 1,011,099  | 297,203             |
| 2029-2033                   | 4,849,888  | 1,056,898           |
| 2034-2038                   | 4,117,256  | 419,399             |
| 2039-2041                   | 935,000  | 32,311              |
|                             | <u>\$ 14,730,001</u>                                   | <u>\$ 3,236,167</u> |

At June 30, 2023, scheduled annual debt service requirements to maturity for governmental capital leases are as follows:

| Fiscal Year Ended June 30,              | Lease Payment<br>Requirements |
|---|-------------------------------|
| 2024                                    | \$ 1,535,010                  |
| 2025                                    | 1,299,823                     |
| 2026                                    | 1,299,823                     |
| 2027                                    | 536,060                       |
| 2028                                    | 357,911                       |
| Thereafter                              | 223,705                       |
| Total minimum lease payments            | 5,252,332                     |
| Less: Amount representing interest cost | (412,699)                     |
| Present value of minimum lease payments | <u>\$ 4,839,633</u>           |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 8 - FUND BALANCES

The Town has classified governmental fund balances at June 30, 2023 as follows:

**Non-Spendable:**

|  |                            |
|--|----------------------------|
| General Fund - Advance to Water Fund     | \$ 4,324,254               |
| General Fund - Prepaid Items             | 225,013                    |
| School Unrestricted Fund - Prepaid Items | 27,329                     |
| <b>Total Non-Spendable</b>               | <u><u>\$ 4,576,596</u></u> |

**Restricted:**

|                                      |                             |
|--------------------------------------|-----------------------------|
| School Special Revenue - grant funds | \$ 2,000,823                |
| Town Special Revenue - grant funds   | 1,654,193                   |
| School Renovations                   | 16,420,263                  |
| Capital Projects                     | 30,009                      |
| <b>Total Restricted Fund Balance</b> | <u><u>\$ 20,105,288</u></u> |

**Committed:**

|                                     |                            |
|-------------------------------------|----------------------------|
| School Unrestricted Funds           | \$ 5,365,692               |
| Sewer Funds                         | 509,186                    |
| Capital Projects                    | 20,487                     |
| Town Special Revenue                | 1,791,277                  |
| <b>Total Committed Fund Balance</b> | <u><u>\$ 7,686,642</u></u> |

**Assigned:**

|  |                            |
|--|----------------------------|
| General Fund Revenue Stabilization                 | \$ 2,382,695               |
| General Fund Town Capital Projects                 | 1,420,772                  |
| General Fund School Capital Projects               | 600,000                    |
| General Fund Debt Service                          | 550,000                    |
| General Fund Community and Economic Fund           | 314,583                    |
| General Fund Senior Center                         | 58,630                     |
| General Fund Library                               | 33,042                     |
| General Fund Office of Children Youth and Learning | 164,674                    |
| General Fund Recreation Programs                   | 187,990                    |
| <b>Total Assigned Fund Balance</b>                 | <u><u>\$ 5,712,386</u></u> |

**Unassigned:**

|  |                             |
|--|-----------------------------|
| General Fund                                   | \$ 13,092,679               |
| Town Special Revenue - deficit fund balances   | (1,184,486)                 |
| School Special Revenue - deficit fund balances | (25,429)                    |
| <b>Total Unassigned Fund Balance</b>           | <u><u>\$ 11,882,764</u></u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 8 - FUND BALANCES (CONTINUED)

For the year ended June 30, 2023, the following funds recognized an operating deficit:

#### Governmental Funds:

##### *School Special Revenue Funds:*

|                                    |                |
|------------------------------------|----------------|
| Perkins Secondary                  | \$ 1,145       |
| USDA Fruits and Veg                | 8,856          |
| ESSER II                           | 598            |
| Middle School Senate               | 2,432          |
| Senate BF Norton                   | 73             |
| Senate Guidance                    | 1,300          |
| Perkins CTE                        | 10,663         |
| Feinstein CHS                      | 701            |
| Feinstein NCMS                     | 1,320          |
| EdResearch Recovery                | 657            |
| Food Services                      | 278,847        |
| ARP Transportation                 | 1,650          |
| High Quality Curriculum            | 994            |
| Total School Special Revenue Funds | <u>309,236</u> |

##### *Town Special Revenue Funds:*

|                                  |                |
|----------------------------------|----------------|
| DEM Grant Diamond Hill           | 72,715         |
| Impact Fees                      | 29,654         |
| OCYL BT Fund                     | 947            |
| Diamond Hill Park Improvement    | 263,195        |
| Police Forfeiture                | 13,876         |
| CTCL Covid-19                    | 269            |
| Election Improvements            | 25,098         |
| Bulletproof Vest                 | 27,243         |
| RIPTIDE Speed                    | 750            |
| Child Passenger Safety           | 439            |
| Town Clerk Special               | 25,897         |
| Historic District                | 13,400         |
| RIEMA Hazard Mitigation          | 13,815         |
| Outdoor Commerce Grant           | 91,282         |
| Probate Deposits                 | 79,660         |
| CDBG 2021                        | 59,389         |
| Public Safety Bond               | 33,194         |
| RI Commerce Grant                | 99,876         |
| RI Commerce Grant II             | 7,700          |
| VFL Urban Forestry               | 104,645        |
| Total Town Special Revenue Funds | <u>963,044</u> |

##### *Capital Project Funds:*

|                             |                |
|-----------------------------|----------------|
| Drainage                    | 27,890         |
| Open Space                  | 250,705        |
| Total Capital Project Funds | <u>278,595</u> |

|              |                |
|--------------|----------------|
| General Fund | <u>216,323</u> |
|--------------|----------------|

**Total Operating Deficits - Governmental Funds** \$ 1,767,198

#### Proprietary Funds:

##### *Non-Major Proprietary Funds:*

|                   |            |
|-------------------|------------|
| Town Healthcare   | \$ 209,076 |
| School Healthcare | 122,210    |
| Water             | 967,302    |

**Total Operating Deficits - Proprietary Funds** \$ 1,298,588

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 8 - FUND BALANCES (CONTINUED)

At June 30, 2023, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

#### **Governmental Funds:**

##### *Town Special Revenue Funds:*

|                                  |    |                  |   |
|----------------------------------|----|------------------|---|
| DEM Grant Diamond Hill           | \$ | 493,302          | * |
| Substance Abuse                  |    | 883              | * |
| Sewer Ferncrest                  |    | 38,913           | * |
| EPHETA Park Grant                |    | 20,106           | * |
| CDBG 2017                        |    | 21,467           | * |
| Bulletproof Vest                 |    | 13,854           | * |
| Partnership for Success          |    | 1,847            | * |
| RIEMA Hazard Mitigation          |    | 10,219           | * |
| Distracted Driving               |    | 458              | * |
| RIPTIDE Speed                    |    | 6,361            | * |
| Historic District                |    | 17,900           | * |
| Outdoor Commerce Grant           |    | 68,931           | * |
| CDBG 2021                        |    | 82,540           | * |
| CDBG 2018                        |    | 195,484          | * |
| RI Commerce Grant                |    | 99,876           | * |
| Franklin Farm Preservation Grant |    | 7,700            | * |
| VFL Urban Forestry               |    | 104,645          | * |
| Total Town Special Revenue Funds |    | <u>1,184,486</u> |   |

##### *School Special Revenue Funds:*

|                                    |  |               |   |
|------------------------------------|--|---------------|---|
| Perkins Secondary                  |  | 1,145         | * |
| Fresh Fruit and Veg                |  | 19,742        | * |
| ESSER II                           |  | 598           | * |
| Senate Guidance                    |  | 1,300         | * |
| ARP Transportation                 |  | 1,650         | * |
| High Quality Curriculum            |  | 994           | * |
| Total School Special Revenue Funds |  | <u>25,429</u> |   |

#### **Total Cumulative Deficits - Governmental Funds**

\$ 1,209,915

\* Deficit will be covered via future transfer of funds or additional revenues

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 9 - PENSION PLANS**

All eligible employees of the Town are covered by one of two pension plans: the Municipal Employees' Retirement System of the State of Rhode Island ("Municipal Plan"), or the Employees' Retirement System of the State of Rhode Island ("Teachers' Plan"). The Teachers' Plan covers all School Department personnel certified by the Rhode Island Department of Education who are or have been engaged in teaching as a principal occupation. The Municipal Plan covers all Town Hall employees sworn in on or after January 1, 2000, all Fire Department employees hired on or after January 1, 2001, and all School Department clerks, custodians and teacher assistants.

#### ***MUNICIPAL PLAN***

##### ***Plan Description***

The MERS – an agent multiple-employer defined benefit pension plan – provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Laws and placed under the management of the Employees' Retirement System of Rhode Island ("ERSRI") Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire personnel 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 by accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

##### ***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 IRC Section 414(h), are not excluded from salary.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

##### *Benefits Provided (Continued)*

**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.

**Final Compensation:** 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 one-twelfth of this amount.

##### *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.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

##### *Benefits Provided (Continued)*

##### *General Employees (Continued)*

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.

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.

##### *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 SSNRA.

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.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

##### *Benefits Provided (Continued)*

##### *Police and Fire Employees (Continued)*

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.

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.

##### *Other Benefit Provisions*

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

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

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (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).

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Benefits Provided (Continued)*

#### *Other Benefit Provisions (Continued)*

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. 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 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%.

c. 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 \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

#### *Employees Covered by Benefit Terms*

At the June 30, 2022 valuation date, the following employees were covered by the benefit terms:

|                              | General    | EMS       |
|------------------------------|------------|-----------|
| Retirees and beneficiaries   | 182        | 10        |
| Inactive, nonretired members | 117        | 6         |
| Active members               | 248        | 18        |
|                              | <u>547</u> | <u>34</u> |

#### *Contributions*

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012, are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Contributions (Continued)*

Town contributed \$1,225,834 and \$162,052 for general and EMS, respectively, in the year ended June 30, 2023, which was 11.1-% and 14.44% of covered payroll, respectively.

#### *Net Pension Liability*

The total pension liability was determined by actuarial valuations performed as of June 30, 2021, and rolled forward to June 30, 2022, using the following actuarial assumptions applied to all periods included in the measurement:

| Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021) |  |  |
|--|--|--|
| Actuarial Cost Method  | Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.                                    |  |
| Amortization Method  | Level Percent of Payroll – Closed  |  |
| Actuarial Assumptions  |  |  |
| Investment Rate of Return  | 7.00%  |  |
| Projected Salary Increases   | General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%                                      |  |
| Inflation  | 2.5%   |  |
| Mortality  | Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16. |  |
| Cost of Living Adjustments   | All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.                     |  |

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 9 - PENSION PLANS (CONTINUED)**

#### ***MUNICIPAL PLAN (CONTINUED)***

##### ***Net Pension Liability (Continued)***

The actuarial assumptions used in the June 30, 2021, valuation rolled forward to June 30, 2022, and the calculation of the total pension liability at June 30, 2021, were consistent with the results of an actuarial experience study performed as of June 30, 2019 as approved by the System's Board on May 22, 2020.

The long-term expected rate of return best-estimate on pension plan investments were 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 40 sources. The June 30, 2022, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

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 the arithmetic basis.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### MUNICIPAL PLAN (CONTINUED)

#### Net Pension Liability (Continued)

| Asset Class                           | Long-Term<br>Target Asset<br>Allocation | Long-Term<br>Expected Arithmetic<br>Real Rate of Return |
|---------------------------------------|---|---|
| <i>GROWTH</i>                         |   |   |
| <b>Global Equity:</b>                 |   |   |
| U.S. Equity                           | 24.30%                                  | 5.52%   |
| International Developed Equity        | 11.10%                                  | 6.04%   |
| Emerging Markets Equity               | 4.60%                                   | 7.83%   |
| <b>Sub-Total</b>                      | <b>40.00%</b>                           |   |
| <b>Private Growth:</b>                |   |   |
| Private Equity                        | 12.50%                                  | 9.42%   |
| Non-Core RE                           | 2.50%                                   | 4.80%   |
| <b>Sub-Total</b>                      | <b>15.00%</b>                           |   |
| <i>INCOME</i>                         |   |   |
| Equity Options                        | 2.00%                                   | 5.25%   |
| EMD (50/50 Blend)                     | 2.00%                                   | 1.82%   |
| Liquid Credit                         | 3.00%                                   | 2.95%   |
| Private Credit                        | 3.00%                                   | 2.95%   |
| Collateralized Loan Obligations (CLO) | 2.00%                                   | 2.95%   |
| <b>Sub-Total</b>                      | <b>12.00%</b>                           |   |
| <i>STABILITY</i>                      |   |   |
| <b>Crisis Protection Class:</b>       |   |   |
| Treasury Duration                     | 5.00%                                   | -0.44%  |
| Systematic Trend                      | 5.00%                                   | 3.33%   |
| <b>Sub-Total</b>                      | <b>10.00%</b>                           |   |
| <b>Inflation Protection:</b>          |   |   |
| Core Real Estate                      | 4.00%                                   | 4.80%   |
| Private Infrastructure                | 4.00%                                   | 5.65%   |
| <b>Sub-Total</b>                      | <b>8.00%</b>                            |   |
| <b>Volatility Protection:</b>         |   |   |
| IG Fixed Income                       | 3.25%                                   | 1.18%   |
| Securitized Credit                    | 3.25%                                   | 1.18%   |
| Absolute Return                       | 6.50%                                   | 3.33%   |
| Cash                                  | 2.00%                                   | -0.44%  |
| <b>Sub-Total</b>                      | <b>15.00%</b>                           |   |
| <b>Total</b>                          | <b>100.00%</b>                          |   |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023**

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

##### *Discount Rate*

The discount rate used to measure the total pension liability of the plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the 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 Liability

|   | General             | EMS                | Total               |
|---|---------------------|--------------------|---------------------|
| Pension Liability:                                |                     |                    |                     |
| Balances as of July 1, 2021                       | \$ 36,531,121       | \$ 8,926,212       | \$ 45,457,333       |
| Changes for the year:                             |                     |                    |                     |
| Service cost                                      | 804,506             | 218,079            | 1,022,585           |
| Interest on the total pension liability           | 2,509,993           | 619,807            | 3,129,800           |
| Difference between expected and actual experience | (525,189)           | (89,227)           | (614,416)           |
| Benefit payments                                  | (2,152,657)         | (361,723)          | (2,514,380)         |
| Balances as of June 30, 2022                      | <u>37,167,774</u>   | <u>9,313,148</u>   | <u>46,480,922</u>   |
| Fiduciary Net Position:                           |                     |                    |                     |
| Balances as of July 1, 2021                       | 36,261,990          | 9,773,431          | 46,035,421          |
| Employer contributions                            | 1,214,017           | 143,584            | 1,357,601           |
| Employee contributions                            | 174,061             | 109,380            | 283,441             |
| Pension plan net investment income                | (980,364)           | (263,006)          | (1,243,370)         |
| Benefit payments                                  | (2,152,657)         | (361,723)          | (2,514,380)         |
| Pension plan administrative expense               | (33,421)            | (8,966)            | (42,387)            |
| Other changes                                     | 528,005             | --                 | 528,005             |
| Balances as of June 30, 2022                      | <u>35,011,631</u>   | <u>9,392,700</u>   | <u>44,404,331</u>   |
| Net Pension Liability (Asset)                     | <u>\$ 2,156,143</u> | <u>\$ (79,552)</u> | <u>\$ 2,076,591</u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

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

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

|                       | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| General employee plan | \$ 5,705,615          | \$ 2,156,143                       | \$ (1,068,613)        |
| EMS employee plan     | 792,539               | (79,552)                           | (871,776)             |
| Total                 | <u>\$ 6,498,154</u>   | <u>\$ 2,076,591</u>                | <u>\$ (1,940,389)</u> |

#### *Pension Plan Fiduciary Net Position*

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

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

For the year ended June 30, 2022, the Town recognized pension expense (income) of (\$777,050) and (\$43,925) for their General and EMS Plans, respectively.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

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

The Town reported deferred outflows and inflows or resources related to pensions from the following sources:

|   | General             | EMS                 | Total               |
|---|---------------------|---------------------|---------------------|
| Deferred Outflows of Resources:   |                     |                     |                     |
| Contributions after the measurement period  | \$ 1,225,834        | \$ 162,052          | \$ 1,387,886        |
| Differences between expected and actual experience                                | --                  | 187,268             | 187,268             |
| Changes in assumptions  | --                  | 22,580              | 22,580              |
| Net differences between projected and actual earnings on pension plan investments | 3,194,494           | 856,888             | 4,051,382           |
|   | <u>\$ 4,420,328</u> | <u>\$ 1,228,788</u> | <u>\$ 5,649,116</u> |
| Deferred Inflows of Resources:  |                     |                     |                     |
| Differences between expected and actual experience                                | \$ 1,180,623        | \$ 384,305          | \$ 1,564,928        |
| Changes in assumptions  | 128,407             | 6,619               | 135,026             |
| Net differences between projected and actual earnings on pension plan investments | 3,507,436           | 944,570             | 4,452,006           |
|   | <u>\$ 4,816,466</u> | <u>\$ 1,335,494</u> | <u>\$ 6,151,960</u> |

\$1,387,886 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

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

Other amounts reported as deferred outflows and inflows of resources related to the MERS will be recognized in pension expense as follows:

| Year Ended June 30, | Net Deferred Outflows/ (Inflows) of Resources |                     |                       |
|---------------------|---|---------------------|-----------------------|
|                     | General                                       | EMS                 | Total                 |
| 2024                | \$ (717,741)                                  | \$ (105,595)        | \$ (823,336)          |
| 2025                | (677,595)                                     | (76,546)            | (754,141)             |
| 2026                | (787,678)                                     | (174,328)           | (962,006)             |
| 2027                | 561,042                                       | 123,509             | 684,551               |
| 2028                | --  | (32,029)            | (32,029)              |
| Thereafter          | --  | (3,769)             | (3,769)               |
| Total               | <u>\$ (1,621,972)</u>                         | <u>\$ (268,758)</u> | <u>\$ (1,890,730)</u> |

The police and fire plan liabilities are typically liquidated in the Town's general fund whereas the general plan is liquidated through a combination of the Town's general fund and the School's unrestricted fund.

#### *TEACHERS' PLAN*

#### *Plan Description*

Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan – the ERS – administered by the Employees' Retirement System of the State of Rhode Island ("System"). Under a cost-sharing plan, pension obligations for 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, disability 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 <http://www.ersi.org>.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 9 - PENSION PLANS (CONTINUED)**

#### ***TEACHERS' PLAN (CONTINUED)***

##### ***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 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

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

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

##### ***Contributions***

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island ("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 the Town; the rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2022, for the State and the Town, respectively. The Town contributed \$5,121,789, \$4,957,780, and \$4,833,646 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$3,790,544 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' PLAN (CONTINUED)*

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

At June 30, 2023, the Town reported a liability of \$49,306,611 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 the net pension liability  | \$ 49,306,611        |
| State's proportionate share of the net pension liability | <u>36,465,702</u>    |
| Total Net Pension Liability                              | <u>\$ 85,772,313</u> |

The net pension liability was measured as of June 30, 2022, 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, 2021, rolled forward to June 30, 2022. 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, 2022, the Town's proportion was 1.83%.

For the year ended June 30, 2023, the Town recognized gross pension expense of \$6,846,212 and revenue of \$3,168,847 for support provided by the State.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' PLAN (CONTINUED)*

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

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#### **Deferred Outflows of Resources**

|   |                  |
|---|------------------|
| Contributions subsequent to the measurement date  | \$ 5,121,789     |
| Difference between expected and actual experience   | 730,285          |
| Changes in assumptions  | 994,448          |
| Net difference between projected and actual earnings<br>on pension plan investments                             | 7,497,044        |
| Change in proportion and differences between employer<br>contributions and proportionate share of contributions | <u>1,269,226</u> |

|       |                             |
|-------|-----------------------------|
| Total | <u><u>\$ 15,612,792</u></u> |
|-------|-----------------------------|

#### **Deferred Inflows of Resources**

|  |                |
|--|----------------|
| Difference between expected and actual experience  | \$ 959,014     |
| Changes in assumptions   | 739,238        |
| Net difference between projected and actual earnings<br>on pension plan investments                              | 8,528,730      |
| Changes in proportion and differences between employer<br>contributions and proportionate share of contributions | <u>772,893</u> |

|       |                             |
|-------|-----------------------------|
| Total | <u><u>\$ 10,999,875</u></u> |
|-------|-----------------------------|

\$5,121,789 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2023 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:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' PLAN (CONTINUED)*

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

| Year Ended June 30, |                     |
|---------------------|---------------------|
| 2024                | \$ (99,097)         |
| 2025                | (574,870)           |
| 2026                | (1,257,852)         |
| 2027                | 1,458,825           |
| 2028                | (74,764)            |
| Thereafter          | <u>38,886</u>       |
| Total               | <u>\$ (508,872)</u> |

#### *Actuarial Assumptions*

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

|                           |               |
|---------------------------|---------------|
| Inflation                 | 2.5%          |
| Salary increases          | 3.0% to 13.0% |
| Investment rate of return | 7.0%          |

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

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 9 - PENSION PLANS (CONTINUED)**

#### ***TEACHERS' PLAN (CONTINUED)***

#### ***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 40 sources. The June 30, 2022, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### TEACHERS' PLAN (CONTINUED)

#### Actuarial Assumptions (Continued)

| Asset Class                           | Long-Term<br>Target Asset<br>Allocation | Long-Term<br>Expected Arithmetic<br>Real Rate of Return |
|---------------------------------------|---|---|
| <i>GROWTH</i>                         |   |   |
| <b>Global Equity:</b>                 |   |   |
| U.S. Equity                           | 24.30%                                  | 5.52%   |
| International Developed Equity        | 11.10%                                  | 6.04%   |
| Emerging Markets Equity               | 4.60%                                   | 7.83%   |
| <b>Sub-Total</b>                      | <b>40.00%</b>                           |   |
| <b>Private Growth:</b>                |   |   |
| Private Equity                        | 12.50%                                  | 9.42%   |
| Non-Core RE                           | 2.50%                                   | 4.80%   |
| <b>Sub-Total</b>                      | <b>15.00%</b>                           |   |
| <i>INCOME</i>                         |   |   |
| Equity Options                        | 2.00%                                   | 5.25%   |
| EMD (50/50 Blend)                     | 2.00%                                   | 1.82%   |
| Liquid Credit                         | 3.00%                                   | 2.95%   |
| Private Credit                        | 3.00%                                   | 2.95%   |
| Collateralized Loan Obligations (CLO) | 2.00%                                   | 2.95%   |
| <b>Sub-Total</b>                      | <b>12.00%</b>                           |   |
| <i>STABILITY</i>                      |   |   |
| <b>Crisis Protection Class:</b>       |   |   |
| Treasury Duration                     | 5.00%                                   | -0.44%  |
| Systematic Trend                      | 5.00%                                   | 3.33%   |
| <b>Sub-Total</b>                      | <b>10.00%</b>                           |   |
| <b>Inflation Protection:</b>          |   |   |
| Core Real Estate                      | 4.00%                                   | 4.80%   |
| Private Infrastructure                | 4.00%                                   | 5.65%   |
| <b>Sub-Total</b>                      | <b>8.00%</b>                            |   |
| <b>Volatility Protection:</b>         |   |   |
| IG Fixed Income                       | 3.25%                                   | 1.18%   |
| Securitized Credit                    | 3.25%                                   | 1.18%   |
| Absolute Return                       | 6.50%                                   | 3.33%   |
| Cash                                  | 2.00%                                   | -0.44%  |
| <b>Sub-Total</b>                      | <b>15.00%</b>                           |   |
| <b>Total</b>                          | <b>100.00%</b>                          |   |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' PLAN (CONTINUED)*

##### *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.

##### *Discount Rate*

The discount rate used to measure the total pension liability was 7.0 percent. 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 to Changes in the Discount Rate*

The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension 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<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|-----------------------|------------------------------------|-----------------------|
| \$ 61,859,194         | \$ 49,306,611                      | \$ 37,901,175         |

##### *Pension Plan Fiduciary Net Position*

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

The teachers' plan liabilities are typically liquidated in the School's unrestricted fund.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 9 - PENSION PLANS (CONTINUED)**

#### ***TEACHERS' SURVIVORS BENEFIT***

##### ***Plan Description***

Certain employees of the School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the TSB - 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>.

##### ***Benefit Provisions***

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

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

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

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

##### *Benefit Provisions (Continued)*

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<br/>Spouses' benefit</u> |
|------------------------------|---|
| \$17,000 or less             | \$ 825                                    |
| \$17,001 to \$25,000         | 963                                       |
| \$25,001 to \$33,000         | 1,100                                     |
| \$33,001 to \$40,000         | 1,238                                     |
| \$40,001 and over            | 1,375                                     |

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

| <u>Parent and 1<br/>Child</u> | <u>Parent and 2 or<br/>more Children</u> | <u>One Child<br/>Alone</u> | <u>Two Children<br/>Alone</u> | <u>Three or more<br/>Children Alone</u> | <u>Dependent<br/>Parent</u> |
|-------------------------------|--|----------------------------|-------------------------------|---|-----------------------------|
| 150%                          | 175%                                     | 75%                        | 150%                          | 175%                                    | 100%                        |

##### *Contributions*

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The Town contributed \$47,230, \$41,555 and \$49,694 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

##### *Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2023 the Town reported an asset of \$11,991,672 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, 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, 2021 rolled forward to June 30, 2022. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2022 the Town's proportion was 6.82%.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

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

For the year ended June 30, 2022, the Town recognized pension expense (income) of (\$1,287,441).

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#### **Deferred Outflows of Resources**

|   |                     |
|---|---------------------|
| Contributions subsequent to the measurement date  | \$ 47,230           |
| Difference between expected and actual experience   | 294,687             |
| Changes in assumptions  | 291,386             |
| Net difference between projected and actual earnings<br>on pension plan investments                             | 2,525,603           |
| Change in proportion and differences between employer<br>contributions and proportionate share of contributions | <u>221,576</u>      |
| Total   | <u>\$ 3,380,482</u> |

#### **Deferred Inflows of Resources**

|  |                     |
|--|---------------------|
| Difference between expected and actual experience  | \$ 1,544,334        |
| Changes in assumptions   | 401,653             |
| Net difference between projected and actual earnings<br>on pension plan investments                              | 2,802,951           |
| Changes in proportion and differences between employer<br>contributions and proportionate share of contributions | <u>323,739</u>      |
| Total  | <u>\$ 5,072,677</u> |

\$47,230 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2023 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:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

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

| Year Ending June 30, |                       |
|----------------------|-----------------------|
| 2024                 | \$ (398,791)          |
| 2025                 | (535,656)             |
| 2026                 | (676,971)             |
| 2027                 | 225,556               |
| 2028                 | (213,375)             |
| Thereafter           | <u>(140,188)</u>      |
| Total                | <u>\$ (1,739,425)</u> |

#### *Actuarial Assumptions*

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

|                           |               |
|---------------------------|---------------|
| Inflation                 | 2.5%          |
| Salary increases          | 3.0% to 13.0% |
| Investment rate of return | 7.0%          |

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

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

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

##### *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 40 sources. The June 30, 2022, expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### TEACHERS' SURVIVORS BENEFIT (CONTINUED)

#### Actuarial Assumptions (Continued)

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

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

##### *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.

##### *Discount Rate*

The discount rate used to measure the total pension liability was 7.0 percent. 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 Asset to Changes in the Discount Rate*

The following presents the net pension asset calculated using the discount rate of 7.0 percent as well as what the net pension 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<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|-----------------------|------------------------------------|-----------------------|
| \$ 10,526,804         | \$ 11,991,672                      | \$ 13,322,590         |

##### *Pension Plan Fiduciary Net Position*

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

The TSB liabilities are typically liquidated in the Town's general fund.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN*

All full-time police officers and certain other former employees are covered by the Town of Cumberland's Pension Plan which is administered by the Town of Cumberland Pension Board. The Pension Board consists of three members nominated and appointed by the Town Council. This plan is a single employer defined benefit plan that was established by the Town in accordance with Town Charter and State Statutes. The Town Council has the authority to establish and amend the benefits terms through the adoption of an ordinance. The pension plan is reported as a pension trust fund in the Town's financial statements. The plan does not issue a publicly available financial report.

Various asset classes and investment manager styles are used to create a broadly diversified portfolio. The Investment Committee develops long-term asset allocation ranges, and works in conjunction with the Town to review assets and performance. Please refer to the notes of the financial statements under "Investment Policy" for more information on asset allocations.

*Plan Membership* – The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2022:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 83         |
| Active employees   | 40         |
| Total  | <u>123</u> |

*Benefits Provided* – The pension plan provides retirement, disability, and survivorship benefits.

Police officers hired on or before July 1, 2013:

- Normal retirement date - participants may retire upon completion of 20 years of service regardless of age.
- Normal retirement benefit - for credited service prior to July 1, 2013, 2.75% of average annual earnings for the first 20 years plus 1% for the next 5 years. For credited service after July 1, 2013, 2.50% of average annual earnings for the first 20 years plus 1% for the next 10 years. The maximum benefit is 60% of average annual earnings.
- Average annual earnings - average of final 36 months of base salary, overtime, holiday, shift differential, and accreditation earnings.

Police officers hired after July 1, 2013:

- Normal retirement date - participants may retire upon reaching age 55 and the completion of 25 years of service.
- Normal retirement benefit - 2% of average annual earnings for each year of accredited service up to 30 years.
- Average annual earnings - average over working career of base salary, holiday, and longevity earnings.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

Police officers are eligible for non-duty disability benefits after 12 years of service and for duty-related disability benefits upon hire. The duty-related disability retirement benefit is 66.7% of average compensation. The non-duty disability retirement benefit is 60% of average compensation at 12 years of service, increased 5% for each year up to 17 years to 100% at 18 years of service. Upon a participant's death after retirement, 67.5% of the pension benefits are payable to a surviving spouse until death or remarriage, or to surviving dependent children under the age of eighteen. If a police officer dies prior to retirement, after 15 years of service, and while married, the surviving spouse will receive a pension benefit equal to the amount payable if the officer had retired with a 67.5% joint and survivor annuity. For those with less than 15 years service, the beneficiary will receive a refund of the participant's contributions with 5% interest.

Benefit terms provide for a 3% non-compounded, annual cost-of-living adjustment (COLA) to a participant's retirement benefit from age 57 for participant's who retired on or after July 1, 1992. Participants who retired prior to July 1, 1992 do not receive COLA adjustments.

*Contributions* – Under the provisions of the plan, employees are required to contribute 9% of their compensation. The plan actuarial valuation dated July 1, 2022, was used to determine the Town's annual required contribution for the fiscal year ended June 30, 2023. For the year ended June 30, 2023, the Town contributed \$2,626,800 or 81.9% of covered annual payroll.

#### Summary of Significant Accounting Policies

*Basis of Accounting* – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded by the Plan.

*Investments* – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. By contract, an independent appraisal is obtained once every year to determine the fair market value of the assets.

|                      |                          | Long-Term<br>Expected Real |
|----------------------|--------------------------|----------------------------|
| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Rate of Return</u>      |
| Fixed Income         | 38.00%                   | 2.00%                      |
| Domestic Equity      | 50.00%                   | 6.50%                      |
| International Equity | 10.00%                   | 7.75%                      |
| Cash                 | 2.00%                    | 0.00%                      |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

*Rate of return* – For the year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.6%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

#### Net Pension Liability

The components of the change in the net pension asset of the Town Plan for the year ended June 30, 2023, were as follows:

|                              |                      |
|------------------------------|----------------------|
| Pension Liability:           |                      |
| Balance at July 1, 2022      | \$ 43,662,839        |
| Changes for the year:        |                      |
| Service cost                 | 716,388              |
| Interest                     | 3,124,927            |
| Changes in assumptions       | 1,371,465            |
| Differences in experience    | 225,351              |
| Benefit payments             | <u>(2,553,583)</u>   |
| Net changes                  | <u>2,884,548</u>     |
| Balance at June 30, 2023     | <u>\$ 46,547,387</u> |
| Fiduciary Net Position:      |                      |
| Balance at July 1, 2022      | \$ 23,975,069        |
| Changes for the year:        |                      |
| Employer contributions       | 2,626,800            |
| Member contributions         | 265,984              |
| Net investment income        | 2,299,628            |
| Benefit payments             | <u>(2,553,583)</u>   |
| Net changes                  | <u>2,638,829</u>     |
| Balance at June 30, 2023     | <u>\$ 26,613,898</u> |
| Town's Net Pension Liability | <u>\$ 19,933,489</u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

*Actuarial assumptions* – The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.00 percent

Cost of living increases 3.00% non-compounded from age 57 for retirement on or after July 1, 1992. No COLA for retirement before July 1, 1992

Salary increases 1.00% - 10.00%, age graded

Discount rate 7.0 percent

Investment rate of return 7.00 percent, net of pension plan investment expense, including inflation

Mortality is determined using the PubS-2010 Generational MP-2021 table. The salary projection scale was also updated to reflect the most recent experience study.

*Discount rate* – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the 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.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Town, calculated using the discount rate of 7.00, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%).

|                       | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 26,187,824          | \$ 19,933,489                       | \$ 14,833,998          |

#### Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized pension expense related to the Plan of \$2,874,343. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience              | \$ 476,465                           | \$ 23,437                           |
| Differences between expected and actual earnings on investments | 3,351,361                            | 1,854,244                           |
| Changes in assumptions  | 1,389,639                            | 24,977                              |
| Total   | <u>\$ 5,217,465</u>                  | <u>\$ 1,902,658</u>                 |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

##### Net Pension Liability (Continued)

Amounts reported as deferred outflows and inflows of resources related to the plan will be recognized as a component of pension expense in future years as follows:

| Year Ended June 30: |                     |
|---------------------|---------------------|
| 2024                | \$ 890,197          |
| 2025                | 862,683             |
| 2025                | 1,352,390           |
| 2026                | 209,537             |
|                     | <u>\$ 3,314,807</u> |

##### Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2023.

#### *SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE TOWN*

|                          | MERS General | MERS EMS     | Town Police  | ERS Teachers  | TSB Teachers |               |
|--------------------------|--------------|--------------|--------------|---------------|--------------|---------------|
|                          | Plan         | Plan         | Plan         | Plan          | Plan         | Total         |
| Deferred outflows        | \$ 4,420,328 | \$ 1,228,788 | \$ 5,217,465 | \$ 15,612,792 | \$ 3,380,482 | \$ 29,859,855 |
| Deferred inflows         | 4,816,466    | 1,335,494    | 1,902,658    | 10,999,875    | 5,072,677    | 24,127,170    |
| Net pension liability    | 2,156,143    | --           | 19,933,489   | 49,306,611    | --           | 71,396,243    |
| Net pension asset        | --           | 79,552       | --           | --            | 11,991,672   | 12,071,224    |
| Pension expense (income) | (777,050)    | (43,925)     | 2,874,343    | 3,677,365     | (1,287,441)  | 4,443,292     |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 9 - PENSION PLANS (CONTINUED)

#### *DEFINED CONTRIBUTION PLAN*

##### *Plan Description*

Certain employees participating in the Municipal Plan or Teachers' 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. Amounts in the defined contribution plan are available to participants in accordance with IRS guidelines for such plans.

The Town recognized pension expense of \$1,016,990 for the fiscal year ended June 30, 2023. 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 <https://www.ersi.org>.

### NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

#### *Plan Description*

The Town of Cumberland administers a single-employer, defined benefit post-employment health insurance plan. This plan does not include the pension benefits discussed in Note 9. 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 hired prior to July 1, 2013, are eligible for lifetime retiree health insurance (medical and dental) once they attain 20 years of service. Officers hired on/after July 1, 2013 are not eligible for retiree health benefits. Officers with a duty disability pension receive the same benefits as retirees.
- All Other Town Employees -COBRA coverage at retirement.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

- For All School Employees -effective July 1, 2012, retirees are no longer allowed to purchase health coverage through the School's group plan at blended active/retiree rates; instead retirees are required to pay the full cost of coverage based on retiree appropriate working rates. This policy change effectively eliminated the School's liabilities under GASB 75.

#### *Covered Participants*

As of July 1, 2023, the date of the latest available actuarial valuation, membership census is as follows:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefit payments | 72 |
| Active employees   | 23 |
| Total  | 95 |

#### *Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, for the June 30, 2023 measurement date. The following actuarial assumptions applied to all periods in the measurements:

- Actuarial cost method – Entry Age Normal
- Health Care Cost Trend Rates – 4.5%
- Discount rate – The discount rate used to measure the OPEB liability 7.00% for Town. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan's net fiduciary 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 plan investments was applied to all periods of projected payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments is based on the real rates of returns, the asset allocation percentages. The June 30, 2023, real returns and target asset allocation by major asset class are as follows:

| <u>Asset Class</u>    | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|-----------------------|--------------------------|---|
| Equity                | 60.00%                   | 7.00%   |
| Fixed Income and Cash | 40.00%                   | 7.00%   |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *Net OPEB Liability*

|                               | <u>Total OPEB<br/>Liability</u> |
|-------------------------------|---------------------------------|
| OPEB Liability:               |                                 |
| Balance at July 1, 2022       | \$ 24,940,707                   |
| Changes for the year:         |                                 |
| Service cost                  | 280,274                         |
| Interest                      | 1,775,896                       |
| Changes in assumptions        | 1,312,786                       |
| Differences in experience     | 438,212                         |
| Benefit payments              | <u>(1,477,576)</u>              |
| Net changes                   | <u>2,329,592</u>                |
| <br>Balance at June 30, 2023  | <br><u><u>\$ 27,270,299</u></u> |
| <br>Fiduciary Net Position:   |                                 |
| Balance at July 1, 2022       | \$ 5,922,470                    |
| Changes for the year:         |                                 |
| Employer contributions        | 1,455,041                       |
| Net investment income         | 639,974                         |
| Benefit payments              | (1,477,576)                     |
| Administrative expense        | <u>(19,797)</u>                 |
| Net changes                   | <u>597,642</u>                  |
| <br>Balance at June 30, 2023  | <br><u><u>\$ 6,520,112</u></u>  |
| <br>Town's Net OPEB Liability | <br><u><u>\$ 20,750,187</u></u> |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following presents the net OPEB liability calculated using the discount rate of 7.00 percent for the Town as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                    | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability | \$ 24,337,660          | \$ 20,750,187                       | \$ 17,821,428          |

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

The following presents the net OPEB liability calculated using the healthcare cost trend of 4.5 percent for the Town as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

|                    | 1% Decrease<br>(3.50%) | Current Health<br>Care Trend Rates<br>(4.50%) | 1% Increase<br>(5.50%) |
|--------------------|------------------------|---|------------------------|
| Net OPEB liability | \$ 17,732,544          | \$ 20,750,187                                 | \$ 24,435,724          |

#### *OPEB Expense and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2023, the Town recognized OPEB expense of \$2,650,068. At June 30, 2023, the Town reported deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 219,106                           | \$ --                               |
| Net difference between projected actual earnings   | 246,734                              | --                                  |
| Changes in assumptions                             | 656,393                              | --                                  |
| Total  | <u>\$ 1,122,233</u>                  | <u>\$ --</u>                        |

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *OPEB Expense and Deferred Inflows of Resources Related to OPEB (Continued)*

Amounts reported as deferred outflows and inflows or resources related to the Town OPEB plan will be recognized in OPEB expense as follows:

| Year Ended June 30: |                     |
|---------------------|---------------------|
| 2024                | \$ 933,122          |
| 2025                | 35,625              |
| 2026                | 195,905             |
| 2027                | (42,419)            |
|                     | <u>\$ 1,122,233</u> |

The Town's OPEB liabilities are typically liquidated in the Town's general fund.

### NOTE 11 - CONTINGENCIES AND COMMITMENTS

#### *Litigation*

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. The Town accrues liabilities for losses when they are both probable and can be reasonably estimated. At June 30, 2023, Management does not believe that any claims will have a material effect on the basic financial statements and consequently, no liability for such matters has been recorded in the Statement of Net Position at June 30, 2023.

#### *Grants*

The Town has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant, Town officials believe such disallowances, if any, would be immaterial.

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 12 - RISK MANAGEMENT

#### *Healthcare*

The Town uses a combination of financing plans to pay for its medical and dental programs for all eligible employees of the Town and their dependents. These plans consist of the following:

- Cost Plus Basis - under which the Town pays for the actual cost of covered health care services plus a fee to the provider for the administration of the program, and
- Prospective Premium Basis - a fully insured plan.

In order to avoid catastrophic losses, the Town "reinsures" the program by purchasing insurance known as "stop-loss insurance". Changes in claims liability for fiscal years 2023 and 2022 were as follows:

#### **School**

|   |                    |
|---|--------------------|
| Incurring but not reported claims (IBNR), June 30, 2022           | \$ 348,507         |
| Approximate amount of incurred claims                             | 10,151,220         |
| Paid claims including amount in accounts payable at June 30, 2023 | <u>(9,801,137)</u> |
| Estimated IBNR Claims outstanding at June 30, 2023                | <u>\$ 698,590</u>  |
|   |                    |
| Incurring but not reported claims (IBNR), June 30, 2021           | \$ 390,635         |
| Approximate amount of incurred claims                             | 8,825,994          |
| Paid claims including amount in accounts payable at June 30, 2022 | <u>(8,868,122)</u> |
| Estimated IBNR Claims outstanding at June 30, 2022                | <u>\$ 348,507</u>  |

#### **Town**

|   |                    |
|---|--------------------|
| Incurring but not reported claims (IBNR), June 30, 2022           | \$ 184,230         |
| Approximate amount of incurred claims                             | 4,587,281          |
| Paid claims including amount in accounts payable at June 30, 2023 | <u>(4,476,178)</u> |
| Estimated IBNR Claims outstanding at June 30, 2023                | <u>\$ 295,333</u>  |
|   |                    |
| Incurring but not reported claims (IBNR), June 30, 2021           | \$ 217,480         |
| Approximate amount of incurred claims                             | 4,152,952          |
| Paid claims including amount in accounts payable at June 30, 2022 | <u>(4,186,202)</u> |
| Estimated IBNR Claims outstanding at June 30, 2022                | <u>\$ 184,230</u>  |

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **NOTE 13 - TOWN SPECIAL RESERVE**

For many years, the Town has derived revenue from various cell tower leases. Beginning in 2020 and concluding in 2021 the Town negotiated a conversion of those leases from an ongoing monthly income stream to a lump sum cash payment. In general, these leases could have been terminated at any time by the respective telephone carriers. Through the sale, that risk has been transferred to the buyer of those leases. The Town sold the rights to these leases by assigning the leases and granting easements. In exchange for this, the Town received approximately \$595,000 in 2020, and \$1,708,000 in 2021 in cash payments. The total proceeds from the sale of these leases approximated \$2,303,000. The Town maintains these funds in a Town Special Reserve Account, and in a deposit account at a local credit union. It is anticipated that these funds will be used to benefit the Town's citizens and taxpayers for many years to come by funding future projects such as Diamond Hill Park improvements.

In addition to the sale of the cell tower leases, in 2020 the Town received a lump sum payment of \$500,000 in connection with a contract it negotiated with a solar energy provider. Those funds are also maintained in this Town Special Reserve Account, which as of June 30, 2023 contains \$1,623,000.

### **NOTE 14 – LIQUIDITY AND SELF SUFFICIENCY – WATER FUND**

As of June 30, 2023 the Town's Water Fund has received a cumulated long term advance from the Town's General Fund in the amount \$4,324,254, the balance of which was \$4,540,091 and \$3,568,775 as of June 30, 2022 and 2021, respectively. The Water Fund has not been self-sufficient over this time period and is not currently liquid enough to cover the advance from the Town. As a result, the Town has generated a recovery plan in order to become self sufficient and to pay the General Fund back. The recovery plan includes an increase in the Town's water rates in fiscal year 2024 and 2025 as well as a deficit reduction surcharge built into the Water Fund's budget beginning in fiscal year 2024 of \$1,000,000 and additional budgets to fully refund the Town by fiscal year 2030.

## **REQUIRED SUPPLEMENTARY INFORMATION**

This section presents the Schedule of Changes and Related Ratios for the Town and School's Pension and OPEB Plans, and budgetary comparison schedules for the Town's General Fund. These schedules are not a required part of the basic financial statements, but are required supplementary information required by the Governmental Accounting Standards Board.

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOWN'S NET OPEB LIABILITY AND RELATED RATIOS

### LAST SEVEN FISCAL YEARS

|  | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability</b>  |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 280,274           | \$ 282,978           | \$ 305,158           | \$ 306,987           | \$ 426,530           | \$ 426,356           | \$ 434,661           |
| Interest   | 1,775,896            | 1,783,773            | 1,626,380            | 1,632,408            | 1,832,913            | 1,890,431            | 1,568,378            |
| Differences between expected and actual experience                             | 438,212              | (831,319)            | 62,797               | (973,636)            | (3,102,808)          | (2,223,963)          | 2,821,128            |
| Changes of assumptions   | 1,312,786            | --                   | 1,430,526            | --                   | (130,760)            | --                   | 394,753              |
| Benefit payments   | <u>(1,477,576)</u>   | <u>(1,209,847)</u>   | <u>(1,252,909)</u>   | <u>(848,310)</u>     | <u>(810,268)</u>     | <u>(907,780)</u>     | <u>(1,778,950)</u>   |
| Net change in total OPEB liability   | 2,329,592            | 25,585               | 2,171,952            | 117,449              | (1,784,393)          | (814,956)            | 3,439,970            |
| <b>Total OPEB Liability - Beginning</b>  | <u>24,940,707</u>    | <u>24,915,122</u>    | <u>22,743,170</u>    | <u>22,625,721</u>    | <u>24,410,114</u>    | <u>25,225,070</u>    | <u>21,785,100</u>    |
| <b>Total OPEB Liability - Ending</b>   | <u>\$ 27,270,299</u> | <u>\$ 24,940,707</u> | <u>\$ 24,915,122</u> | <u>\$ 22,743,170</u> | <u>\$ 22,625,721</u> | <u>\$ 24,410,114</u> | <u>\$ 25,225,070</u> |
| <b>Plan Fiduciary Net Position</b>   |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | \$ 1,455,041         | \$ 1,359,163         | \$ 1,386,878         | \$ 1,320,000         | \$ 1,575,235         | \$ 1,503,461         | \$ 1,903,000         |
| Net investment income (loss)   | 639,974              | (715,117)            | 1,183,307            | 234,124              | 350,683              | 197,255              | 297,230              |
| Benefit payments   | (1,477,576)          | (1,209,847)          | (1,252,909)          | (848,310)            | (810,268)            | (907,780)            | (1,778,950)          |
| Administrative expenses  | <u>(19,797)</u>      | <u>(21,550)</u>      | <u>(18,539)</u>      | <u>(18,227)</u>      | <u>(15,633)</u>      | <u>(11,990)</u>      | <u>(13,765)</u>      |
| Net change in plan fiduciary net position                                      | 597,642              | (587,351)            | 1,298,737            | 687,587              | 1,100,017            | 780,946              | 407,515              |
| <b>Plan Fiduciary Net Position - Beginning</b>                                 | <u>5,922,470</u>     | <u>6,509,821</u>     | <u>5,211,084</u>     | <u>4,523,497</u>     | <u>3,423,480</u>     | <u>2,642,534</u>     | <u>2,235,019</u>     |
| <b>Plan Fiduciary Net Position - Ending</b>                                    | <u>\$ 6,520,112</u>  | <u>\$ 5,922,470</u>  | <u>\$ 6,509,821</u>  | <u>\$ 5,211,084</u>  | <u>\$ 4,523,497</u>  | <u>\$ 3,423,480</u>  | <u>\$ 2,642,534</u>  |
| <b>Town's Net OPEB Liability - Ending</b>                                      | <u>\$ 20,750,187</u> | <u>\$ 19,018,237</u> | <u>\$ 18,405,301</u> | <u>\$ 17,532,086</u> | <u>\$ 18,102,224</u> | <u>\$ 20,986,634</u> | <u>\$ 22,582,536</u> |
| <b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b> | 23.91%               | 23.75%               | 26.13%               | 22.91%               | 19.99%               | 14.02%               | 10.48%               |
| <b>Covered Payroll</b>   | \$ 2,006,195         | \$ 1,966,858         | \$ 1,928,292         | \$ 2,202,703         | \$ 2,159,513         | \$ 2,210,352         | \$ 2,167,012         |
| <b>Town's Net OPEB Liability as a Percentage of Covered Payroll</b>            | 1034.31%             | 966.93%              | 954.49%              | 795.94%              | 838.25%              | 949.47%              | 1042.10%             |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S OPEB CONTRIBUTIONS

### LAST SEVEN FISCAL YEARS

| OPEB Trust Fund - Town | Year             | Actuarially                |                        | Contribution           |                    | Actual Contribution          |  |
|------------------------|------------------|----------------------------|------------------------|------------------------|--------------------|------------------------------|--|
|                        | Ended<br>June 30 | Determined<br>Contribution | Actual<br>Contribution | (Deficiency)<br>Excess | Covered<br>Payroll | as a % of<br>Covered Payroll |  |
|                        | 2023             | \$ 1,428,025               | \$ 1,455,041           | \$ 27,016              | \$ 2,006,195       | 72.53%                       |  |
|                        | 2022             | \$ 1,363,187               | \$ 1,359,163           | \$ (4,024)             | \$ 1,966,858       | 69.10%                       |  |
|                        | 2021             | \$ 1,309,165               | \$ 1,386,878           | \$ 77,713              | \$ 1,928,292       | 71.92%                       |  |
|                        | 2020             | \$ 1,316,810               | \$ 1,320,000           | \$ 3,190               | \$ 2,202,703       | 59.93%                       |  |
|                        | 2019             | \$ 1,608,912               | \$ 1,575,235           | \$ (33,677)            | \$ 2,159,513       | 72.94%                       |  |
|                        | 2018             | \$ 1,677,202               | \$ 1,503,461           | \$ (173,741)           | \$ 2,210,352       | 68.02%                       |  |
|                        | 2017             | \$ 1,778,950               | \$ 1,903,000           | \$ 124,050             | \$ 2,167,012       | 87.82%                       |  |

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF TOWN'S OPEB INVESTMENT RETURNS**  
**LAST SEVEN FISCAL YEARS**

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| OPEB Trust Fund - Town | Year    | Money          |
|------------------------|---------|----------------|
|                        | Ended   | Weighted       |
|                        | June 30 | Rate of Return |
|                        | 2023    | 10.81%         |
|                        | 2022    | -10.99%        |
|                        | 2021    | 22.71%         |
|                        | 2020    | 4.82%          |
|                        | 2019    | 8.20%          |
|                        | 2018    | 7.46%          |
|                        | 2017    | 5.41%          |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – GENERAL EMPLOYEES

### LAST NINE FISCAL YEARS

| Measurement Date:   | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 | Year Ended<br>June 30, 2015 | Year Ended<br>June 30, 2014 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total Pension Liability</b>  |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Service cost  | \$ 804,506                  | \$ 791,262                  | \$ 808,105                  | \$ 779,346                  | \$ 787,451                  | \$ 755,616                  | \$ 712,369                  | \$ 705,121                  | \$ 733,946                  |
| Interest  | 2,509,993                   | 2,500,387                   | 2,442,299                   | 2,363,207                   | 2,324,019                   | 2,368,285                   | 2,330,263                   | 2,192,364                   | 2,109,975                   |
| Changes of benefit terms  | --                          | --                          | --                          | --                          | --                          | --                          | --                          | (40,505)                    | --                          |
| Differences between expected and actual experience                                    | (525,189)                   | (1,112,247)                 | (131,140)                   | (213,642)                   | (858,909)                   | (1,169,813)                 | (807,994)                   | 721,588                     | --                          |
| Changes of assumptions  | --                          | --                          | (353,812)                   | --                          | --                          | 1,343,241                   | --                          | --                          | 15,356                      |
| Benefit payments  | (2,152,657)                 | (1,944,931)                 | (1,909,471)                 | (1,717,338)                 | (1,660,018)                 | (1,720,193)                 | (1,778,432)                 | (1,708,632)                 | (1,784,047)                 |
| Net change in total pension liability   | 636,653                     | 234,471                     | 855,981                     | 1,211,573                   | 592,543                     | 1,577,136                   | 456,206                     | 1,869,936                   | 1,075,230                   |
| <b>Total Pension Liability - Beginning</b>  | <u>36,531,121</u>           | <u>36,296,650</u>           | <u>35,440,669</u>           | <u>34,229,096</u>           | <u>33,636,553</u>           | <u>32,059,417</u>           | <u>31,603,211</u>           | <u>29,733,275</u>           | <u>28,658,045</u>           |
| <b>Total Pension Liability - Ending</b>   | <u>\$ 37,167,774</u>        | <u>\$ 36,531,121</u>        | <u>\$ 36,296,650</u>        | <u>\$ 35,440,669</u>        | <u>\$ 34,229,096</u>        | <u>\$ 33,636,553</u>        | <u>\$ 32,059,417</u>        | <u>\$ 31,603,211</u>        | <u>\$ 29,733,275</u>        |
| <b>Plan Fiduciary Net Position</b>  |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Contributions - employer  | \$ 1,214,017                | \$ 1,170,652                | \$ 1,156,696                | \$ 1,138,128                | \$ 1,138,960                | \$ 1,199,279                | \$ 1,194,969                | \$ 1,278,367                | \$ 1,125,835                |
| Contributions - employee  | 174,061                     | 175,443                     | 183,619                     | 192,684                     | 199,538                     | 195,052                     | 183,696                     | 89,142                      | 85,199                      |
| Net investment income (loss)  | (980,364)                   | 7,842,946                   | 1,045,747                   | 1,776,162                   | 2,025,735                   | 2,704,434                   | 1,191                       | 550,899                     | 3,111,659                   |
| Benefit payments, including refunds of employee contributions                         | (2,152,657)                 | (1,944,931)                 | (1,909,471)                 | (1,717,338)                 | (1,660,018)                 | (1,720,193)                 | (1,778,432)                 | (1,708,632)                 | (1,784,047)                 |
| Administrative expenses   | (33,421)                    | (29,883)                    | (28,813)                    | (27,765)                    | (26,968)                    | (25,550)                    | (30,770)                    | (22,128)                    | (19,485)                    |
| Other   | 528,005                     | 403,368                     | (240,075)                   | 2,942                       | (71,676)                    | 20,199                      | 15,028                      | (43,004)                    | 190,528                     |
| Net change in plan fiduciary net position   | (1,250,359)                 | 7,617,595                   | 207,703                     | 1,364,813                   | 1,605,571                   | 2,373,221                   | (414,318)                   | 144,644                     | 2,709,689                   |
| <b>Plan Fiduciary Net Position - Beginning</b>  | <u>36,261,990</u>           | <u>28,644,395</u>           | <u>28,436,692</u>           | <u>27,071,879</u>           | <u>25,466,308</u>           | <u>23,093,087</u>           | <u>23,507,405</u>           | <u>23,362,761</u>           | <u>20,653,072</u>           |
| <b>Plan Fiduciary Net Position - Ending</b>   | <u>\$ 35,011,631</u>        | <u>\$ 36,261,990</u>        | <u>\$ 28,644,395</u>        | <u>\$ 28,436,692</u>        | <u>\$ 27,071,879</u>        | <u>\$ 25,466,308</u>        | <u>\$ 23,093,087</u>        | <u>\$ 23,507,405</u>        | <u>\$ 23,362,761</u>        |
| <b>Plan's Net Pension Liability - Ending</b>  | <u>\$ 2,156,143</u>         | <u>\$ 269,131</u>           | <u>\$ 7,652,255</u>         | <u>\$ 7,003,977</u>         | <u>\$ 7,157,217</u>         | <u>\$ 8,170,245</u>         | <u>\$ 8,966,330</u>         | <u>\$ 8,095,806</u>         | <u>\$ 6,370,514</u>         |
| <b>Plan Fiduciary Net Position as a Percentage<br/>of the Total Pension Liability</b> | 94.20%                      | 99.26%                      | 78.92%                      | 80.24%                      | 79.09%                      | 75.71%                      | 72.03%                      | 74.38%                      | 78.57%                      |
| <b>Covered Payroll</b>  | \$ 11,236,112               | \$ 10,721,710               | \$ 10,563,462               | \$ 9,766,244                | \$ 9,556,447                | \$ 9,305,618                | \$ 8,915,758                | \$ 8,914,303                | \$ 8,455,599                |
| <b>Net Pension Liability as a Percentage<br/>of Covered Payroll</b>                   | 19.19%                      | 2.51%                       | 72.44%                      | 71.72%                      | 74.89%                      | 87.80%                      | 100.57%                     | 90.82%                      | 75.34%                      |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – EMS EMPLOYEES

### LAST NINE FISCAL YEARS

| Measurement Date:   | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 | Year Ended<br>June 30, 2015 | Year Ended<br>June 30, 2014 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total Pension Liability</b>  |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Service cost  | \$ 218,079                  | \$ 236,951                  | \$ 239,335                  | \$ 251,355                  | \$ 252,781                  | \$ 206,114                  | \$ 210,967                  | \$ 195,086                  | \$ 180,477                  |
| Interest  | 619,807                     | 608,652                     | 564,185                     | 505,238                     | 499,458                     | 464,294                     | 440,088                     | 404,297                     | 375,512                     |
| Changes of benefit terms  | --                          | --                          | --                          | --                          | --                          | --                          | --                          | 190,650                     | --                          |
| Differences between expected and actual experience                                    | (89,227)                    | (322,910)                   | 149,160                     | 346,972                     | (465,179)                   | 44,367                      | (196,928)                   | (194,663)                   | --                          |
| Changes of assumptions  | --                          | --                          | (13,918)                    | --                          | --                          | 353,594                     | --                          | --                          | (57,543)                    |
| Benefit payments  | (361,723)                   | (346,076)                   | (258,563)                   | (252,342)                   | (155,220)                   | (139,121)                   | (118,791)                   | (133,416)                   | (110,488)                   |
| Net change in total pension liability   | 386,936                     | 176,617                     | 680,199                     | 851,223                     | 131,840                     | 929,248                     | 335,336                     | 461,954                     | 387,958                     |
| <b>Total Pension Liability - Beginning</b>  | <u>8,926,212</u>            | <u>8,749,595</u>            | <u>8,069,396</u>            | <u>7,218,173</u>            | <u>7,086,333</u>            | <u>6,157,085</u>            | <u>5,821,749</u>            | <u>5,359,795</u>            | <u>4,971,837</u>            |
| <b>Total Pension Liability - Ending</b>   | <u>\$ 9,313,148</u>         | <u>\$ 8,926,212</u>         | <u>\$ 8,749,595</u>         | <u>\$ 8,069,396</u>         | <u>\$ 7,218,173</u>         | <u>\$ 7,086,333</u>         | <u>\$ 6,157,085</u>         | <u>\$ 5,821,749</u>         | <u>\$ 5,359,795</u>         |
| <b>Plan Fiduciary Net Position</b>  |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Contributions - employer  | \$ 143,584                  | \$ 138,478                  | \$ 100,641                  | \$ 110,734                  | \$ 94,482                   | \$ 101,415                  | \$ 121,820                  | \$ 117,481                  | \$ 65,507                   |
| Contributions - employee  | 109,380                     | 118,358                     | 113,591                     | 119,069                     | 118,397                     | 107,091                     | 109,053                     | 87,843                      | 75,078                      |
| Net investment income (loss)  | (263,006)                   | 2,113,857                   | 283,188                     | 473,373                     | 533,924                     | 693,525                     | (2,004)                     | 132,860                     | 728,100                     |
| Benefit payments, including refunds of employee contributions                         | (361,723)                   | (346,076)                   | (258,563)                   | (252,342)                   | (155,220)                   | (139,121)                   | (118,791)                   | (133,416)                   | (110,488)                   |
| Administrative expenses   | (8,966)                     | (8,054)                     | (7,803)                     | (7,400)                     | (7,108)                     | (6,552)                     | (5,392)                     | (5,174)                     | (4,559)                     |
| Other   | --                          | --                          | (52,968)                    | 2                           | 20,290                      | (16)                        | 309                         | 2,977                       | 2,562                       |
| Net change in plan fiduciary net position   | (380,731)                   | 2,016,563                   | 178,086                     | 443,436                     | 604,765                     | 756,342                     | 104,995                     | 202,571                     | 756,200                     |
| <b>Plan Fiduciary Net Position - Beginning</b>  | <u>9,773,431</u>            | <u>7,756,868</u>            | <u>7,578,782</u>            | <u>7,135,346</u>            | <u>6,530,581</u>            | <u>5,774,239</u>            | <u>5,669,244</u>            | <u>5,466,673</u>            | <u>4,710,473</u>            |
| <b>Plan Fiduciary Net Position - Ending</b>   | <u>\$ 9,392,700</u>         | <u>\$ 9,773,431</u>         | <u>\$ 7,756,868</u>         | <u>\$ 7,578,782</u>         | <u>\$ 7,135,346</u>         | <u>\$ 6,530,581</u>         | <u>\$ 5,774,239</u>         | <u>\$ 5,669,244</u>         | <u>\$ 5,466,673</u>         |
| <b>Plan's Net Pension (Asset) Liability - Ending</b>                                  | <u>\$ (79,552)</u>          | <u>\$ (847,219)</u>         | <u>\$ 992,727</u>           | <u>\$ 490,614</u>           | <u>\$ 82,827</u>            | <u>\$ 555,752</u>           | <u>\$ 382,846</u>           | <u>\$ 152,505</u>           | <u>\$ (106,878)</u>         |
| <b>Plan Fiduciary Net Position as a Percentage<br/>of the Total Pension Liability</b> | 100.85%                     | 109.49%                     | 88.65%                      | 93.92%                      | 98.85%                      | 92.16%                      | 68.80%                      | 97.38%                      | 101.99%                     |
| <b>Covered Payroll</b>  | \$ 1,089,307                | \$ 1,183,569                | \$ 1,135,905                | \$ 1,190,692                | \$ 1,183,985                | \$ 1,075,188                | \$ 1,132,406                | \$ 1,074,854                | \$ 1,011,640                |
| <b>Net Pension Liability as a Percentage<br/>of Covered Payroll</b>                   | -7.30%                      | -71.58%                     | 87.40%                      | 41.20%                      | 7.00%                       | 51.69%                      | 33.81%                      | 14.19%                      | -10.56%                     |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS - MERS

### LAST TEN FISCAL YEARS

|                               | Year<br>Ended<br>June 30 | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll |
|-------------------------------|--------------------------|---|------------------------|--|--------------------|---|
| <b>General Employees Plan</b> | 2023                     | \$ 1,225,834                              | \$ 1,225,834           | \$ --                                  | \$ 11,043,361      | 11.10%  |
|                               | 2022                     | \$ 1,214,017                              | \$ 1,214,017           | \$ --                                  | \$ 10,721,710      | 11.32%  |
|                               | 2021                     | \$ 1,170,652                              | \$ 1,170,652           | \$ --                                  | \$ 10,721,710      | 10.92%  |
|                               | 2020                     | \$ 1,156,696                              | \$ 1,156,696           | \$ --                                  | \$ 10,563,462      | 10.95%  |
|                               | 2019                     | \$ 1,138,128                              | \$ 1,138,128           | \$ --                                  | \$ 9,766,244       | 11.65%  |
|                               | 2018                     | \$ 1,138,960                              | \$ 1,138,960           | \$ --                                  | \$ 9,556,447       | 11.92%  |
|                               | 2017                     | \$ 1,199,279                              | \$ 1,199,279           | \$ --                                  | \$ 9,305,618       | 12.89%  |
|                               | 2016                     | \$ 1,194,969                              | \$ 1,194,969           | \$ --                                  | \$ 8,915,758       | 13.40%  |
|                               | 2015                     | \$ 1,278,367                              | \$ 1,278,367           | \$ --                                  | \$ 8,914,303       | 14.34%  |
|                               | 2014                     | \$ 1,125,835                              | \$ 1,125,835           | \$ --                                  | \$ 8,455,599       | 13.31%  |
| <b>EMS Employees Plan</b>     | 2023                     | \$ 162,052                                | \$ 162,052             | \$ --                                  | \$ 1,121,986       | 14.44%  |
|                               | 2022                     | \$ 143,584                                | \$ 143,584             | \$ --                                  | \$ 1,089,307       | 13.18%  |
|                               | 2021                     | \$ 138,478                                | \$ 138,478             | \$ --                                  | \$ 1,183,569       | 11.70%  |
|                               | 2020                     | \$ 100,641                                | \$ 100,641             | \$ --                                  | \$ 1,135,905       | 8.86%   |
|                               | 2019                     | \$ 110,734                                | \$ 110,734             | \$ --                                  | \$ 1,190,692       | 9.30%   |
|                               | 2018                     | \$ 94,482                                 | \$ 94,482              | \$ --                                  | \$ 1,183,985       | 7.98%   |
|                               | 2017                     | \$ 101,415                                | \$ 101,415             | \$ --                                  | \$ 1,075,188       | 9.43%   |
|                               | 2016                     | \$ 121,820                                | \$ 121,820             | \$ --                                  | \$ 1,132,406       | 10.76%  |
|                               | 2015                     | \$ 117,481                                | \$ 117,481             | \$ --                                  | \$ 1,074,854       | 10.93%  |
|                               | 2014                     | \$ 65,507                                 | \$ 65,507              | \$ --                                  | \$ 1,011,640       | 6.48%   |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – ERS

### LAST TEN FISCAL YEARS

| Measurement Date:  | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 | Year Ended<br>June 30, 2015 | Year Ended<br>June 30, 2014 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Town's proportion of the net pension liability   | 1.83%                       | 1.81%                       | 1.83%                       | 1.80%                       | 1.77%                       | 1.76%                       | 1.83%                       | 1.70%                       | 1.67%                       |
| Town's proportionate share of the net pension liability  | \$ 49,306,611               | \$ 42,713,028               | \$ 58,588,479               | \$ 57,287,981               | \$56,077,472                | \$ 55,473,711               | \$ 54,740,242               | \$ 46,697,799               | \$ 40,693,201               |
| State's proportionate share of the net pension liability associated with the Town              | <u>36,465,702</u>           | <u>31,675,539</u>           | <u>43,532,675</u>           | <u>42,914,630</u>           | <u>41,829,766</u>           | <u>41,924,797</u>           | <u>37,489,028</u>           | <u>31,902,470</u>           | <u>27,905,203</u>           |
| Total  | <u>\$ 85,772,313</u>        | <u>\$ 74,388,567</u>        | <u>\$ 102,121,154</u>       | <u>\$ 100,202,611</u>       | <u>\$97,907,238</u>         | <u>\$ 97,398,508</u>        | <u>\$ 92,229,270</u>        | <u>\$ 78,600,269</u>        | <u>\$ 68,598,404</u>        |
| Town's covered payroll   | <u>\$ 33,295,078</u>        | <u>\$ 32,325,319</u>        | <u>\$ 31,383,804</u>        | <u>\$ 30,469,713</u>        | <u>\$28,976,524</u>         | <u>\$ 27,399,784</u>        | <u>\$ 26,896,969</u>        | <u>\$ 29,858,499</u>        | <u>\$ 26,812,752</u>        |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 148.09%                     | 132.13%                     | 186.68%                     | 188.02%                     | 193.53%                     | 202.46%                     | 203.52%                     | 156.40%                     | 151.77%                     |
| Plan fiduciary net position as a percentage of the total pension liability                     | 62.10%                      | 66.50%                      | 54.30%                      | 54.60%                      | 54.30%                      | 54.00%                      | 54.06%                      | 57.55%                      | 61.40%                      |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS – ERS

### LAST TEN FISCAL YEARS

|  | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined contribution                                  | \$ 5,121,789         | \$ 4,957,780         | \$ 4,833,646         | \$ 4,714,869         | \$ 5,002,374         | \$ 4,341,190         | \$ 4,217,829         | \$ 4,112,549         | \$ 3,138,074         | \$ 4,307,537         |
| Contributions in relation to the actuarially determined contribution | <u>5,121,789</u>     | <u>4,957,780</u>     | <u>4,833,646</u>     | <u>4,714,869</u>     | <u>5,002,374</u>     | <u>4,341,190</u>     | <u>4,217,829</u>     | <u>4,112,549</u>     | <u>3,138,074</u>     | <u>4,307,537</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 payroll  | <u>\$ 34,293,930</u> | <u>\$ 33,295,078</u> | <u>\$ 32,325,319</u> | <u>\$ 31,383,804</u> | <u>\$ 30,469,713</u> | <u>\$ 28,976,524</u> | <u>\$ 27,399,784</u> | <u>\$ 26,896,969</u> | <u>\$ 29,858,499</u> | <u>\$ 26,812,752</u> |
| Contributions as a percentage of covered payroll                     | 14.93%               | 14.89%               | 14.95%               | 15.02%               | 16.42%               | 14.98%               | 15.39%               | 15.29%               | 10.51%               | 16.07%               |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION ASSET – TSB

### LAST NINE FISCAL YEARS

| Measurement Date:   | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 | Year Ended<br>June 30, 2020 | Year Ended<br>June 30, 2019 | Year Ended<br>June 30, 2018 | Year Ended<br>June 30, 2017 | Year Ended<br>June 30, 2016 | Year Ended<br>June 30, 2015 | Year Ended<br>June 30, 2014 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Town's proportion of the net pension asset  | 6.82%                       | 6.75%                       | 6.93%                       | 6.74%                       | 6.61%                       | 6.77%                       | 6.75%                       | 6.80%                       | 6.53%                       |
| Town's proportionate share of the net pension asset   | \$ 11,991,672               | \$ 13,209,547               | \$ 8,229,378                | \$ 7,650,130                | \$ 5,900,486                | \$ 5,603,243                | \$ 6,718,614                | \$ 6,344,294                | \$ 8,119,601                |
| Town's covered payroll  | \$ 33,295,078               | \$ 32,325,319               | \$ 31,383,804               | \$ 30,469,713               | \$ 28,976,524               | \$ 27,399,784               | \$ 26,896,969               | \$ 29,858,499               | \$ 26,812,752               |
| Town's proportionate share of the net pension asset<br>as a percentage of its covered payroll | 36.02%                      | 40.86%                      | 26.22%                      | 25.11%                      | 20.36%                      | 20.45%                      | 24.98%                      | 21.25%                      | 30.28%                      |
| Plan fiduciary net position as a percentage of the total pension liability                    | 153.10%                     | 153.10%                     | 153.10%                     | 150.20%                     | 137.40%                     | 136.10%                     | 153.30%                     | 153.30%                     | 153.30%                     |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS – TSB

### LAST TEN FISCAL YEARS

|  | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined contribution                                  | \$ 47,230            | \$ 51,555            | \$ 49,694            | \$ 51,675            | \$ 51,718            | \$ 50,296            | \$ 49,201            | \$ 39,954            | \$ 43,338            | \$ 39,802            |
| Contributions in relation to the actuarially determined contribution | <u>47,230</u>        | <u>51,555</u>        | <u>49,694</u>        | <u>51,675</u>        | <u>51,718</u>        | <u>50,296</u>        | <u>49,201</u>        | <u>39,954</u>        | <u>43,338</u>        | <u>39,802</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 payroll  | <u>\$ 34,293,930</u> | <u>\$ 33,295,078</u> | <u>\$ 32,325,319</u> | <u>\$ 31,383,804</u> | <u>\$ 30,469,713</u> | <u>\$ 28,976,524</u> | <u>\$ 27,399,784</u> | <u>\$ 26,896,969</u> | <u>\$ 29,858,499</u> | <u>\$ 26,812,752</u> |
| Contributions as a percentage of covered payroll                     | 0.14%                | 0.15%                | 0.15%                | 0.16%                | 0.17%                | 0.17%                | 0.18%                | 0.15%                | 0.15%                | 0.15%                |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOWN'S POLICE NET PENSION LIABILITY AND RELATED RATIOS

### LAST TEN FISCAL YEARS

|   | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Service cost  | \$ 716,388           | \$ 736,927           | \$ 746,400           | \$ 747,928           | \$ 682,675           | \$ 654,232           | \$ 610,341           | \$ 658,427           | \$ 603,593           | \$ 625,409           |
| Interest  | 3,124,927            | 3,014,900            | 2,844,882            | 2,765,987            | 2,664,203            | 2,570,757            | 2,483,550            | 2,395,416            | 2,307,553            | 2,203,726            |
| Change in benefit terms   | --                   | --                   | --                   | --                   | 81,505               | --                   | --                   | --                   | --                   | --                   |
| Differences between expected and actual experience                                | 225,351              | 205,448              | 432,290              | (117,189)            | 129,230              | (1,966)              | 150,892              | 150,365              | --                   | 287,596              |
| Changes of assumptions  | 1,371,465            | 49,781               | 656,495              | (124,893)            | 1,052,884            | (47,482)             | (196,402)            | (99,400)             | --                   | --                   |
| Benefit payments  | (2,553,583)          | (2,384,227)          | (2,266,811)          | (2,097,379)          | (1,996,466)          | (1,919,613)          | (1,939,389)          | (1,823,825)          | (1,765,110)          | (1,656,011)          |
| Net change in total Pension liability   | 2,884,548            | 1,622,829            | 2,413,256            | 1,174,454            | 2,614,031            | 1,255,928            | 1,108,992            | 1,280,983            | 1,146,036            | 1,460,720            |
| Total Pension Liability - Beginning   | 43,662,839           | 42,040,010           | 39,626,754           | 38,452,300           | 35,838,269           | 34,582,341           | 33,473,349           | 32,192,366           | 31,046,330           | 29,585,610           |
| Total Pension Liability - Ending  | <u>\$ 46,547,387</u> | <u>\$ 43,662,839</u> | <u>\$ 42,040,010</u> | <u>\$ 39,626,754</u> | <u>\$ 38,452,300</u> | <u>\$ 35,838,269</u> | <u>\$ 34,582,341</u> | <u>\$ 33,473,349</u> | <u>\$ 32,192,366</u> | <u>\$ 31,046,330</u> |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 2,626,800         | \$ 2,586,000         | \$ 2,508,000         | \$ 2,420,000         | \$ 2,263,350         | \$ 2,218,887         | \$ 2,182,000         | \$ 2,112,000         | \$ 1,997,828         | \$ 2,064,871         |
| Contribution - employee   | 265,984              | 286,138              | 290,468              | 278,185              | 273,795              | 251,263              | 245,844              | 232,349              | 260,793              | 185,877              |
| Net investment income (loss)  | 2,299,628            | (3,486,433)          | 5,105,226            | 1,072,879            | 1,718,729            | 1,181,086            | 1,383,038            | 205,192              | 605,991              | 1,320,781            |
| Benefit payments, including refunds of employee contributions                     | (2,553,583)          | (2,384,227)          | (2,266,811)          | (2,097,379)          | (1,996,466)          | (1,919,613)          | (1,939,389)          | (1,823,825)          | (1,765,110)          | (1,656,011)          |
| Administrative expenses   | --                   | 607                  | (56,261)             | (31,350)             | (29,210)             | (55,035)             | (17,150)             | (11,346)             | (39,406)             | (9,955)              |
| Net change in plan fiduciary net position   | 2,638,829            | (2,997,915)          | 5,580,622            | 1,642,335            | 2,230,198            | 1,676,588            | 1,854,343            | 714,370              | 1,060,096            | 1,905,563            |
| Plan Fiduciary Net Position - Beginning   | 23,975,069           | 26,972,984           | 21,392,362           | 19,750,027           | 17,519,829           | 15,843,241           | 13,988,898           | 13,274,528           | 12,214,432           | 10,308,869           |
| Plan Fiduciary Net Position - Ending  | <u>\$ 26,613,898</u> | <u>\$ 23,975,069</u> | <u>\$ 26,972,984</u> | <u>\$ 21,392,362</u> | <u>\$ 19,750,027</u> | <u>\$ 17,519,829</u> | <u>\$ 15,843,241</u> | <u>\$ 13,988,898</u> | <u>\$ 13,274,528</u> | <u>\$ 12,214,432</u> |
| <b>Plan's net pension liability - ending</b>                                      | <u>\$ 19,933,489</u> | <u>\$ 19,687,770</u> | <u>\$ 15,067,026</u> | <u>\$ 18,234,392</u> | <u>\$ 18,702,273</u> | <u>\$ 18,318,440</u> | <u>\$ 18,739,100</u> | <u>\$ 19,484,451</u> | <u>\$ 18,917,838</u> | <u>\$ 18,831,898</u> |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 57.18%               | 54.91%               | 64.16%               | 53.98%               | 51.36%               | 48.89%               | 45.81%               | 41.79%               | 41.24%               | 39.34%               |
| <b>Covered-employee payroll</b>   | \$ 3,208,248         | \$ 3,282,983         | \$ 3,140,657         | \$ 3,053,587         | \$ 2,994,240         | \$ 2,817,547         | \$ 2,805,661         | \$ 2,966,003         | \$ 2,686,120         | \$ 2,633,451         |
| <b>Net pension liability as a percentage of covered-employee payroll</b>          | 621.32%              | 599.69%              | 479.74%              | 597.15%              | 624.61%              | 650.16%              | 667.90%              | 656.93%              | 704.28%              | 715.10%              |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S POLICE PENSION CONTRIBUTIONS AND INVESTMENT RETURNS

### LAST TEN FISCAL YEARS

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| Year<br>Ended<br>June 30 | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>(Deficiency)<br>Excess | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll | Weighted<br>Rate of<br>Return |
|--------------------------|---|------------------------|--|--------------------|---|-------------------------------|
| 2023                     | \$ 2,600,052                              | \$ 2,626,800           | \$ 26,748                              | \$ 3,208,248       | 81.88%  | 9.59%                         |
| 2022                     | \$ 2,539,055                              | \$ 2,586,000           | \$ 46,945                              | \$ 3,282,983       | 78.77%  | -12.93%                       |
| 2021                     | \$ 2,495,920                              | \$ 2,508,000           | \$ 12,080                              | \$ 3,140,657       | 79.86%  | 23.86%                        |
| 2020                     | \$ 2,417,279                              | \$ 2,420,000           | \$ 2,721                               | \$ 3,053,587       | 79.25%  | 5.52%                         |
| 2019                     | \$ 2,256,529                              | \$ 2,263,350           | \$ 6,821                               | \$ 2,994,240       | 75.59%  | 9.47%                         |
| 2018                     | \$ 2,168,246                              | \$ 2,218,887           | \$ 50,641                              | \$ 2,817,547       | 78.75%  | 7.45%                         |
| 2017                     | \$ 2,138,355                              | \$ 2,182,000           | \$ 43,645                              | \$ 2,805,661       | 77.77%  | 12.97%                        |
| 2016                     | \$ 2,110,186                              | \$ 2,112,000           | \$ 1,814                               | \$ 2,966,003       | 71.21%  | 5.38%                         |
| 2015                     | \$ 1,997,828                              | \$ 1,997,828           | \$ --                                  | \$ 2,686,120       | 74.38%  | 4.98%                         |
| 2014                     | \$ 1,980,631                              | \$ 2,064,871           | \$ 84,240                              | \$ 2,633,451       | 78.41%  | 12.54%                        |

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN**

The amounts presented for each fiscal year were determined as of the June 30 fiscal year-end.

The schedules are intended to show information for 10 years; additional years will be displayed as they become available.

The following actuarial methods and assumptions were used to determine contribution amounts:

- Actuarial cost method – Entry Age Normal
- Health Care Cost Trend Rates – 4.5%
- Discount rate – The discount rate used to measure the OPEB liability 7.00% for Town. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan's net fiduciary 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 plan investments was applied to all periods of projected payments to determine the total OPEB liability.

**MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB)**

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end. The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

Employers participating in the State Employees' 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 Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially.

***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.

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB)**  
**(CONTINUED)**

***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.

***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:

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2023

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#### MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

- 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.

#### *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.

# **TOWN OF CUMBERLAND, RHODE ISLAND**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2023**

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### **MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)**

- 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 4-year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr 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 01/01/16, 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.

### **POLICE PLAN**

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2022.

Methods and assumptions used to determine contribution rates:

Discount rate 7.00%

Long-term rate of return on investments 7.00%

Salary increases 1.00% - 10.00%, age graded

Inflation 2.00%

Cost of living increases 3.00% non-compounded from age 57 for retirement on or after July 1, 1992. No COLA for retirement before July 1, 1992

Mortality rates: PubS-20210 projected generationally with Scale MP-2021

Disabled: 1985 Pension Disability Table. All Disability is assumed to be duty-related.

Retirement rates: Officers hired on or before 7/1/2013 Age Rate 20 70% 21-24 10% 25 70% 26-29 10% 30 100%

Officers hired after 7/1/2013 100% at age 55 with 25 years of service

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

### GENERAL FUND

**FOR THE YEAR ENDED JUNE 30, 2023**

|   | Budget Amounts |               | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variances<br>Favorable<br>(Unfavorable) |
|---|----------------|---------------|---|---|
|   | Original       | Final         |   |   |
| <b>Revenues and other financing sources:</b>  |                |               |   |   |
| General property taxes and interest           | \$ 74,219,934  | \$ 69,314,806 | \$ 69,868,075                             | \$ 553,269                              |
| Investment and interest income                | 125,000        | 390,000       | 553,524                                   | 163,524                                 |
| Payments in lieu of taxes                     | 50,630         | 50,630        | 57,602                                    | 6,972                                   |
| Other local and departmental revenue          | 2,733,467      | 2,589,349     | 2,775,615                                 | 186,266                                 |
| Federal and State aid and grants              | 1,833,003      | 7,139,939     | 7,228,078                                 | 88,139                                  |
| Cell tower revenue                            | 130,000        | 20,000        | 32,413                                    | 12,413                                  |
| Rescue service revenue                        | 1,257,500      | 1,257,500     | 1,134,784                                 | (122,716)                               |
| School housing capital aid                    | 1,469,042      | 1,469,042     | 1,503,604                                 | 34,562                                  |
| Appropriation of general fund surplus         | 650,000        | 350,000       | --  | (350,000)                               |
| Revenue stabilization revenue                 | 700,000        | 700,000       | --  | (700,000)                               |
| Transfers in                                  | 1,050,000      | 1,050,000     | 300,000                                   | (750,000)                               |
| Other financing sources - police detail       | 185,000        | 185,000       | 185,000                                   | --                                      |
| Total revenues and other financing sources    | 84,403,576     | 84,516,266    | 83,638,695                                | (877,571)                               |
| <b>Expenditures and other financing uses:</b> |                |               |   |   |
| <b>General government:</b>                    |                |               |   |   |
| Mayor's Office                                | 311,757        | 321,747       | 308,862                                   | 12,885                                  |
| Town Clerk                                    | 313,079        | 368,627       | 362,394                                   | 6,233                                   |
| Town Officers                                 | 4,867          | 4,867         | 4,521                                     | 346                                     |
| Town Council                                  | 129,754        | 84,754        | 78,264                                    | 6,490                                   |
| Legal   | 353,168        | 289,710       | 253,016                                   | 36,694                                  |
| Canvassing                                    | 125,411        | 127,653       | 128,579                                   | (926)                                   |
| Misc. Boards                                  | 6,900          | 6,900         | 5,550                                     | 1,350                                   |
| Courts  | 117,200        | 123,170       | 118,224                                   | 4,946                                   |
|   | 1,362,136      | 1,327,428     | 1,259,410                                 | 68,018                                  |
| <b>Community Development:</b>                 |                |               |   |   |
| Planning                                      | 307,786        | 333,953       | 325,407                                   | 8,546                                   |
| Inspection                                    | 399,904        | 354,574       | 302,315                                   | 52,259                                  |
| Zoning  | 19,600         | 19,600        | 15,241                                    | 4,359                                   |
|   | 727,290        | 708,127       | 642,963                                   | 65,164                                  |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

### GENERAL FUND

**FOR THE YEAR ENDED JUNE 30, 2023**

|                                 | Budget Amounts   |                  | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variances<br>Favorable<br>(Unfavorable) |
|---------------------------------|------------------|------------------|---|---|
|                                 | Original         | Final            |   |   |
| <b>Financial Administration</b> |                  |                  |   |   |
| Information technology          | 107,000          | 132,600          | 129,314                                   | 3,286                                   |
| Finance                         | 882,784          | 891,470          | 882,935                                   | 8,535                                   |
| Human Resources                 | 115,755          | 130,599          | 129,115                                   | 1,484                                   |
| Assessor                        | 263,240          | 295,863          | 286,586                                   | 9,277                                   |
|                                 | <u>1,368,779</u> | <u>1,450,532</u> | <u>1,427,950</u>                          | <u>22,582</u>                           |
| <b>Public Safety:</b>           |                  |                  |   |   |
| Police department               | 6,123,881        | 6,100,168        | 6,013,368                                 | 86,800                                  |
| Telecommunication               | 580,090          | 560,922          | 544,828                                   | 16,094                                  |
| EMS service                     | 2,850,879        | 2,895,548        | 2,879,326                                 | 16,222                                  |
| Animal control                  | 180,421          | 170,462          | 148,471                                   | 21,991                                  |
|                                 | <u>9,735,271</u> | <u>9,727,100</u> | <u>9,585,993</u>                          | <u>141,107</u>                          |
| <b>Public Works:</b>            |                  |                  |   |   |
| Public works                    | 3,190,105        | 3,240,482        | 3,217,965                                 | 22,517                                  |
| Highway                         | 3,411,980        | 3,576,955        | 3,527,875                                 | 49,080                                  |
| Recreation                      | 377,371          | 359,879          | 364,328                                   | (4,449)                                 |
| Town Hall                       | 273,546          | 310,974          | 323,744                                   | (12,770)                                |
|                                 | <u>7,253,002</u> | <u>7,488,290</u> | <u>7,433,912</u>                          | <u>54,378</u>                           |
| <b>Social Services:</b>         |                  |                  |   |   |
| Library                         | 1,795,799        | 1,828,829        | 1,786,788                                 | 42,041                                  |
| Children and Learning           | 266,087          | 284,277          | 266,641                                   | 17,636                                  |
| Senior Citizen                  | 351,272          | 366,558          | 334,605                                   | 31,953                                  |
|                                 | <u>2,413,158</u> | <u>2,479,664</u> | <u>2,388,034</u>                          | <u>91,630</u>                           |
| <b>Other Expenditures:</b>      |                  |                  |   |   |
| Outside Agencies                | 88,500           | 88,500           | 76,500                                    | 12,000                                  |
| Severances                      | 200,000          | 325,000          | 248,414                                   | 76,586                                  |
| Contingencies                   | 100,000          | 100,000          | 53,126                                    | 46,874                                  |
| Property Revaluation            | 451,000          | 451,000          | 405,900                                   | 45,100                                  |
| Property & Liability Insur.     | 540,000          | 568,830          | 561,830                                   | 7,000                                   |
|                                 | <u>1,379,500</u> | <u>1,533,330</u> | <u>1,345,770</u>                          | <u>187,560</u>                          |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

### GENERAL FUND

**FOR THE YEAR ENDED JUNE 30, 2023**

|  | Budget Amounts        |                       | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variances<br>Favorable<br>(Unfavorable) |
|--|-----------------------|-----------------------|---|---|
|  | Original              | Final                 |   |   |
| Debt service   | 6,805,668             | 6,478,023             | 6,440,697                                 | 37,326                                  |
| Town Master Lease  | 293,618               | 293,618               | 289,222                                   | 4,396                                   |
| Fringe benefits  | 4,355,756             | 4,320,756             | 4,295,749                                 | 25,007                                  |
|  | <u>11,455,042</u>     | <u>11,092,397</u>     | <u>11,025,668</u>                         | <u>66,729</u>                           |
| <b>School Department</b>   |                       |                       |   |   |
| Town Contribution - Education  | 48,156,398            | 48,156,398            | 48,156,398                                | --                                      |
| Other Contributions  | --                    | 300,000               | --  | 300,000                                 |
| Healthcare - Education   | 553,000               | 253,000               | 253,000                                   | --                                      |
|  | <u>48,709,398</u>     | <u>48,709,398</u>     | <u>48,409,398</u>                         | <u>300,000</u>                          |
| <br>Total expenditure and other financing uses   | <br><u>84,403,576</u> | <br><u>84,516,266</u> | <br><u>83,519,098</u>                     | <br><u>(997,168)</u>                    |
| <br><b>Excess (deficiency) of revenues and other sources over<br/>expenditures and other uses, budgetary basis</b> | <br><u>\$ --</u>      | <br><u>\$ --</u>      | <br><u>119,597</u>                        | <br><u>\$ 119,597</u>                   |
| <br>Adjustment of budgetary basis to US GAAP   |                       |                       | (335,920)                                 |   |
| Fund balance, beginning of year (GAAP)   |                       |                       | <u>22,680,245</u>                         |   |
| Fund balance, end of year (GAAP)   |                       |                       | <u>\$ 22,463,922</u>                      |   |

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF CUMBERLAND, RHODE ISLAND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES AND EXPENDITURES**

**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**SCHOOL UNRESTRICTED FUND**

**FOR THE YEAR ENDED JUNE 30, 2023**

|   | Original<br>Budget  | Final<br>Budget     | Actual<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|--------------------------------|---|
| <b>Revenues</b>                                       |                     |                     |                                |   |
| State aid   | \$ 22,263,569       | \$ 22,263,569       | \$ 22,137,747                  | \$ (125,822)  |
| Medicaid  | 450,000             | 450,000             | 399,030                        | (50,970)  |
| Tuition   | 1,205,000           | 1,205,000           | 1,026,703                      | (178,297)   |
| Other revenues  | <u>260,000</u>      | <u>260,000</u>      | <u>419,757</u>                 | <u>159,757</u>  |
| <b>Total Revenues</b>                                 | <u>24,178,569</u>   | <u>24,178,569</u>   | <u>23,983,237</u>              | <u>(195,332)</u>  |
| <b>Expenditures</b>                                   |                     |                     |                                |   |
| Salaries  | 41,540,804          | 41,540,804          | 41,189,989                     | 350,815   |
| Fringe benefits                                       | 16,215,683          | 16,215,683          | 14,877,130                     | 1,338,553   |
| Professional services                                 | 13,604,248          | 13,604,248          | 13,214,848                     | 389,400   |
| Supplies and materials                                | 1,828,163           | 1,828,163           | 2,276,089                      | (447,926)   |
| Capital outlay  | 605,069             | 605,069             | 707,920                        | (102,851)   |
| Other   | <u>953,114</u>      | <u>953,114</u>      | <u>91,414</u>                  | <u>861,700</u>  |
| <b>Total Expenditures</b>                             | <u>74,747,081</u>   | <u>74,747,081</u>   | <u>72,357,390</u>              | <u>2,389,691</u>  |
| <b>Deficiency of Revenues Under Expenditures</b>      |                     |                     |                                |   |
| <b>Before Other Financing Sources (Uses)</b>          | <u>(50,568,512)</u> | <u>(50,568,512)</u> | <u>(48,374,153)</u>            | <u>2,194,359</u>  |
| <b>Other Financing Sources (Uses)</b>                 |                     |                     |                                |   |
| Operating transfer from Town                          | 48,409,398          | 48,409,398          | 48,156,398                     | (253,000)   |
| Reappropriation of fund balance                       | 1,025,000           | 1,025,000           | --                             | (1,025,000)   |
| Proceeds from capital leases                          | 1,134,114           | 1,134,114           | 1,186,929                      | 52,815  |
| Transfers out   | <u>--</u>           | <u>--</u>           | <u>--</u>                      | <u>--</u>   |
| <b>Total Other Financing Sources (Uses)</b>           | <u>50,568,512</u>   | <u>50,568,512</u>   | <u>49,343,327</u>              | <u>(1,225,185)</u>                                      |
| <b>Excess of Revenues and Other Financing Sources</b> |                     |                     |                                |   |
| <b>Over Expenditures and Other Financing Uses</b>     | <u>\$ --</u>        | <u>\$ --</u>        | <u>\$ 969,174</u>              | <u>\$ 969,174</u>                                       |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

### SEWER FUND

FOR THE YEAR ENDED JUNE 30, 2023

|  | Budgeted Amounts |                |                   | Favorable          |
|--|------------------|----------------|-------------------|--------------------|
|  | Original         | Final          | Actual            | (Unfavorable)      |
| <b>Revenue</b>   |                  |                |                   |                    |
| Charges for services   | \$ 396,801       | \$ 396,801     | \$ 436,942        | \$ 40,141          |
| Sewer assessments  | 141,577          | 141,577        | 110,748           | (30,829)           |
| Miscellaneous and other  | 54,000           | 54,000         | 54,937            | 937                |
| Total revenues   | <u>592,378</u>   | <u>592,378</u> | <u>602,627</u>    | <u>10,249</u>      |
| <b>Expenditures</b>  |                  |                |                   |                    |
| Personnel services   | 119,729          | 119,729        | 123,667           | (3,938)            |
| Supplies and services  | 156,099          | 156,099        | 239,917           | (83,818)           |
| Repairs and maintenance  | 166,550          | 166,550        | 49,855            | 116,695            |
| Capital improvements   | 150,000          | 150,000        | 71,849            | 78,151             |
| Total expenditures   | <u>592,378</u>   | <u>592,378</u> | <u>485,288</u>    | <u>107,090</u>     |
| Excess (deficiency) of revenue over expenditures before other financing sources              | <u>--</u>        | <u>--</u>      | <u>117,339</u>    | <u>(96,841)</u>    |
| <b>Other Financing Sources (Uses)</b>  |                  |                |                   |                    |
| Deficit reduction  | <u>--</u>        | <u>--</u>      | <u>--</u>         | <u>--</u>          |
| Total other financing sources (uses)   |                  |                |                   |                    |
| Excess(deficiency) of revenue over expenditure   | <u>\$ --</u>     | <u>\$ --</u>   | <u>117,339</u>    | <u>\$ (96,841)</u> |
| Adjustments of budgetary basis for US GAAP basis   |                  |                | <u>--</u>         |                    |
| Excess of revenue and other sources over expenditures and other financing uses US GAAP basis |                  |                | <u>117,339</u>    |                    |
| Fund balance, beginning of year  |                  |                | <u>391,847</u>    |                    |
| Fund balance, end of year  |                  |                | <u>\$ 509,186</u> |                    |

*The notes to the required supplementary information are an integral part of this schedule.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

### WATER FUND

FOR THE YEAR ENDED JUNE 30, 2023

|  | Original<br>Budget | Budget<br>As<br>Adopted | Actual               | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|-------------------------|----------------------|--|
| <b>Revenue</b>   |                    |                         |                      |  |
| Charges for services   | \$ 6,628,962       | \$ 6,628,962            | \$ 5,967,580         | \$ (661,382)                           |
| Miscellaneous  | 125,000            | 125,000                 | 259,543              | 134,543                                |
| Total revenues   | <u>6,753,962</u>   | <u>6,753,962</u>        | <u>6,227,123</u>     | <u>(526,839)</u>                       |
| <b>Expenditures:</b>   |                    |                         |                      |  |
| Personnel services   | 1,770,679          | 1,770,679               | 1,797,728            | (27,049)                               |
| Supplies and materials   | 152,000            | 152,000                 | 261,246              | (109,246)                              |
| Repairs and maintenance  | 182,136            | 182,136                 | 174,975              | 7,161                                  |
| Other charges and expenditures   | 3,235,365          | 3,235,365               | 3,157,526            | 77,839                                 |
| Indirect cost  | 75,000             | 75,000                  | 85,000               | (10,000)                               |
| Debt service   | 1,338,782          | 1,338,782               | 1,416,446            | (77,664)                               |
| Total expenditures   | <u>6,753,962</u>   | <u>6,753,962</u>        | <u>6,892,921</u>     | <u>(138,959)</u>                       |
| Excess (deficiency) of revenues and<br>other sources over expenses and<br>other uses               | <u>\$ --</u>       | <u>\$ --</u>            | <u>(665,798)</u>     | <u>\$ (665,798)</u>                    |
| Adjustments of budgetary basis for<br>US GAAP basis  |                    |                         | <u>65,485</u>        |  |
| Excess of revenue and other source over<br>expenditures and other financing uses,<br>US GAAP basis |                    |                         | <u>(600,313)</u>     |  |
| Fund balance, beginning of year  |                    |                         | <u>26,726,977</u>    |  |
| Fund balance, end of year  |                    |                         | <u>\$ 26,126,664</u> |  |

*The notes to the required supplementary information are an integral part of this schedule.*

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**BUDGETARY DATA AND BUDGETARY COMPLIANCE**

***Adoption***

Annual budgets are adopted for the Town's General Fund, the School Unrestricted Fund and the Sewer Fund. Annual budgets are adopted on a budgetary basis that differs from generally accepted accounting principles (GAAP). The budget to actual presentations in the financial statements are reflected on the appropriate basis of accounting. Encumbrances provided additional monies available but would have no effect on the actual amounts. A reconciliation between the budgetary basis and GAAP basis of accounting is presented below.

On or before the first Monday in March of each year, all agencies of the Town submit requests for appropriation to the Town's Finance Director so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The Finance Director must submit their recommendations to the Mayor no later than the third Monday in April. The Mayor may change the Finance Director's recommendations except that the Mayor does not have the authority to change any item in the school expenditure request except the overall amount.

On or before the second Monday in May, the Mayor presents the proposed budget to the Town's Council for review. The Town's Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Town's Finance Director or the revenue estimates must be changed by an affirmative vote of the majority of the Town's Council.

***Budgetary to GAAP Basis Reconciliation***

Annual operating budgets are in conformity with the legal enacted budgetary basis, which differs from accounting principles generally accepted in the United States of America ("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 the U.S. GAAP. Budgetary expenditures include capital assets 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 expense.

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)**

***Budgetary to GAAP Basis Reconciliation (Continued)***

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2023 for the General Fund:

|   | <u><b>General Fund</b></u> |
|---|----------------------------|
| Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) | \$ 119,597                 |
| Unbudgeted activity in Fund #305 (Senior Center)  | 47,320                     |
| Unbudgeted activity in Fund #307 (Public Fund)  | 71,115                     |
| Unbudgeted activity in Fund #315 (Police Detail)  | (205,312)                  |
| Unbudgeted activity in Fund #324 (OC & YL)  | 22,853                     |
| Unbudgeted activity in Fund #342 (Recreation)   | 92,138                     |
| Unbudgeted activity in Fund #396 (Town Projects)  | (236,620)                  |
| Unbudgeted activity in Fund #399 (Comm Dev)   | (127,414)                  |
| Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)                     | <u>\$ (216,323)</u>        |

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2023 for the School Unrestricted Fund:

|   |                          |
|---|--------------------------|
| <b>Excess of Expenditures and Other Financing Uses<br/>Over Revenue and Other Financing Sources - Budgetary basis</b> | <b>\$ 969,174</b>        |
| ERSRI on behalf pension revenue   | 3,790,544                |
| ERSRI on behalf pension expenditures  | <u>(3,790,544)</u>       |
| <b>Excess of Expenditures and Other Financing Uses<br/>Over Revenues and Other Financing Sources - GAAP Basis</b>     | <b><u>\$ 969,174</u></b> |

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)**

***Budgetary to GAAP Basis Reconciliation (Continued)***

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2023 for the Water Fund:

|   |                     |
|---|---------------------|
| Excess (deficiency) of revenues and other sources<br>over expenditures and other uses (Non-GAAP<br>Budgetary Basis) | \$ (665,798)        |
| Unbudgeted depreciation expense   | (939,530)           |
| Principal payments which are budgeted for net netted<br>against long-term liabilities for GAAP purposes             | 1,005,015           |
| Excess (deficiency) of revenues and other<br>sources over expenditures and other uses (GAAP)                        | <u>\$ (600,313)</u> |

## **OTHER SUPPLEMENTARY INFORMATION**

This section presents the Tax Collector's Annual Report, Annual Supplemental Transparency Portal (MTP2), Combining Non-Major Governmental Funds and Combining Employee Benefit Trust Funds. These schedules are not a required part of the basic financial statements.

# TOWN OF CUMBERLAND, RHODE ISLAND

## TAX COLLECTOR'S ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Real estate and personal property taxes receivable:

|   |                      |                            |                   |                     |                          |                           |                        |                      | FY 2023 Collections Summary  |   |                              |  |
|---|----------------------|----------------------------|-------------------|---------------------|--------------------------|---------------------------|------------------------|----------------------|--|---|------------------------------|--|
| Fiscal Year                             | July 1, 2022         | Current Year<br>Assessment | Additions         | Abatements          | Refunds /<br>Adjustments | Amount to be<br>Collected | FY 2023<br>Collections | June 30, 2023        | July - August 2023<br>(FY 23) Collections<br>Subject to 60-day<br>FY23 Accrual | September -<br>June 2023<br>Collections | Total FY 2023<br>Collections | July - August 2023<br>(FY 23) Collections<br>Subject to 60-day<br>FY23 Accrual |
| 2023                                    | \$ --                | \$ 70,477,328              | \$ 83,723         | \$ (347,173)        | \$ (458,253)             | \$ 69,755,625             | \$ 34,649,884          | \$ 35,105,741        | \$ --  | \$ 34,649,884                           | \$ 34,649,884                | \$ 9,838,026   |
| 2022                                    | 34,023,408           | --                         | 87,645            | (33,209)            | 196,143                  | 34,273,987                | 33,542,175             | 731,812              | 9,347,309  | 24,194,866                              | 33,542,175                   | 221,021  |
| 2021                                    | 819,010              | --                         | 1,911             | (98)                | 5,830                    | 826,653                   | 687,900                | 138,753              | 167,141  | 520,759                                 | 687,900                      | 10,063   |
| 2020                                    | 197,670              | --                         | 1,662             | (254)               | 15,502                   | 214,580                   | 47,725                 | 166,855              | 17,511   | 30,214                                  | 47,725                       | 806  |
| 2019                                    | 161,665              | --                         | 475               | (240)               | 9,731                    | 171,631                   | 23,322                 | 148,309              | 9,566  | 13,756                                  | 23,322                       | 600  |
| 2018                                    | 282,220              | --                         | 289               | (233)               | --                       | 282,276                   | 101,278                | 180,998              | 1,179  | 100,099                                 | 101,278                      | 35   |
| 2017                                    | 140,813              | --                         | 1,196             | (198)               | (16)                     | 141,795                   | 27,751                 | 114,044              | 1,219  | 26,532                                  | 27,751                       | 39   |
| 2016                                    | 132,175              | --                         | 1,040             | (257)               | --                       | 132,958                   | 2,891                  | 130,067              | 1,184  | 1,707                                   | 2,891                        | 218  |
| 2015                                    | 87,740               | --                         | 1,059             | --                  | --                       | 88,799                    | 2,731                  | 86,068               | 502  | 2,229                                   | 2,731                        | 318  |
| 2014                                    | 125,441              | --                         | 1,078             | --                  | --                       | 126,519                   | 1,494                  | 125,025              | 615  | 879                                     | 1,494                        | 83   |
| 2013 and prior                          | 836,240              | --                         | 10,698            | --                  | 315                      | 847,253                   | 9,016                  | 838,237              | 3,207  | 5,809                                   | 9,016                        | 27   |
|   | <u>\$ 36,806,382</u> | <u>\$ 70,477,328</u>       | <u>\$ 190,776</u> | <u>\$ (381,662)</u> | <u>\$ (230,748)</u>      | <u>\$ 106,862,076</u>     | <u>\$ 69,096,167</u>   | <u>\$ 37,765,909</u> | <u>\$ 9,549,433</u>  | <u>\$ 59,546,734</u>                    | <u>\$ 69,096,167</u>         | <u>\$ 10,071,236</u>   |
| Allowance for<br>Uncollectible Accounts | (1,884,785)          |                            |                   |                     |                          |                           |                        | (1,944,396)          |  |   |                              |  |
| Net Property Tax<br>Receivable          | <u>\$ 34,921,597</u> |                            |                   |                     |                          |                           |                        | <u>\$ 35,821,513</u> |  |   |                              |  |

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2023**

| Schedule of Net Assessed Property, Value by Category |                                 |                      | Reconciliation of Current Year Property Tax Revenue |                      |
|--|---------------------------------|----------------------|---|----------------------|
| Description of Property                              | Valuations December<br>31, 2022 | Levy                 |   |                      |
| Real Property  | \$ 5,704,761,114                | \$ 63,934,896        | Current Year Collections                            | \$ 69,096,167        |
| Tangible   | <u>212,031,212</u>              | <u>6,542,432</u>     | July - August 2023 Collections                      |                      |
| <b>Total</b>   | 5,916,792,326                   | 70,477,328           | Subject to 60-day FY 23 Accrual                     | <u>10,071,236</u>    |
|  |                                 |                      |   | 79,167,403           |
| Exemptions   | <u>(202,853,004)</u>            | <u>--</u>            | July - August 2022 Collections                      |                      |
|  |                                 |                      | Subject to 60-day FY22 Accrual                      | <u>(9,549,433)</u>   |
| <b>Net Assessed Value</b>                            | <u>\$ 5,713,939,322</u>         | <u>\$ 70,477,328</u> |   |                      |
|  |                                 |                      | Current Year Property Tax Revenue                   | 69,617,970           |
|  |                                 |                      | Interest and penalties                              | 250,103              |
|  |                                 |                      | Current Year Payment in Lieu of Taxes               | <u>57,602</u>        |
|  |                                 |                      | Current year general fund tax revenue               | <u>\$ 69,925,675</u> |

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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| <u>REVENUE</u>                                     | <u>Municipal</u>     | <u>Education<br/>Department</u> |
|--|----------------------|---------------------------------|
| Current Year Levy Tax Collection                   | \$ 44,487,910        | \$ -                            |
| Last Year's Levy Tax Collection                    | 24,415,887           | -                               |
| Prior Years Property Tax Collection                | 714,173              | -                               |
| Interest & Penalty                                 | 250,103              | -                               |
| PILOT & Tax Treaty (excluded from levy) Collection | 57,602               | -                               |
| Other Local Property Taxes                         | -                    | -                               |
| Licenses and Permits                               | 657,310              | -                               |
| Fines and Forfeitures                              | -                    | -                               |
| Investment Income                                  | 553,524              | -                               |
| Departmental                                       | 1,973,401            | -                               |
| Rescue Run Revenue                                 | 1,312,174            | -                               |
| Police & Fire Detail                               | 437,510              | -                               |
| Other Local Non-Property Tax Revenues              | -                    | -                               |
| Tuition  | -                    | 1,026,703                       |
| Impact Aid   | -                    | -                               |
| Medicaid   | -                    | 406,244                         |
| Federal Stabilization Funds                        | -                    | -                               |
| Federal Food Service Reimbursement                 | -                    | 2,172,563                       |
| CDBG   | -                    | -                               |
| COPS Grants  | -                    | -                               |
| SAFER Grants                                       | -                    | -                               |
| Other Federal Aid Funds                            | -                    | 2,355,539                       |
| COVID - ESSER                                      | -                    | 4,273,365                       |
| COVID - CRF  | -                    | -                               |
| COVID - CDBG                                       | -                    | -                               |
| COVID - FEMA                                       | -                    | -                               |
| COVID - Other                                      | -                    | -                               |
| COVID - ARPA                                       | 1,177,700            | 278,708                         |
| MV Excise Tax Reimbursement                        | 253,650              | -                               |
| State PILOT Program                                | -                    | -                               |
| Distressed Community Relief Fund                   | -                    | -                               |
| Library Resource Aid                               | 337,599              | -                               |
| Library Construction Aid                           | 28,756               | -                               |
| Public Service Corporation Tax                     | 433,343              | -                               |
| Meals & Beverage Tax / Hotel Tax                   | 723,172              | -                               |
| LEA Aid  | -                    | 22,130,533                      |
| Group Home   | -                    | -                               |
| Housing Aid Capital Projects                       | 1,503,604            | -                               |
| Housing Aid Bonded Debt                            | -                    | -                               |
| State Food Service Revenue                         | -                    | 20,533                          |
| Incentive Aid                                      | -                    | -                               |
| Property Revaluation Reimbursement                 | -                    | -                               |
| Other State Revenue                                | 36,032               | 583,982                         |
| Motor Vehicle Phase Out                            | 5,819,819            | -                               |
| Other Revenue                                      | 296,772              | -                               |
| Local Appropriation for Education                  | -                    | 48,156,398                      |
| Regional Appropriation for Education               | -                    | -                               |
| Supplemental Appropriation for Education           | -                    | -                               |
| Regional Supplemental Appropriation for Education  | -                    | -                               |
| Other Education Appropriation                      | -                    | 909,405                         |
| Rounding   | -                    | -                               |
| <b>Total Revenue</b>                               | <b>\$ 85,470,041</b> | <b>\$ 82,313,973</b>            |
| Financing Sources: Transfer from Capital Funds     | \$ -                 | \$ -                            |
| Financing Sources: Transfer from Other Funds       | 303,705              | -                               |
| Financing Sources: Debt Proceeds                   | 1,446,669            | 1,186,929                       |
| Financing Sources: Other                           | -                    | -                               |
| Rounding   | -                    | -                               |
| <b>Total Other Financing Sources</b>               | <b>\$ 1,750,374</b>  | <b>\$ 1,186,929</b>             |

**TOWN OF CUMBERLAND, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

| <u>EXPENDITURES</u>                               | <u>General<br/>Government</u> | <u>Finance</u>      | <u>Social<br/>Services</u> | <u>Centralized<br/>IT</u> | <u>Planning</u>   | <u>Libraries</u>    | <u>Public<br/>Works</u> | <u>Parks and<br/>Rec</u> | <u>Police<br/>Department</u> |
|---|-------------------------------|---------------------|----------------------------|---------------------------|-------------------|---------------------|-------------------------|--------------------------|------------------------------|
| Compensation- Group A                             | \$ 1,117,566                  | \$ 463,525          | \$ 347,094                 | \$ -                      | \$ 220,300        | \$ 977,723          | \$ 2,511,043            | \$ 116,133               | \$ 3,493,281                 |
| Compensation - Group B                            | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 185,243                      |
| Compensation - Group C                            | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Compensation -Volunteer                           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Overtime- Group A                                 | 1,597                         | 99                  | 93                         | -                         | -                 | 22,389              | 87,837                  | -                        | 106,966                      |
| Overtime - Group B                                | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Overtime - Group C                                | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Police & Fire Detail                              | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 577,830                      |
| Active Medical Insurance - Group A                | 200,777                       | 115,054             | 73,665                     | -                         | 46,027            | 170,070             | 761,305                 | -                        | 841,302                      |
| Active Medical Insurance- Group B                 | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 44,613                       |
| Active Medical Insurance- Group C                 | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Active Dental insurance- Group A                  | 9,246                         | 4,688               | 4,125                      | -                         | 2,068             | 6,679               | 38,768                  | -                        | 40,518                       |
| Active Dental Insurance- Group B                  | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 2,149                        |
| Active Dental Insurance- Group C                  | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Payroll Taxes                                     | 87,203                        | 42,851              | 35,765                     | -                         | 19,535            | 98,758              | 237,057                 | 15,890                   | 387,867                      |
| Life Insurance                                    | 10,095                        | 5,252               | 4,321                      | -                         | 2,235             | 5,215               | 21,419                  | 1,565                    | 24,093                       |
| State Defined Contribution- Group A               | 22,923                        | 3,188               | 3,598                      | -                         | 1,617             | 6,756               | 20,340                  | 918                      | -                            |
| State Defined Contribution - Group B              | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 22,624                       |
| State Defined Contribution - Group C              | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Other Benefits- Group A                           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 187,621                      |
| Other Benefits- Group B                           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Other Benefits- Group C                           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Local Defined Benefit Pension- Group A            | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 2,626,800                    |
| Local Defined Benefit Pension - Group B           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Local Defined Benefit Pension - Group C           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| State Defined Benefit Pension- Group A            | 66,765                        | 49,797              | 33,724                     | -                         | 21,684            | 70,387              | 254,173                 | 13,262                   | -                            |
| State Defined Benefit Pension - Group B           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | 15,083                       |
| State Defined Benefit Pension - Group C           | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Other Defined Benefit / Contribution              | 3,100                         | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Purchased Services                                | 15,477                        | 146,644             | 141,785                    | -                         | 4,759             | -                   | 3,700                   | 236,159                  | 44,259                       |
| Materials/Supplies                                | 8,890                         | 4,953               | 38,455                     | -                         | 3,195             | 181,257             | 71,425                  | 5,892                    | 34,845                       |
| Software Licenses                                 | 154,759                       | 27,063              | -                          | -                         | 656               | 76,860              | 590                     | -                        | 38,012                       |
| Capital Outlays                                   | 865,423                       | 1,085               | 4,244                      | -                         | -                 | 42,346              | 859,995                 | 23,631                   | 113,642                      |
| Insurance   | 561,830                       | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Maintenance                                       | 4,612                         | -                   | 11,064                     | -                         | -                 | 32,710              | 228,748                 | 11,605                   | 16,529                       |
| Vehicle Operations                                | -                             | -                   | 6,694                      | -                         | 969               | -                   | 222,001                 | 4,286                    | 275,838                      |
| Utilities   | 117,175                       | -                   | -                          | -                         | -                 | 102,484             | -                       | -                        | 121,046                      |
| Contingency                                       | 52,935                        | -                   | -                          | -                         | -                 | -                   | 85,770                  | -                        | -                            |
| Street Lighting                                   | -                             | -                   | -                          | -                         | -                 | -                   | 347,989                 | -                        | -                            |
| Revaluation                                       | -                             | 405,900             | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Snow Removal-Raw Material & External Contracts    | -                             | -                   | -                          | -                         | -                 | -                   | 204,739                 | -                        | -                            |
| Trash Removal & Recycling                         | -                             | -                   | -                          | -                         | -                 | -                   | 1,865,692               | -                        | -                            |
| Claims & Settlements                              | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Community Support                                 | -                             | -                   | -                          | -                         | -                 | -                   | -                       | -                        | -                            |
| Other Operation Expenditures                      | 861,157                       | 29,227              | 159,364                    | -                         | 12,696            | 17,333              | 166,916                 | 661                      | 112,796                      |
| Tipping Fees                                      | -                             | -                   | -                          | -                         | -                 | -                   | 604,435                 | -                        | -                            |
| 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>\$ 4,161,530</b>           | <b>\$ 1,299,326</b> | <b>\$ 863,991</b>          | <b>\$ -</b>               | <b>\$ 335,741</b> | <b>\$ 1,810,967</b> | <b>\$ 8,593,942</b>     | <b>\$ 430,002</b>        | <b>\$ 9,312,957</b>          |

# TOWN OF CUMBERLAND, RHODE ISLAND

## ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

### FOR THE YEAR ENDED JUNE 30, 2023

| EXPENDITURES                                      | Fire<br>Department | Centralized<br>Dispatch | Public Safety<br>Other | Education<br>Appropriation | Debt                | OPEB                | Total<br>Municipal   | Education<br>Department |
|---|--------------------|-------------------------|------------------------|----------------------------|---------------------|---------------------|----------------------|-------------------------|
| Compensation- Group A                             | \$ -               | \$ 336,468              | \$ 1,389,716           | \$ -                       | \$ -                | \$ -                | \$ 10,972,849        | \$ 34,826,376           |
| Compensation - Group B                            | -                  | -                       | 84,096                 | -                          | -                   | -                   | 269,339              | 4,118,318               |
| Compensation - Group C                            | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 5,327,574               |
| Compensation -Volunteer                           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Overtime- Group A                                 | -                  | 46,598                  | 363,939                | -                          | -                   | -                   | 629,518              | -                       |
| Overtime - Group B                                | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Overtime - Group C                                | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 62,817                  |
| Police & Fire Detail                              | -                  | -                       | -                      | -                          | -                   | -                   | 577,830              | -                       |
| Active Medical Insurance- Group A                 | -                  | 75,902                  | 340,870                | -                          | -                   | -                   | 2,624,972            | 4,787,893               |
| Active Medical Insurance- Group B                 | -                  | -                       | 3,687                  | -                          | -                   | -                   | 48,300               | 479,371                 |
| Active Medical Insurance- Group C                 | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 1,579,256               |
| Active Dental Insurance- Group A                  | -                  | 3,314                   | 16,379                 | -                          | -                   | -                   | 125,785              | 274,000                 |
| Active Dental Insurance- Group B                  | -                  | -                       | 317                    | -                          | -                   | -                   | 2,466                | 24,868                  |
| Active Dental Insurance- Group C                  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 93,700                  |
| Payroll Taxes                                     | -                  | 40,385                  | 181,221                | -                          | -                   | -                   | 1,146,532            | 1,082,392               |
| Life Insurance                                    | -                  | 4,905                   | 18,737                 | -                          | -                   | -                   | 97,837               | 321,489                 |
| State Defined Contribution- Group A               | -                  | 4,138                   | 443                    | -                          | -                   | -                   | 63,921               | 872,274                 |
| State Defined Contribution - Group B              | -                  | -                       | -                      | -                          | -                   | -                   | 22,624               | 94,729                  |
| State Defined Contribution - Group C              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 49,987                  |
| Other Benefits- Group A                           | -                  | 2,534                   | 40,860                 | -                          | -                   | -                   | 231,015              | 94,534                  |
| Other Benefits- Group B                           | -                  | -                       | 2,220                  | -                          | -                   | -                   | 2,220                | 64,517                  |
| Other Benefits- Group C                           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 43,279                  |
| Local Defined Benefit Pension- Group A            | -                  | -                       | -                      | -                          | -                   | -                   | 2,626,800            | -                       |
| Local Defined Benefit Pension - Group B           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Local Defined Benefit Pension - Group C           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| State Defined Benefit Pension- Group A            | -                  | 38,324                  | 161,609                | -                          | -                   | -                   | 709,725              | 5,258,609               |
| State Defined Benefit Pension - Group B           | -                  | -                       | 5,965                  | -                          | -                   | -                   | 21,048               | 607,986                 |
| State Defined Benefit Pension - Group C           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 510,465                 |
| Other Defined Benefit / Contribution              | -                  | -                       | 3,977                  | -                          | -                   | -                   | 7,077                | -                       |
| Purchased Services                                | -                  | -                       | 29,016                 | -                          | -                   | -                   | 621,799              | 13,890,698              |
| Materials/Supplies                                | -                  | -                       | 61,748                 | -                          | -                   | -                   | 410,660              | 2,185,755               |
| Software Licenses                                 | -                  | -                       | 1,132                  | -                          | -                   | -                   | 299,072              | 324,000                 |
| Capital Outlays                                   | -                  | -                       | 106,147                | -                          | -                   | -                   | 2,016,513            | 3,104,371               |
| Insurance   | -                  | -                       | -                      | -                          | -                   | -                   | 561,830              | 326,951                 |
| Maintenance                                       | -                  | -                       | 80,204                 | -                          | -                   | -                   | 385,472              | 408,540                 |
| Vehicle Operations                                | -                  | -                       | 81,361                 | -                          | -                   | -                   | 591,149              | -                       |
| Utilities   | -                  | -                       | 48,464                 | -                          | -                   | -                   | 389,169              | 1,387,177               |
| Contingency                                       | -                  | -                       | -                      | -                          | -                   | -                   | 138,705              | -                       |
| Street Lighting                                   | -                  | -                       | -                      | -                          | -                   | -                   | 347,989              | -                       |
| Revaluation                                       | -                  | -                       | -                      | -                          | -                   | -                   | 405,900              | -                       |
| Snow Removal-Raw Material & External Contracts    | -                  | -                       | -                      | -                          | -                   | -                   | 204,739              | -                       |
| Trash Removal & Recycling                         | -                  | -                       | -                      | -                          | -                   | -                   | 1,865,692            | -                       |
| Claims & Settlements                              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 185,610                 |
| Community Support                                 | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Other Operation Expenditures                      | -                  | 2,146                   | 50,058                 | -                          | -                   | -                   | 1,412,354            | 366,161                 |
| Tipping Fees                                      | -                  | -                       | -                      | -                          | -                   | -                   | 604,435              | -                       |
| Local Appropriation for Education                 | -                  | -                       | -                      | 48,156,398                 | -                   | -                   | 48,156,398           | -                       |
| Regional Appropriation for Education              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Supplemental Appropriation for Education          | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Regional Supplemental Appropriation for Education | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Other Education Appropriation                     | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Municipal Debt- Principal                         | -                  | -                       | -                      | -                          | 4,026,650           | -                   | 4,026,650            | -                       |
| Municipal Debt- Interest                          | -                  | -                       | -                      | -                          | 1,377,308           | -                   | 1,377,308            | -                       |
| School Debt- Principal                            | -                  | -                       | -                      | -                          | 1,543,946           | -                   | 1,543,946            | -                       |
| School Debt- Interest                             | -                  | -                       | -                      | -                          | 189,700             | -                   | 189,700              | -                       |
| Retiree Medical Insurance- Total                  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Retiree Dental Insurance- Total                   | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| OPEB Contribution- Total                          | -                  | -                       | -                      | -                          | -                   | 1,454,400           | 1,454,400            | -                       |
| Rounding  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| <b>Total Expenditures</b>                         | <b>\$ -</b>        | <b>\$ 554,714</b>       | <b>\$ 3,072,166</b>    | <b>\$ 48,156,398</b>       | <b>\$ 7,137,604</b> | <b>\$ 1,454,400</b> | <b>\$ 87,183,738</b> | <b>\$ 82,753,697</b>    |

|  |                      |                     |
|--|----------------------|---------------------|
| Financing Uses: Transfer to Capital Funds                    | \$ -                 | \$ -                |
| Financing Uses: Transfer to Other Funds                      | 253,000              | -                   |
| Financing Uses: Payment to Bond Escrow Agent                 | -                    | -                   |
| Financing Uses: Other  | -                    | -                   |
| <b>Total Other Financing Uses</b>                            | <b>\$ 253,000</b>    | <b>\$ -</b>         |
| <b>Net Change in Fund Balance<sup>1</sup></b>                | <b>(216,323)</b>     | <b>747,205</b>      |
| <b>Fund Balance<sup>2</sup> - beginning of year</b>          | <b>\$23,570,655</b>  | <b>\$6,621,210</b>  |
| Funds removed from Reportable Government Services (RGS)      | -                    | -                   |
| Funds added to Reportable Government Services (RGS)          | -                    | -                   |
| Prior period adjustments                                     | -                    | -                   |
| Misc. Adjustment   | -                    | -                   |
| <b>Fund Balance<sup>2</sup> - beginning of year adjusted</b> | <b>23,570,655</b>    | <b>6,621,210</b>    |
| <b>Rounding</b>  | <b>-</b>             | <b>-</b>            |
| <b>Fund Balance<sup>2</sup> - end of year</b>                | <b>\$ 23,354,332</b> | <b>\$ 7,368,415</b> |

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

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

### MUNICIPAL

### FOR THE YEAR ENDED JUNE 30, 2023

| Per Audited Fund Financial Statements<br>Fund Description                                     | Total<br>Revenue     | Total Other<br>Financing<br>Sources | Total<br>Expenditures | Total Other<br>Financing<br>Uses | Net Change<br>in Fund<br>Balance <sup>1</sup> | Beginning Fund<br>Fund Balance <sup>1</sup><br>(Deficit) | Prior Period<br>Adjustment | Restated Beginning<br>Fund Balance <sup>1</sup><br>(Deficit) | Ending<br>Fund Balance <sup>1</sup><br>(Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022  |                      |                                     |                       |                                  |   | \$ 23,570,655  |                            | \$ 23,570,655  |  |
| No removed funds for fiscal 2022  |                      |                                     |                       |                                  |   | -  | -                          | -  |  |
| No added funds for fiscal 2022  |                      |                                     |                       |                                  |   | -  | -                          | -  |  |
| No miscellaneous adjustment(s) made for fiscal 2022   |                      |                                     |                       |                                  |   | -  | -                          | -  |  |
| Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2023 adjusted                               |                      |                                     |                       |                                  |   | <u>\$ 23,570,655</u>                                     | <u>-</u>                   | <u>\$ 23,570,655</u>   |  |
| General Fund  | \$ 85,739,010        | \$ 303,705                          | \$ 37,849,640         | \$ 48,409,398                    | \$ (216,323)                                  | \$ 23,570,655  | \$ -                       | \$ 23,570,655  | \$ 23,354,332                                    |
| American Rescue Plan  | <u>1,177,700</u>     | <u>-</u>                            | <u>1,177,700</u>      | <u>-</u>                         | <u>-</u>                                      | <u>-</u>   | <u>-</u>                   | <u>-</u>   | <u>-</u>   |
| Totals per audited financial statements   | <u>\$ 86,916,710</u> | <u>\$ 303,705</u>                   | <u>\$ 39,027,340</u>  | <u>\$ 48,409,398</u>             | <u>\$ (216,323)</u>                           | <u>\$ 23,570,655</u>                                     | <u>\$ -</u>                | <u>\$ 23,570,655</u>   | <u>\$ 23,354,332</u>                             |
| <u>Reconciliation from financial statements to MTP2</u>                                       |                      |                                     |                       |                                  |   |  |                            |  |  |
| Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 | \$ -                 | \$ -                                | \$ 48,156,398         | \$ (48,156,398)                  | \$ -  | \$ -   | \$ -                       | \$ -   | \$ -   |
| Master lease revenue not recorded as financing source in GAAP financial statements            | (1,446,669)          | 1,446,669                           | -                     | -                                | -   | -  | -                          | -  | -  |
| Rounding  | -                    | -                                   | -                     | -                                | -   | -  | -                          | -  | -  |
| Totals Per MTP2   | <u>\$ 85,470,041</u> | <u>\$ 1,750,374</u>                 | <u>\$ 87,183,738</u>  | <u>\$ 253,000</u>                | <u>\$ (216,323)</u>                           | <u>\$ 23,570,655</u>                                     | <u>\$ -</u>                | <u>\$ 23,570,655</u>   | <u>\$ 23,354,332</u>                             |

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

### EDUCATION DEPARTMENT

### FOR THE YEAR ENDED JUNE 30, 2023

| Per Audited Fund Financial Statements<br>Fund Description   | Total<br>Revenue     | Total Other<br>Financing<br>Sources | Total<br>Expenditures | Total Other<br>Financing<br>Uses | Net Change<br>in Fund<br>Balance <sup>1</sup> | Beginning Fund<br>Fund Balance <sup>1</sup><br>(Deficit) | Prior Period<br>Adjustment | Restated Beginning<br>Fund Balance <sup>1</sup><br>(Deficit) | Ending<br>Fund Balance <sup>1</sup><br>(Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022 adjusted<br><i>No misc. adjustments made for fiscal 2022</i>     |                      |                                     |                       |                                  |   | \$ 6,621,210   |                            | \$ 6,621,210   |  |
| Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2023 adjusted   |                      |                                     |                       |                                  |   | <u>\$ 6,621,210</u>                                      | \$ -                       | <u>\$ 6,621,210</u>  |  |
| School Unrestricted Fund  | \$ 28,960,710        | \$ 48,156,398                       | \$ 76,147,934         | \$ -                             | \$ 969,174                                    | \$ 4,423,847   | \$ -                       | \$ 4,423,847   | \$ 5,393,021                                     |
| School Special Revenue Funds  | 10,174,338           | -                                   | 10,396,307            | -                                | (221,969)                                     | 2,197,363  | -                          | 2,197,363  | 1,975,394  |
| Totals per audited financial statements   | <u>\$ 39,135,048</u> | <u>\$ 48,156,398</u>                | <u>\$ 86,544,241</u>  | <u>\$ -</u>                      | <u>\$ 747,205</u>                             | <u>\$ 6,621,210</u>                                      | <u>\$ -</u>                | <u>\$ 6,621,210</u>  | <u>\$ 7,368,415</u>                              |
| <b>Reconciliation from financial statements to MTP2</b>   |                      |                                     |                       |                                  |   |  |                            |  |  |
| Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2              | \$ 48,156,398        | \$ (48,156,398)                     | \$ -                  | \$ -                             | \$ -  | \$ -   | \$ -                       | \$ -   | \$ -   |
| State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only | (3,790,544)          | -                                   | (3,790,544)           | -                                | -   | -  | -                          | -  | -  |
| Master lease revenue not recorded as financing source in GAAP financial statements                                      | (1,186,929)          | 1,186,929                           | -                     | -                                | -   | -  | -                          | -  | -  |
| Rounding  | -                    | -                                   | -                     | -                                | -   | -  | -                          | -  | -  |
| Totals Per MTP2   | <u>\$ 82,313,973</u> | <u>\$ 1,186,929</u>                 | <u>\$ 82,753,697</u>  | <u>\$ -</u>                      | <u>\$ 747,205</u>                             | <u>\$ 6,621,210</u>                                      | <u>-</u>                   | <u>\$ 6,621,210</u>  | <u>\$ 7,368,415</u>                              |
| <b>Reconciliation from MTP2 to UCOA</b>   |                      |                                     |                       |                                  |   |  |                            |  |  |
| Reclass of MTP source to revenue in UCOA  | 1,186,929            | (1,186,929)                         | -                     |                                  |   |  |                            |  |  |
| Totals per UCOA Validated Totals Report Dated December 28, 2023   | <u>\$ 83,500,902</u> | <u>\$ -</u>                         | <u>\$ 82,753,697</u>  |                                  |   |  |                            |  |  |

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

# TOWN OF CUMBERLAND, RHODE ISLAND

## NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1. Basis of Presentation

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

### NOTE 2. Reportable Government Services

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

### NOTE 3. Allocations

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

### NOTE 4. Employee Groups - Compensation and Benefit Costs

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

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefit 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

## TOWN OF CUMBERLAND, RHODE ISLAND

### NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

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#### NOTE 4. Employee Groups - Compensation and Benefit Costs (Continued)

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

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

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

#### NOTE 5. Education Revenue and Expenditures

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

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

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                 |                  |                  |                  |                  |
|--|----------------------------|-----------------|------------------|------------------|------------------|------------------|
|  | 300                        | 302             | 303              | 304              | 306              | 313              |
|  | DEM                        |                 |                  |                  |                  |                  |
|  | Grant                      | Substance       | Animal           | Impact           | Sewer            | Historical       |
|  | Diamond Hill               | Abuse           | Control          | Fees             | Ferncrest        | Records          |
| <b>Assets</b>  |                            |                 |                  |                  |                  |                  |
| Cash and cash equivalents  | \$ --                      | \$ --           | \$ --            | \$ 91,119        | \$ --            | \$ --            |
| Due from federal & state governments                                     | --                         | --              | --               | --               | --               | --               |
| Due from other funds   | --                         | 4,277           | 21,572           | --               | --               | 32,804           |
| Other receivables, net   | --                         | --              | --               | --               | 91,009           | --               |
| <b>Total Assets</b>  | <u>\$ --</u>               | <u>\$ 4,277</u> | <u>\$ 21,572</u> | <u>\$ 91,119</u> | <u>\$ 91,009</u> | <u>\$ 32,804</u> |
| <b>Liabilities</b>   |                            |                 |                  |                  |                  |                  |
| Accounts payable and accrued liabilities                                 | \$ --                      | \$ 5,160        | \$ --            | \$ --            | \$ --            | \$ --            |
| Deposits held  | --                         | --              | --               | --               | --               | --               |
| Due to other funds   | 493,302                    | --              | --               | 46,832           | 38,913           | --               |
| Unearned revenue   | --                         | --              | --               | --               | 91,009           | --               |
| <b>Total Liabilities</b>   | <u>493,302</u>             | <u>5,160</u>    | <u>--</u>        | <u>46,832</u>    | <u>129,922</u>   | <u>--</u>        |
| <b>Fund Balances</b>   |                            |                 |                  |                  |                  |                  |
| Restricted   | --                         | --              | 21,572           | --               | --               | 32,804           |
| Committed  | --                         | --              | --               | 44,287           | --               | --               |
| Unassigned   | (493,302)                  | (883)           | --               | --               | (38,913)         | --               |
| <b>Total Fund Balances</b>   | <u>(493,302)</u>           | <u>(883)</u>    | <u>21,572</u>    | <u>44,287</u>    | <u>(38,913)</u>  | <u>32,804</u>    |
| <b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b> | <u>\$ --</u>               | <u>\$ 4,277</u> | <u>\$ 21,572</u> | <u>\$ 91,119</u> | <u>\$ 91,009</u> | <u>\$ 32,804</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS     |                     |                                     |                            |                               |                                 |                        |  |
|--|--------------------------------|---------------------|-------------------------------------|----------------------------|-------------------------------|---------------------------------|------------------------|--|
|  | 314<br>EPHETA<br>Park<br>Grant | 316<br>CDBG<br>2017 | 318<br>EMS<br>Grants /<br>Donations | 321<br>Animal<br>Husbandry | 325<br>Library<br>Legislative | 326<br>OCYL<br>Donation<br>Fund | 327<br>OCYL<br>BT Fund | 323<br>Diamond<br>Hill Park<br>Improvement |
| <b>Assets</b>  |                                |                     |                                     |                            |                               |                                 |                        |  |
| Cash and cash equivalents  | \$ --                          | \$ --               | \$ --                               | \$ 10,896                  | \$ --                         | \$ 7,136                        | \$ 22,027              | \$ --                                      |
| Due from federal & state governments   | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| Due from other funds   | --                             | --                  | 54,184                              | 15,722                     | 1,000                         | --                              | --                     | 810,362                                    |
| Other receivables, net   | --                             | --                  | --                                  | --                         | --                            | --                              | 925                    | --   |
| <b>Total Assets</b>  | <u>\$ --</u>                   | <u>\$ --</u>        | <u>\$ 54,184</u>                    | <u>\$ 26,618</u>           | <u>\$ 1,000</u>               | <u>\$ 7,136</u>                 | <u>\$ 22,952</u>       | <u>\$ 810,362</u>                          |
| <b>Liabilities</b>   |                                |                     |                                     |                            |                               |                                 |                        |  |
| Accounts payable and accrued liabilities                                     | \$ --                          | \$ --               | \$ --                               | \$ --                      | \$ --                         | \$ --                           | \$ 1,119               | 107,582                                    |
| Deposits held  | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| Due to other funds   | 20,106                         | 21,467              | --                                  | --                         | --                            | --                              | 8,995                  | --   |
| Unearned revenue   | --                             | --                  | --                                  | --                         | --                            | --                              | 751                    | --   |
| <b>Total Liabilities</b>   | <u>20,106</u>                  | <u>21,467</u>       | <u>--</u>                           | <u>--</u>                  | <u>--</u>                     | <u>--</u>                       | <u>10,865</u>          | <u>107,582</u>                             |
| <b>Fund Balances</b>   |                                |                     |                                     |                            |                               |                                 |                        |  |
| Restricted   | --                             | --                  | 54,184                              | 26,618                     | 1,000                         | 7,136                           | 12,087                 | 702,780                                    |
| Committed  | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| Unassigned   | (20,106)                       | (21,467)            | --                                  | --                         | --                            | --                              | --                     | --   |
| <b>Total Fund Balances</b>   | <u>(20,106)</u>                | <u>(21,467)</u>     | <u>54,184</u>                       | <u>26,618</u>              | <u>1,000</u>                  | <u>7,136</u>                    | <u>12,087</u>          | <u>702,780</u>                             |
| <b>Total Liabilities Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ --</u>                   | <u>\$ --</u>        | <u>\$ 54,184</u>                    | <u>\$ 26,618</u>           | <u>\$ 1,000</u>               | <u>\$ 7,136</u>                 | <u>\$ 22,952</u>       | <u>\$ 810,362</u>                          |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                      |                       |                  |                          |                           |                     |                     |
|--|----------------------------|----------------------|-----------------------|------------------|--------------------------|---------------------------|---------------------|---------------------|
|  | 330                        | 331                  | 333                   | 334              | 335                      | 338                       | 339                 | 340                 |
|  | Albion<br>Landfill         | Police<br>Forfeiture | Community<br>Donation | CTCL<br>Covid 19 | Election<br>Improvements | DPH<br>HL Security<br>EMA | Special<br>Reserve  | Bulletproof<br>Vest |
| <b>Assets</b>  |                            |                      |                       |                  |                          |                           |                     |                     |
| Cash and cash equivalents  | \$ --                      | \$ --                | \$ --                 | \$ 2,111         | \$ --                    | \$ --                     | \$ --               | \$ --               |
| Due from federal & state governments   | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| Due from other funds   | 119,140                    | 36,994               | 1,497                 | --               | 849                      | 14,460                    | 1,623,000           | --                  |
| Other receivables, net   | 4,850                      | --                   | --                    | --               | --                       | --                        | --                  | 388                 |
| <b>Total Assets</b>  | <u>\$ 123,990</u>          | <u>\$ 36,994</u>     | <u>\$ 1,497</u>       | <u>\$ 2,111</u>  | <u>\$ 849</u>            | <u>\$ 14,460</u>          | <u>\$ 1,623,000</u> | <u>\$ 388</u>       |
| <b>Liabilities</b>   |                            |                      |                       |                  |                          |                           |                     |                     |
| Accounts payable and accrued liabilities                                     | \$ --                      | 13,544               | \$ --                 | \$ --            | \$ --                    | \$ --                     | \$ --               | \$ --               |
| Deposits held  | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| Due to other funds   | --                         | --                   | --                    | 1,835            | --                       | --                        | --                  | 14,242              |
| Unearned revenue   | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| <b>Total Liabilities</b>   | <u>--</u>                  | <u>13,544</u>        | <u>--</u>             | <u>1,835</u>     | <u>--</u>                | <u>--</u>                 | <u>--</u>           | <u>14,242</u>       |
| <b>Fund Balances</b>   |                            |                      |                       |                  |                          |                           |                     |                     |
| Restricted   | --                         | 23,450               | 1,497                 | 276              | 849                      | 14,460                    | --                  | --                  |
| Committed  | 123,990                    | --                   | --                    | --               | --                       | --                        | 1,623,000           | --                  |
| Unassigned   | --                         | --                   | --                    | --               | --                       | --                        | --                  | (13,854)            |
| <b>Total Fund Balances</b>   | <u>123,990</u>             | <u>23,450</u>        | <u>1,497</u>          | <u>276</u>       | <u>849</u>               | <u>14,460</u>             | <u>1,623,000</u>    | <u>(13,854)</u>     |
| <b>Total Liabilities Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ 123,990</u>          | <u>\$ 36,994</u>     | <u>\$ 1,497</u>       | <u>\$ 2,111</u>  | <u>\$ 849</u>            | <u>\$ 14,460</u>          | <u>\$ 1,623,000</u> | <u>\$ 388</u>       |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |               |                 |               |                |               |                   |                 |
|--|----------------------------|---------------|-----------------|---------------|----------------|---------------|-------------------|-----------------|
|  | 343                        | 344           | 345             | 346           | 348            | 349           | 350               | 352             |
|  | Partnership                |               | RI Found        |               |                | Child         | Town              |                 |
|  | For                        | RIPTIDE       | Comm            | Distracted    | RIPTIDE        | Passenger     | Clerk             | Click It        |
|  | Success                    | DUI           | Grant           | Driving       | Speed          | Safety        | Special           | or Ticket       |
| <b>Assets</b>  |                            |               |                 |               |                |               |                   |                 |
| Cash and cash equivalents  | \$ --                      | \$ --         | \$ --           | \$ --         | \$ --          | \$ --         | \$ --             | \$ --           |
| Due from federal & state governments                                     | --                         | --            | --              | --            | --             | --            | --                | --              |
| Due from other funds   | --                         | 268           | 1,348           | 186           | --             | 565           | 208,933           | 2,367           |
| Other receivables, net   | --                         | 122           | --              | 444           | 222            | --            | --                | --              |
| <b>Total Assets</b>  | <u>\$ --</u>               | <u>\$ 390</u> | <u>\$ 1,348</u> | <u>\$ 630</u> | <u>\$ 222</u>  | <u>\$ 565</u> | <u>\$ 208,933</u> | <u>\$ 2,367</u> |
| <b>Liabilities</b>   |                            |               |                 |               |                |               |                   |                 |
| Accounts payable and accrued liabilities                                 | \$ --                      | \$ --         | \$ --           | \$ --         | \$ --          | \$ --         | \$ 750            | \$ --           |
| Deposits held  | --                         | --            | --              | --            | --             | --            | --                | --              |
| Due to other funds   | 1,847                      | --            | --              | 1,088         | 6,583          | --            | 17,996            | --              |
| Unearned revenue   | --                         | --            | --              | --            | --             | --            | --                | --              |
| <b>Total Liabilities</b>   | <u>1,847</u>               | <u>--</u>     | <u>--</u>       | <u>1,088</u>  | <u>6,583</u>   | <u>--</u>     | <u>18,746</u>     | <u>--</u>       |
| <b>Fund Balances</b>   |                            |               |                 |               |                |               |                   |                 |
| Restricted   | --                         | 390           | 1,348           | --            | --             | 565           | 190,187           | 2,367           |
| Committed  | --                         | --            | --              | --            | --             | --            | --                | --              |
| Unassigned   | (1,847)                    | --            | --              | (458)         | (6,361)        | --            | --                | --              |
| <b>Total Fund Balances</b>   | <u>(1,847)</u>             | <u>390</u>    | <u>1,348</u>    | <u>(458)</u>  | <u>(6,361)</u> | <u>565</u>    | <u>190,187</u>    | <u>2,367</u>    |
| <b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b> | <u>\$ --</u>               | <u>\$ 390</u> | <u>\$ 1,348</u> | <u>\$ 630</u> | <u>\$ 222</u>  | <u>\$ 565</u> | <u>\$ 208,933</u> | <u>\$ 2,367</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                               |               |                                   |                        |                      |                              |                     |
|--|----------------------------|-------------------------------|---------------|-----------------------------------|------------------------|----------------------|------------------------------|---------------------|
|  | 355                        | 357                           | 361           | 367                               | 371                    | 372                  | 380                          | 329                 |
|  | Historic<br>District       | RIEMA<br>Hazard<br>Mitigation | PED<br>Bike   | Assistance<br>for<br>Firefighters | RI Found<br>Sign Grant | Ruth E.<br>Carpenter | Outdoor<br>Commerce<br>Grant | Probate<br>Deposits |
| <b>Assets</b>  |                            |                               |               |                                   |                        |                      |                              |                     |
| Cash and cash equivalents  | \$ --                      | \$ --                         | \$ --         | \$ --                             | \$ 7,300               | \$ 2,250             | \$ --                        | \$ --               |
| Due from federal & state governments   | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Due from other funds   | --                         | --                            | 619           | 3,812                             | --                     | --                   | --                           | --                  |
| Other receivables, net   | 1,000                      | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| <b>Total Assets</b>  | <u>\$ 1,000</u>            | <u>\$ --</u>                  | <u>\$ 619</u> | <u>\$ 3,812</u>                   | <u>\$ 7,300</u>        | <u>\$ 2,250</u>      | <u>\$ --</u>                 | <u>\$ --</u>        |
| <b>Liabilities</b>   |                            |                               |               |                                   |                        |                      |                              |                     |
| Accounts payable and accrued liabilities                                     | \$ --                      | \$ --                         | \$ --         | \$ --                             | \$ --                  | \$ --                | 6,404                        | \$ --               |
| Deposits held  | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Due to other funds   | 18,900                     | 10,219                        | --            | --                                | --                     | --                   | 62,527                       | --                  |
| Unearned revenue   | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| <b>Total Liabilities</b>   | <u>18,900</u>              | <u>10,219</u>                 | <u>--</u>     | <u>--</u>                         | <u>--</u>              | <u>--</u>            | <u>68,931</u>                | <u>--</u>           |
| <b>Fund Balances</b>   |                            |                               |               |                                   |                        |                      |                              |                     |
| Restricted   | --                         | --                            | 619           | 3,812                             | 7,300                  | 2,250                | --                           | --                  |
| Committed  | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Unassigned   | (17,900)                   | (10,219)                      | --            | --                                | --                     | --                   | (68,931)                     | --                  |
| <b>Total Fund Balances</b>   | <u>(17,900)</u>            | <u>(10,219)</u>               | <u>619</u>    | <u>3,812</u>                      | <u>7,300</u>           | <u>2,250</u>         | <u>(68,931)</u>              | <u>--</u>           |
| <b>Total Liabilities Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ 1,000</u>            | <u>\$ --</u>                  | <u>\$ 619</u> | <u>\$ 3,812</u>                   | <u>\$ 7,300</u>        | <u>\$ 2,250</u>      | <u>\$ --</u>                 | <u>\$ --</u>        |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                     |                  |                 |                  |                   |              |                 |
|--|----------------------------|---------------------|------------------|-----------------|------------------|-------------------|--------------|-----------------|
|  | 332                        | 341                 | 390              | 424             | 418              | 419               | 205          | 311             |
|  |                            |                     | CDBG             |                 |                  |                   | Public       | RI              |
|  | Opioid                     | ARPA                | Program          | CDBG            | CDBG             | CDBG              | Safety       | Commerce        |
|  | Settlement                 |                     | Income           | 2021            | 2018             | 2019              | Bond         | Grant           |
| <b>Assets</b>  |                            |                     |                  |                 |                  |                   |              |                 |
| Cash and cash equivalents  | \$ 261,451                 | \$ --               | \$ 23,172        | \$ --           | \$ --            | \$ --             | \$ --        | \$ --           |
| Due from federal & state governments                                     | --                         | --                  | --               | --              | --               | --                | --           | --              |
| Due from other funds   | --                         | 9,362,651           | --               | --              | 35,312           | 255,019           | --           | --              |
| Other receivables, net   | --                         | --                  | --               | --              | --               | --                | --           | --              |
| <b>Total Assets</b>  | <u>\$ 261,451</u>          | <u>\$ 9,362,651</u> | <u>\$ 23,172</u> | <u>\$ --</u>    | <u>\$ 35,312</u> | <u>\$ 255,019</u> | <u>\$ --</u> | <u>\$ --</u>    |
| <b>Liabilities</b>   |                            |                     |                  |                 |                  |                   |              |                 |
| Accounts payable and accrued liabilities                                 | \$ --                      | \$ --               | \$ --            | \$ --           | \$ --            | \$ --             | \$ --        | \$ --           |
| Deposits held  | --                         | --                  | --               | --              | --               | --                | --           | --              |
| Due to other funds   | --                         | --                  | --               | 82,540          | 230,796          | --                | --           | 99,876          |
| Unearned revenue   | --                         | 9,362,651           | --               | --              | --               | --                | --           | --              |
| <b>Total Liabilities</b>   | <u>--</u>                  | <u>9,362,651</u>    | <u>--</u>        | <u>82,540</u>   | <u>230,796</u>   | <u>--</u>         | <u>--</u>    | <u>99,876</u>   |
| <b>Fund Balances</b>   |                            |                     |                  |                 |                  |                   |              |                 |
| Restricted   | 261,451                    | --                  | 23,172           | --              | --               | 255,019           | --           | --              |
| Committed  | --                         | --                  | --               | --              | --               | --                | --           | --              |
| Unassigned   | --                         | --                  | --               | (82,540)        | (195,484)        | --                | --           | (99,876)        |
| <b>Total Fund Balances</b>   | <u>261,451</u>             | <u>--</u>           | <u>23,172</u>    | <u>(82,540)</u> | <u>(195,484)</u> | <u>255,019</u>    | <u>--</u>    | <u>(99,876)</u> |
| <b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b> | <u>\$ 261,451</u>          | <u>\$ 9,362,651</u> | <u>\$ 23,172</u> | <u>\$ --</u>    | <u>\$ 35,312</u> | <u>\$ 255,019</u> | <u>\$ --</u> | <u>\$ --</u>    |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS                    |                                  |                                 |                                       |                                    |  |
|--|---|----------------------------------|---------------------------------|---------------------------------------|------------------------------------|--|
|  | 359<br>Franklin Farm<br>Preservation<br>Grant | 364<br>Police<br>Body<br>Cameras | 382<br>VFL<br>Urban<br>Forestry | 385<br>Recycling<br>Profit<br>Sharing | 421<br>CDBG<br>PY20 Post<br>Office | Total<br>Town Special<br>Revenue Funds |
| <b>Assets</b>  |   |                                  |                                 |                                       |                                    |  |
| Cash and cash equivalents  | \$ --   | \$ --                            | \$ --                           | \$ 1,730                              | \$ --                              | \$ 429,192                             |
| Due from federal & state governments   | --  | --                               | --                              | --                                    | --                                 | --                                     |
| Due from other funds   | --  | --                               | --                              | --                                    | 5,438                              | 12,612,379                             |
| Other receivables, net   | --  | --                               | --                              | --                                    | --                                 | 98,960                                 |
| <b>Total Assets</b>  | <u>\$ --</u>                                  | <u>\$ --</u>                     | <u>\$ --</u>                    | <u>\$ 1,730</u>                       | <u>\$ 5,438</u>                    | <u>\$ 13,140,531</u>                   |
| <b>Liabilities</b>   |   |                                  |                                 |                                       |                                    |  |
| Accounts payable and accrued liabilities                                     | \$ --   | \$ --                            | \$ --                           | \$ --                                 | \$ 168                             | \$ 134,727                             |
| Deposits held  | --  | --                               | --                              | --                                    | --                                 | --                                     |
| Due to other funds   | 7,700   | --                               | 104,645                         | --                                    | --                                 | 1,290,409                              |
| Unearned revenue   | --  | --                               | --                              | --                                    | --                                 | 9,454,411                              |
| <b>Total Liabilities</b>   | <u>7,700</u>                                  | <u>--</u>                        | <u>104,645</u>                  | <u>--</u>                             | <u>168</u>                         | <u>10,879,547</u>                      |
| <b>Fund Balances</b>   |   |                                  |                                 |                                       |                                    |  |
| Restricted   | --  | --                               | --                              | 1,730                                 | 5,270                              | 1,654,193                              |
| Committed  | --  | --                               | --                              | --                                    | --                                 | 1,791,277                              |
| Unassigned   | (7,700)                                       | --                               | (104,645)                       | --                                    | --                                 | (1,184,486)                            |
| <b>Total Fund Balances</b>   | <u>(7,700)</u>                                | <u>--</u>                        | <u>(104,645)</u>                | <u>1,730</u>                          | <u>5,270</u>                       | <u>2,260,984</u>                       |
| <b>Total Liabilities Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ --</u>                                  | <u>\$ --</u>                     | <u>\$ --</u>                    | <u>\$ 1,730</u>                       | <u>\$ 5,438</u>                    | <u>\$ 13,140,531</u>                   |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                 |                   |                  |                  |                  |
|--|------------------------------|-----------------|-------------------|------------------|------------------|------------------|
|  | 21011100                     | 21011200        | 21021100          | 21031100         | 21041100         | 21051100         |
|  | IDEA                         | IDEA            |                   |                  |                  |                  |
|  | Part B                       | Preschool       | Title I           | Title II         | Title III        | Title IV         |
| <b>Assets</b>                              |                              |                 |                   |                  |                  |                  |
| Cash and cash equivalents                  | \$ --                        | \$ --           | \$ --             | \$ --            | \$ --            | \$ --            |
| Due from federal & state governments       | 408,335                      | 9,114           | 212,522           | 39,122           | 23,020           | 62,997           |
| Due from other funds                       | --                           | --              | --                | --               | --               | --               |
| Other receivables                          | --                           | --              | --                | --               | --               | --               |
| <b>Total Assets</b>                        | <u>\$ 408,335</u>            | <u>\$ 9,114</u> | <u>\$ 212,522</u> | <u>\$ 39,122</u> | <u>\$ 23,020</u> | <u>\$ 62,997</u> |
| <b>Liabilities</b>                         |                              |                 |                   |                  |                  |                  |
| Accounts payable and accrued liabilities   | \$ 13                        | \$ --           | \$ 1,920          | \$ --            | \$ 17,450        | \$ --            |
| Due to other funds                         | 408,322                      | 9,114           | 210,602           | 39,122           | 5,570            | 62,997           |
| Deposits held                              | --                           | --              | --                | --               | --               | --               |
| <b>Total Liabilities</b>                   | <u>408,335</u>               | <u>9,114</u>    | <u>212,522</u>    | <u>39,122</u>    | <u>23,020</u>    | <u>62,997</u>    |
| <b>Fund Balances</b>                       |                              |                 |                   |                  |                  |                  |
| Restricted                                 | --                           | --              | --                | --               | --               | --               |
| Unassigned                                 | --                           | --              | --                | --               | --               | --               |
| <b>Total Fund Balances</b>                 | <u>--</u>                    | <u>--</u>       | <u>--</u>         | <u>--</u>        | <u>--</u>        | <u>--</u>        |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 408,335</u>            | <u>\$ 9,114</u> | <u>\$ 212,522</u> | <u>\$ 39,122</u> | <u>\$ 23,020</u> | <u>\$ 62,997</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS     |                                    |                               |                                |                          |                            |
|--|----------------------------------|------------------------------------|-------------------------------|--------------------------------|--------------------------|----------------------------|
|  | 21091100<br>Perkins<br>Secondary | 21162100<br>USDA<br>Fruits and Veg | 21251702<br>ESSER II<br>Funds | 21251802<br>ESSER III<br>Funds | 21251820<br>ELC<br>Covid | 23911005<br>Opioid<br>Fund |
| <b>Assets</b>                              |                                  |                                    |                               |                                |                          |                            |
| Cash and cash equivalents                  | \$ --                            | \$ --                              | \$ --                         | \$ --                          | \$ --                    | \$ --                      |
| Due from federal & state governments       | 19,251                           | --                                 | 302,173                       | 604,306                        | 13,372                   | --                         |
| Due from other funds                       | --                               | --                                 | --                            | --                             | --                       | --                         |
| Other receivables                          | --                               | --                                 | --                            | --                             | --                       | --                         |
| <b>Total Assets</b>                        | <u>\$ 19,251</u>                 | <u>\$ --</u>                       | <u>\$ 302,173</u>             | <u>\$ 604,306</u>              | <u>\$ 13,372</u>         | <u>\$ --</u>               |
| <b>Liabilities</b>                         |                                  |                                    |                               |                                |                          |                            |
| Accounts payable and accrued liabilities   | \$ 2,765                         | \$ 3,294                           | \$ 11,395                     | \$ 68,555                      | \$ --                    | \$ --                      |
| Due to other funds                         | 17,631                           | 16,448                             | 291,376                       | 535,751                        | 13,372                   | --                         |
| Deposits held                              | --                               | --                                 | --                            | --                             | --                       | --                         |
| <b>Total Liabilities</b>                   | <u>20,396</u>                    | <u>19,742</u>                      | <u>302,771</u>                | <u>604,306</u>                 | <u>13,372</u>            | <u>--</u>                  |
| <b>Fund Balances</b>                       |                                  |                                    |                               |                                |                          |                            |
| Restricted                                 | --                               | --                                 | --                            | --                             | --                       | --                         |
| Unassigned                                 | (1,145)                          | (19,742)                           | (598)                         | --                             | --                       | --                         |
| <b>Total Fund Balances</b>                 | <u>(1,145)</u>                   | <u>(19,742)</u>                    | <u>(598)</u>                  | <u>--</u>                      | <u>--</u>                | <u>--</u>                  |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 19,251</u>                 | <u>\$ --</u>                       | <u>\$ 302,173</u>             | <u>\$ 604,306</u>              | <u>\$ 13,372</u>         | <u>\$ --</u>               |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS      |                                   |                                |                                   |                                 |                                |
|--|-----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|---------------------------------|--------------------------------|
|  | 22192000<br>USDA Health<br>School | 23021000<br>Literacy<br>Set Aside | 23091000<br>State<br>Breakfast | 23112001<br>Middle Schl<br>Senate | 23112003<br>Senate<br>BF Norton | 23112004<br>Senate<br>Athletes |
| <b>Assets</b>                              |                                   |                                   |                                |                                   |                                 |                                |
| Cash and cash equivalents                  | \$ 254                            | \$ --                             | \$ --                          | \$ --                             | \$ 2,184                        | \$ --                          |
| Due from federal & state governments       | --                                | --                                | --                             | --                                | --                              | --                             |
| Due from other funds                       | --                                | --                                | 380                            | --                                | --                              | --                             |
| Other receivables                          | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Total Assets</b>                        | <u>\$ 254</u>                     | <u>\$ --</u>                      | <u>\$ 380</u>                  | <u>\$ --</u>                      | <u>\$ 2,184</u>                 | <u>\$ --</u>                   |
| <b>Liabilities</b>                         |                                   |                                   |                                |                                   |                                 |                                |
| Accounts payable and accrued liabilities   | \$ --                             | \$ --                             | \$ --                          | \$ --                             | \$ 2,073                        | \$ --                          |
| Due to other funds                         | --                                | --                                | --                             | --                                | --                              | --                             |
| Deposits held                              | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Total Liabilities</b>                   | <u>--</u>                         | <u>--</u>                         | <u>--</u>                      | <u>--</u>                         | <u>2,073</u>                    | <u>--</u>                      |
| <b>Fund Balances</b>                       |                                   |                                   |                                |                                   |                                 |                                |
| Restricted                                 | 254                               | --                                | 380                            | --                                | 111                             | --                             |
| Unassigned                                 | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Total Fund Balances</b>                 | <u>254</u>                        | <u>--</u>                         | <u>380</u>                     | <u>--</u>                         | <u>111</u>                      | <u>--</u>                      |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 254</u>                     | <u>\$ --</u>                      | <u>\$ 380</u>                  | <u>\$ --</u>                      | <u>\$ 2,184</u>                 | <u>\$ --</u>                   |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS   |  |  |                            |                                 |                            |
|--|--------------------------------|--|--|----------------------------|---------------------------------|----------------------------|
|  | 23112005<br>Senate<br>Guidance | 23112006<br>House of Reps<br>Community | 23112007<br>House of Reps<br>Cumb Hill | 23112008<br>Senate<br>NCMS | 23112010<br>House of Rep<br>CHS | 23183000<br>RICA<br>Ashton |
| <b>Assets</b>                              |                                |  |  |                            |                                 |                            |
| Cash and cash equivalents                  | \$ 10,000                      | \$ 180                                 | \$ --                                  | \$ 19                      | \$ 2,500                        | \$ 400                     |
| Due from federal & state governments       | --                             | --                                     | --                                     | --                         | --                              | --                         |
| Due from other funds                       | --                             | --                                     | --                                     | --                         | --                              | --                         |
| Other receivables                          | --                             | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Assets</b>                        | <u>\$ 10,000</u>               | <u>\$ 180</u>                          | <u>\$ --</u>                           | <u>\$ 19</u>               | <u>\$ 2,500</u>                 | <u>\$ 400</u>              |
| <b>Liabilities</b>                         |                                |  |  |                            |                                 |                            |
| Accounts payable and accrued liabilities   | 11,300                         | \$ --                                  | \$ --                                  | \$ --                      | \$ --                           | \$ --                      |
| Due to other funds                         | --                             | --                                     | --                                     | --                         | --                              | --                         |
| Deposits held                              | --                             | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Liabilities</b>                   | <u>11,300</u>                  | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>--</u>                       | <u>--</u>                  |
| <b>Fund Balances</b>                       |                                |  |  |                            |                                 |                            |
| Restricted                                 | --                             | 180                                    | --                                     | 19                         | 2,500                           | 400                        |
| Unassigned                                 | (1,300)                        | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Fund Balances</b>                 | <u>(1,300)</u>                 | <u>180</u>                             | <u>--</u>                              | <u>19</u>                  | <u>2,500</u>                    | <u>400</u>                 |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 10,000</u>               | <u>\$ 180</u>                          | <u>\$ --</u>                           | <u>\$ 19</u>               | <u>\$ 2,500</u>                 | <u>\$ 400</u>              |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS        |                    |                            |                               |                              |                                 |
|--|-------------------------------------|--------------------|----------------------------|-------------------------------|------------------------------|---------------------------------|
|  | 23183001<br>RI Council<br>Cumb Hill | 23473000<br>US DOH | 23581000<br>Perkins<br>CTE | 23671000<br>EL<br>Categorical | 24012004<br>Feinstein<br>CHS | 24012005<br>Feinstein<br>Ashton |
| <b>Assets</b>                              |                                     |                    |                            |                               |                              |                                 |
| Cash and cash equivalents                  | \$ 441                              | \$ 379             | \$ --                      | \$ --                         | \$ 249                       | \$ 39,081                       |
| Due from federal & state governments       | --                                  | --                 | --                         | --                            | --                           | --                              |
| Due from other funds                       | --                                  | --                 | 76,764                     | --                            | --                           | --                              |
| Other receivables                          | --                                  | --                 | --                         | --                            | --                           | --                              |
| <b>Total Assets</b>                        | <u>\$ 441</u>                       | <u>\$ 379</u>      | <u>\$ 76,764</u>           | <u>\$ --</u>                  | <u>\$ 249</u>                | <u>\$ 39,081</u>                |
| <b>Liabilities</b>                         |                                     |                    |                            |                               |                              |                                 |
| Accounts payable and accrued liabilities   | \$ --                               | \$ --              | \$ 4,735                   | \$ --                         | \$ --                        | \$ --                           |
| Due to other funds                         | --                                  | --                 | --                         | --                            | --                           | --                              |
| Deposits held                              | --                                  | --                 | --                         | --                            | --                           | --                              |
| <b>Total Liabilities</b>                   | <u>--</u>                           | <u>--</u>          | <u>4,735</u>               | <u>--</u>                     | <u>--</u>                    | <u>--</u>                       |
| <b>Fund Balances</b>                       |                                     |                    |                            |                               |                              |                                 |
| Restricted                                 | 441                                 | 379                | 72,029                     | --                            | 249                          | 39,081                          |
| Unassigned                                 | --                                  | --                 | --                         | --                            | --                           | --                              |
| <b>Total Fund Balances</b>                 | <u>441</u>                          | <u>379</u>         | <u>72,029</u>              | <u>--</u>                     | <u>249</u>                   | <u>39,081</u>                   |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 441</u>                       | <u>\$ 379</u>      | <u>\$ 76,764</u>           | <u>\$ --</u>                  | <u>\$ 249</u>                | <u>\$ 39,081</u>                |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                   |                         |                            |                        |                        |
|--|------------------------------|-------------------|-------------------------|----------------------------|------------------------|------------------------|
|  | 24012006                     | 24012007          | 24012008                | 24012014                   | 24012024               | 24012025               |
|  | Kiducation                   | Feinstein<br>NCSM | RI Found<br>M. Fournier | RI Found<br>L. Deslauriers | Feinstein<br>Cumb Hill | Feinstein<br>BF Norton |
| <b>Assets</b>                              |                              |                   |                         |                            |                        |                        |
| Cash and cash equivalents                  | \$ 1,132                     | \$ 38,770         | \$ 396                  | \$ 12                      | \$ 30,495              | \$ 49,217              |
| Due from federal & state governments       | --                           | --                | --                      | --                         | --                     | --                     |
| Due from other funds                       | --                           | --                | --                      | --                         | --                     | --                     |
| Other receivables                          | --                           | --                | --                      | --                         | --                     | --                     |
| <b>Total Assets</b>                        | <u>\$ 1,132</u>              | <u>\$ 38,770</u>  | <u>\$ 396</u>           | <u>\$ 12</u>               | <u>\$ 30,495</u>       | <u>\$ 49,217</u>       |
| <b>Liabilities</b>                         |                              |                   |                         |                            |                        |                        |
| Accounts payable and accrued liabilities   | \$ --                        | \$ 6,388          | \$ --                   | \$ --                      | \$ 2,812               | \$ 347                 |
| Due to other funds                         | --                           | 4,850             | --                      | --                         | --                     | --                     |
| Deposits held                              | --                           | --                | --                      | --                         | --                     | --                     |
| <b>Total Liabilities</b>                   | <u>--</u>                    | <u>11,238</u>     | <u>--</u>               | <u>--</u>                  | <u>2,812</u>           | <u>347</u>             |
| <b>Fund Balances</b>                       |                              |                   |                         |                            |                        |                        |
| Restricted                                 | 1,132                        | 27,532            | 396                     | 12                         | 27,683                 | 48,870                 |
| Unassigned                                 | --                           | --                | --                      | --                         | --                     | --                     |
| <b>Total Fund Balances</b>                 | <u>1,132</u>                 | <u>27,532</u>     | <u>396</u>              | <u>12</u>                  | <u>27,683</u>          | <u>48,870</u>          |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 1,132</u>              | <u>\$ 38,770</u>  | <u>\$ 396</u>           | <u>\$ 12</u>               | <u>\$ 30,495</u>       | <u>\$ 49,217</u>       |

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# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS    |                                   |                                     |                                    |                                 |                                  |
|--|---------------------------------|-----------------------------------|-------------------------------------|------------------------------------|---------------------------------|----------------------------------|
|  | 24012030<br>Sparks<br>BF Norton | 24012043<br>Verizon<br>Foundation | 24012044<br>Cumb Educ<br>Foundation | 24012059<br>Feinstein<br>Community | 24012060<br>Feinstein<br>Garvin | 24012081<br>Feinstein<br>McCourt |
| <b>Assets</b>                              |                                 |                                   |                                     |                                    |                                 |                                  |
| Cash and cash equivalents                  | \$ 242                          | \$ 8,103                          | \$ 1,300                            | \$ 24,194                          | \$ 20,856                       | \$ 9,134                         |
| Due from federal & state governments       | --                              | --                                | --                                  | --                                 | --                              | --                               |
| Due from other funds                       | --                              | --                                | --                                  | --                                 | --                              | --                               |
| Other receivables                          | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Total Assets</b>                        | <u>\$ 242</u>                   | <u>\$ 8,103</u>                   | <u>\$ 1,300</u>                     | <u>\$ 24,194</u>                   | <u>\$ 20,856</u>                | <u>\$ 9,134</u>                  |
| <b>Liabilities</b>                         |                                 |                                   |                                     |                                    |                                 |                                  |
| Accounts payable and accrued liabilities   | \$ --                           | \$ --                             | \$ --                               | \$ --                              | \$ --                           | \$ --                            |
| Due to other funds                         | --                              | --                                | --                                  | --                                 | --                              | --                               |
| Deposits held                              | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Total Liabilities</b>                   | <u>--</u>                       | <u>--</u>                         | <u>--</u>                           | <u>--</u>                          | <u>--</u>                       | <u>--</u>                        |
| <b>Fund Balances</b>                       |                                 |                                   |                                     |                                    |                                 |                                  |
| Restricted                                 | 242                             | 8,103                             | 1,300                               | 24,194                             | 20,856                          | 9,134                            |
| Unassigned                                 | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Total Fund Balances</b>                 | <u>242</u>                      | <u>8,103</u>                      | <u>1,300</u>                        | <u>24,194</u>                      | <u>20,856</u>                   | <u>9,134</u>                     |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 242</u>                   | <u>\$ 8,103</u>                   | <u>\$ 1,300</u>                     | <u>\$ 24,194</u>                   | <u>\$ 20,856</u>                | <u>\$ 9,134</u>                  |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS     |  |  |                               |
|--|----------------------------------|--|--|-------------------------------|
|  | 24012082<br>Feinstein<br>McCourt | 24012084<br>Feinstein<br>Preschool Ctr | 24012010<br>Center for Ed<br>Improvement | 24030077<br>Raytheon<br>Grant |
| <b>Assets</b>                              |                                  |  |  |                               |
| Cash and cash equivalents                  | \$ 14,754                        | \$ 8,630                               | \$ 11                                    | \$ 114                        |
| Due from federal & state governments       | --                               | --                                     | --                                       | --                            |
| Due from other funds                       | --                               | --                                     | --                                       | --                            |
| Other receivables                          | --                               | --                                     | --                                       | --                            |
| <b>Total Assets</b>                        | <u>\$ 14,754</u>                 | <u>\$ 8,630</u>                        | <u>\$ 11</u>                             | <u>\$ 114</u>                 |
| <b>Liabilities</b>                         |                                  |  |  |                               |
| Accounts payable and accrued liabilities   | \$ --                            | \$ --                                  | \$ --                                    | \$ --                         |
| Due to other funds                         | 178                              | --                                     | --                                       | --                            |
| Deposits held                              | --                               | --                                     | --                                       | --                            |
| <b>Total Liabilities</b>                   | <u>178</u>                       | <u>--</u>                              | <u>--</u>                                | <u>--</u>                     |
| <b>Fund Balances</b>                       |                                  |  |  |                               |
| Restricted                                 | 14,576                           | 8,630                                  | 11                                       | 114                           |
| Unassigned                                 | --                               | --                                     | --                                       | --                            |
| <b>Total Fund Balances</b>                 | <u>14,576</u>                    | <u>8,630</u>                           | <u>11</u>                                | <u>114</u>                    |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 14,754</u>                 | <u>\$ 8,630</u>                        | <u>\$ 11</u>                             | <u>\$ 114</u>                 |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                            |                                    |                       |                                      |                                    |
|--|------------------------------|----------------------------|------------------------------------|-----------------------|--------------------------------------|------------------------------------|
|  | 24040008<br>Nature<br>Trails | 23911020<br>RIDE /<br>STEM | 24040168<br>Goodwill<br>Industries | 24040180<br>Go! Grant | 24040209<br>International<br>Library | 24012003<br>EdResearch<br>Recovery |
| <b>Assets</b>                              |                              |                            |                                    |                       |                                      |                                    |
| Cash and cash equivalents                  | \$ 4,828                     | \$ --                      | \$ 187                             | \$ 243                | \$ 3,450                             | \$ 800                             |
| Due from federal & state governments       | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| Due from other funds                       | --                           | 2,116                      | --                                 | --                    | --                                   | --                                 |
| Other receivables                          | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Assets</b>                        | <u>\$ 4,828</u>              | <u>\$ 2,116</u>            | <u>\$ 187</u>                      | <u>\$ 243</u>         | <u>\$ 3,450</u>                      | <u>\$ 800</u>                      |
| <b>Liabilities</b>                         |                              |                            |                                    |                       |                                      |                                    |
| Accounts payable and accrued liabilities   | \$ --                        | \$ 1,903                   | \$ --                              | \$ --                 | \$ --                                | \$ 657                             |
| Due to other funds                         | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| Deposits held                              | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Liabilities</b>                   | <u>--</u>                    | <u>1,903</u>               | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>657</u>                         |
| <b>Fund Balances</b>                       |                              |                            |                                    |                       |                                      |                                    |
| Restricted                                 | 4,828                        | 213                        | 187                                | 243                   | 3,450                                | 143                                |
| Unassigned                                 | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Fund Balances</b>                 | <u>4,828</u>                 | <u>213</u>                 | <u>187</u>                         | <u>243</u>            | <u>3,450</u>                         | <u>143</u>                         |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 4,828</u>              | <u>\$ 2,116</u>            | <u>\$ 187</u>                      | <u>\$ 243</u>         | <u>\$ 3,450</u>                      | <u>\$ 800</u>                      |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                |              |                 |                  |                  |              |
|--|------------------------------|----------------|--------------|-----------------|------------------|------------------|--------------|
|  | 60010000                     | 21251805       | 21251806     | 21251810        | 21251815         | 21251816         | 21422100     |
|  | Food                         | ESSER III      | ESSER III    | ARP             | ARP              | ARP IDEA         | High Quality |
|  | Services                     | Digital Divide | Priority     | Transportation  | IDEA K-12        | Preschool        | Curriculum   |
| <b>Assets</b>                              |                              |                |              |                 |                  |                  |              |
| Cash and cash equivalents                  | \$ 1,440,431                 | \$ --          | \$ --        | \$ --           | \$ --            | \$ --            | \$ --        |
| Due from federal & state governments       | 75,672                       | --             | --           | 3,602           | 18,516           | 20,990           | --           |
| Due from other funds                       | --                           | --             | --           | --              | --               | --               | --           |
| Other receivables                          | 28,234                       | --             | --           | --              | --               | --               | --           |
| <b>Total Assets</b>                        | <u>\$ 1,544,337</u>          | <u>\$ --</u>   | <u>\$ --</u> | <u>\$ 3,602</u> | <u>\$ 18,516</u> | <u>\$ 20,990</u> | <u>\$ --</u> |
| <b>Liabilities</b>                         |                              |                |              |                 |                  |                  |              |
| Accounts payable and accrued liabilities   | \$ 273,489                   | \$ --          | \$ --        | \$ 1,650        | \$ 3,000         | \$ --            | \$ --        |
| Due to other funds                         | 84,651                       | --             | --           | 3,602           | 15,516           | 20,990           | 994          |
| Deposits held                              | 46,835                       | --             | --           | --              | --               | --               | --           |
| <b>Total Liabilities</b>                   | <u>404,975</u>               | <u>--</u>      | <u>--</u>    | <u>5,252</u>    | <u>18,516</u>    | <u>20,990</u>    | <u>994</u>   |
| <b>Fund Balances</b>                       |                              |                |              |                 |                  |                  |              |
| Restricted                                 | 1,139,362                    | --             | --           | --              | --               | --               | --           |
| Unassigned                                 | --                           | --             | --           | (1,650)         | --               | --               | (994)        |
| <b>Total Fund Balances</b>                 | <u>1,139,362</u>             | <u>--</u>      | <u>--</u>    | <u>(1,650)</u>  | <u>--</u>        | <u>--</u>        | <u>(994)</u> |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 1,544,337</u>          | <u>\$ --</u>   | <u>\$ --</u> | <u>\$ 3,602</u> | <u>\$ 18,516</u> | <u>\$ 20,990</u> | <u>\$ --</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS                  |  |                            |                       |                                       |
|--|---|--|----------------------------|-----------------------|---------------------------------------|
|  | 21422601<br>Expansion of<br>RI Advance Course | 23911001<br>School Building<br>Authority | High School<br>Scholarship | Student<br>Activities | Total<br>School<br>Special<br>Revenue |
| <b>Assets</b>                              |   |  |                            |                       |                                       |
| Cash and cash equivalents                  | \$ --   | \$ --                                    | \$ 10,530                  | \$ 534,327            | \$ 2,257,843                          |
| Due from federal & state governments       | --  | 149,836                                  | --                         | --                    | 1,962,828                             |
| Due from other funds                       | 1,501   | --                                       | --                         | --                    | 80,761                                |
| Other receivables                          | --  | --                                       | --                         | --                    | 28,234                                |
| <b>Total Assets</b>                        | <u>\$ 1,501</u>                               | <u>\$ 149,836</u>                        | <u>\$ 10,530</u>           | <u>\$ 534,327</u>     | <u>\$ 4,329,666</u>                   |
| <b>Liabilities</b>                         |   |  |                            |                       |                                       |
| Accounts payable and accrued liabilities   | \$ --   | \$ 104,764                               | \$ --                      | \$ 2,769              | \$ 521,279                            |
| Due to other funds                         | --  | 45,072                                   | --                         | --                    | 1,786,158                             |
| Deposits held                              | --  | --                                       | --                         | --                    | 46,835                                |
| <b>Total Liabilities</b>                   | <u>--</u>                                     | <u>149,836</u>                           | <u>--</u>                  | <u>2,769</u>          | <u>2,354,272</u>                      |
| <b>Fund Balances</b>                       |   |  |                            |                       |                                       |
| Restricted                                 | 1,501   | --                                       | 10,530                     | 531,558               | 2,000,823                             |
| Unassigned                                 | --  | --                                       | --                         | --                    | (25,429)                              |
| <b>Total Fund Balances</b>                 | <u>1,501</u>                                  | <u>--</u>                                | <u>10,530</u>              | <u>531,558</u>        | <u>1,975,394</u>                      |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 1,501</u>                               | <u>\$ 149,836</u>                        | <u>\$ 10,530</u>           | <u>\$ 534,327</u>     | <u>\$ 4,329,666</u>                   |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

|  | CAPITAL PROJECT FUNDS |                    |                   |                        |                             |                                   | Total<br>NonMajor<br>Governmental<br>Funds |
|--|-----------------------|--------------------|-------------------|------------------------|-----------------------------|-----------------------------------|--|
|  | 202                   | 203                | 204               | 207                    | 209                         | Total<br>Capital<br>Project Funds |  |
|  | Drainage              | Recreation<br>Bond | Open<br>Space     | Road<br>Infrastructure | Tucker<br>Field<br>Phase II |                                   |  |
| <b>Assets</b>  |                       |                    |                   |                        |                             |                                   |  |
| Cash and cash equivalents  | \$ --                 | \$ --              | \$ --             | \$ --                  | \$ --                       | \$ --                             | \$ 2,687,035                               |
| Due from federal & state governments   | --                    | --                 | --                | --                     | --                          | --                                | 1,962,828                                  |
| Due from other funds   | 14                    | 20,322             | 110,594           | --                     | 12,230                      | 143,160                           | 12,836,300                                 |
| Other receivables, net   | --                    | --                 | --                | 8,257                  | --                          | 8,257                             | 135,451                                    |
| <b>Total Assets</b>  | <u>\$ 14</u>          | <u>\$ 20,322</u>   | <u>\$ 110,594</u> | <u>\$ 8,257</u>        | <u>\$ 12,230</u>            | <u>\$ 151,417</u>                 | <u>\$ 17,621,614</u>                       |
| <b>Liabilities</b>   |                       |                    |                   |                        |                             |                                   |  |
| Accounts payable and accrued liabilities                                     | --                    | --                 | 100,921           | \$ --                  | \$ --                       | \$ 100,921                        | \$ 756,927                                 |
| Deposits held  | --                    | --                 | --                | --                     | --                          | --                                | 46,835                                     |
| Due to other funds   | --                    | --                 | --                | --                     | --                          | --                                | 3,076,567                                  |
| Unearned revenue   | --                    | --                 | --                | --                     | --                          | --                                | 9,454,411                                  |
| <b>Total Liabilities</b>   | <u>--</u>             | <u>--</u>          | <u>100,921</u>    | <u>--</u>              | <u>--</u>                   | <u>100,921</u>                    | <u>13,334,740</u>                          |
| <b>Fund Balances</b>   |                       |                    |                   |                        |                             |                                   |  |
| Restricted   | 14                    | 20,322             | 9,673             | --                     | --                          | 30,009                            | 3,685,025                                  |
| Committed  | --                    | --                 | --                | 8,257                  | 12,230                      | 20,487                            | 1,811,764                                  |
| Unassigned   | --                    | --                 | --                | --                     | --                          | --                                | (1,209,915)                                |
| <b>Total Fund Balances</b>   | <u>14</u>             | <u>20,322</u>      | <u>9,673</u>      | <u>8,257</u>           | <u>12,230</u>               | <u>50,496</u>                     | <u>4,286,874</u>                           |
| <b>Total Liabilities Deferred Inflows of<br/>Resources and Fund Balances</b> | <u>\$ 14</u>          | <u>\$ 20,322</u>   | <u>\$ 110,594</u> | <u>\$ 8,257</u>        | <u>\$ 12,230</u>            | <u>\$ 151,417</u>                 | <u>\$ 17,621,614</u>                       |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                 |                  |                  |                    |                  |
|--|----------------------------|-----------------|------------------|------------------|--------------------|------------------|
|  | 300                        | 302             | 303              | 304              | 306                | 313              |
|  | DEM                        |                 |                  |                  |                    |                  |
|  | Grant                      | Substance       | Animal           | Impact           | Sewer              | Historical       |
|  | Diamond Hill               | Abuse           | Control          | Fees             | Ferncrest          | Records          |
| <b>Revenues</b>  |                            |                 |                  |                  |                    |                  |
| Intergovernmental  | \$ --                      | \$ --           | \$ --            | \$ --            | \$ --              | \$ --            |
| Other  | 336,459                    | --              | 8,238            | 125,346          | 18,352             | 11,147           |
| <b>Total Revenues</b>  | <u>336,459</u>             | <u>--</u>       | <u>8,238</u>     | <u>125,346</u>   | <u>18,352</u>      | <u>11,147</u>    |
| <b>Expenditures</b>  |                            |                 |                  |                  |                    |                  |
| <b>Current</b>   |                            |                 |                  |                  |                    |                  |
| General government   | --                         | --              | --               | --               | --                 | 2,127            |
| Public safety  | --                         | --              | --               | --               | --                 | --               |
| Public works   | 46,082                     | --              | --               | --               | 17,850             | --               |
| Parks and recreation   | --                         | --              | --               | --               | --                 | --               |
| Education  | --                         | --              | --               | --               | --                 | --               |
| <b>Debt Service</b>  | --                         | --              | --               | --               | --                 | --               |
| <b>Capital Outlays</b>   | <u>363,092</u>             | <u>--</u>       | <u>--</u>        | <u>--</u>        | <u>--</u>          | <u>--</u>        |
| <b>Total Expenditures</b>  | <u>409,174</u>             | <u>--</u>       | <u>--</u>        | <u>--</u>        | <u>17,850</u>      | <u>2,127</u>     |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(72,715)</u>            | <u>--</u>       | <u>8,238</u>     | <u>125,346</u>   | <u>502</u>         | <u>9,020</u>     |
| <b>Other Financing Sources (Uses)</b>                                |                            |                 |                  |                  |                    |                  |
| Transfers in   | --                         | --              | --               | --               | --                 | --               |
| Transfers out  | <u>--</u>                  | <u>--</u>       | <u>--</u>        | <u>(155,000)</u> | <u>--</u>          | <u>--</u>        |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                  | <u>--</u>       | <u>--</u>        | <u>(155,000)</u> | <u>--</u>          | <u>--</u>        |
| <b>Net Change in Fund Balances</b>                                   | (72,715)                   | --              | 8,238            | (29,654)         | 502                | 9,020            |
| <b>Fund Balance - Beginning of Year</b>                              | <u>(420,587)</u>           | <u>(883)</u>    | <u>13,334</u>    | <u>73,941</u>    | <u>(39,415)</u>    | <u>23,784</u>    |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ (493,302)</u>        | <u>\$ (883)</u> | <u>\$ 21,572</u> | <u>\$ 44,287</u> | <u>\$ (38,913)</u> | <u>\$ 32,804</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS     |                     |                                     |                            |                               |                                 |                        |  |
|--|--------------------------------|---------------------|-------------------------------------|----------------------------|-------------------------------|---------------------------------|------------------------|--|
|  | 314<br>EPHETA<br>Park<br>Grant | 316<br>CDBG<br>2017 | 318<br>EMS<br>Grants /<br>Donations | 321<br>Animal<br>Husbandry | 325<br>Library<br>Legislative | 326<br>OCYL<br>Donation<br>Fund | 327<br>OCYL<br>BT Fund | 323<br>Diamond<br>Hill Park<br>Improvement |
| <b>Revenues</b>  |                                |                     |                                     |                            |                               |                                 |                        |  |
| Intergovernmental  | \$ --                          | \$ --               | \$ --                               | \$ --                      | \$ --                         | \$ --                           | \$ 20,782              | \$ --                                      |
| Other  | --                             | --                  | 3,500                               | 1,195                      | --                            | 2,500                           | --                     | --   |
| <b>Total Revenues</b>  | <u>--</u>                      | <u>--</u>           | <u>3,500</u>                        | <u>1,195</u>               | <u>--</u>                     | <u>2,500</u>                    | <u>20,782</u>          | <u>--</u>                                  |
| <b>Expenditures</b>  |                                |                     |                                     |                            |                               |                                 |                        |  |
| <b>Current</b>   |                                |                     |                                     |                            |                               |                                 |                        |  |
| General government   | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| Public safety  | --                             | --                  | 849                                 | --                         | --                            | --                              | --                     | --   |
| Public works   | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| Parks and recreation   | --                             | --                  | --                                  | --                         | --                            | --                              | 26,024                 | 13,356                                     |
| Education  | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| <b>Debt Service</b>  | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| <b>Capital Outlays</b>   | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | 249,839                                    |
| <b>Total Expenditures</b>  | <u>--</u>                      | <u>--</u>           | <u>849</u>                          | <u>--</u>                  | <u>--</u>                     | <u>--</u>                       | <u>26,024</u>          | <u>263,195</u>                             |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                      | <u>--</u>           | <u>2,651</u>                        | <u>1,195</u>               | <u>--</u>                     | <u>2,500</u>                    | <u>(5,242)</u>         | <u>(263,195)</u>                           |
| <b>Other Financing Sources (Uses)</b>                                |                                |                     |                                     |                            |                               |                                 |                        |  |
| Transfers in   | 100,000                        | --                  | --                                  | --                         | --                            | --                              | 4,295                  | --   |
| Transfers out  | --                             | --                  | --                                  | --                         | --                            | --                              | --                     | --   |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>100,000</u>                 | <u>--</u>           | <u>--</u>                           | <u>--</u>                  | <u>--</u>                     | <u>--</u>                       | <u>4,295</u>           | <u>--</u>                                  |
| <b>Net Change in Fund Balances</b>                                   | 100,000                        | --                  | 2,651                               | 1,195                      | --                            | 2,500                           | (947)                  | (263,195)                                  |
| <b>Fund Balance - Beginning of Year</b>                              | <u>(120,106)</u>               | <u>(21,467)</u>     | <u>51,533</u>                       | <u>25,423</u>              | <u>1,000</u>                  | <u>4,636</u>                    | <u>13,034</u>          | <u>965,975</u>                             |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ (20,106)</u>             | <u>\$ (21,467)</u>  | <u>\$ 54,184</u>                    | <u>\$ 26,618</u>           | <u>\$ 1,000</u>               | <u>\$ 7,136</u>                 | <u>\$ 12,087</u>       | <u>\$ 702,780</u>                          |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                      |                       |                  |                          |                           |                     |                     |
|--|----------------------------|----------------------|-----------------------|------------------|--------------------------|---------------------------|---------------------|---------------------|
|  | 330                        | 331                  | 333                   | 334              | 335                      | 338                       | 339                 | 340                 |
|  | Albion<br>Landfill         | Police<br>Forfeiture | Community<br>Donation | CTCL<br>Covid-19 | Election<br>Improvements | DPH<br>HL Security<br>EMA | Special<br>Reserve  | Bulletproof<br>Vest |
| <b>Revenues</b>  |                            |                      |                       |                  |                          |                           |                     |                     |
| Intergovernmental  | \$ --                      | \$ 17,712            | \$ --                 | \$ --            | \$ --                    | \$ 14,460                 | \$ --               | \$ 8,749            |
| Other  | --                         | --                   | --                    | --               | --                       | --                        | --                  | 5,182               |
| <b>Total Revenues</b>  | <u>--</u>                  | <u>17,712</u>        | <u>--</u>             | <u>--</u>        | <u>--</u>                | <u>14,460</u>             | <u>--</u>           | <u>13,931</u>       |
| <b>Expenditures</b>  |                            |                      |                       |                  |                          |                           |                     |                     |
| <b>Current</b>   |                            |                      |                       |                  |                          |                           |                     |                     |
| General government   | --                         | --                   | --                    | 269              | 25,098                   | --                        | --                  | --                  |
| Public safety  | --                         | 31,588               | --                    | --               | --                       | --                        | --                  | --                  |
| Public works   | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| Parks and recreation   | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| Education  | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| <b>Debt Service</b>  | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| <b>Capital Outlays</b>   | --                         | --                   | --                    | --               | --                       | --                        | --                  | 41,174              |
| <b>Total Expenditures</b>  | <u>--</u>                  | <u>31,588</u>        | <u>--</u>             | <u>269</u>       | <u>25,098</u>            | <u>--</u>                 | <u>--</u>           | <u>41,174</u>       |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                  | <u>(13,876)</u>      | <u>--</u>             | <u>(269)</u>     | <u>(25,098)</u>          | <u>14,460</u>             | <u>--</u>           | <u>(27,243)</u>     |
| <b>Other Financing Sources (Uses)</b>                                |                            |                      |                       |                  |                          |                           |                     |                     |
| Transfers in   | --                         | --                   | --                    | --               | --                       | --                        | --                  | --                  |
| Transfers out  | --                         | --                   | --                    | --               | --                       | --                        | -                   | --                  |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                  | <u>--</u>            | <u>--</u>             | <u>--</u>        | <u>--</u>                | <u>--</u>                 | <u>--</u>           | <u>--</u>           |
| <b>Net Change in Fund Balances</b>                                   | --                         | (13,876)             | --                    | (269)            | (25,098)                 | 14,460                    | --                  | (27,243)            |
| <b>Fund Balance - Beginning of Year</b>                              | <u>123,990</u>             | <u>37,326</u>        | <u>1,497</u>          | <u>545</u>       | <u>25,947</u>            | <u>--</u>                 | <u>1,623,000</u>    | <u>13,389</u>       |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ 123,990</u>          | <u>\$ 23,450</u>     | <u>\$ 1,497</u>       | <u>\$ 276</u>    | <u>\$ 849</u>            | <u>\$ 14,460</u>          | <u>\$ 1,623,000</u> | <u>\$ (13,854)</u>  |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS    |                |                           |                       |                   |                              |                          |                       |
|--|-------------------------------|----------------|---------------------------|-----------------------|-------------------|------------------------------|--------------------------|-----------------------|
|  | 343                           | 344            | 345                       | 346                   | 348               | 349                          | 350                      | 352                   |
|  | Partnership<br>For<br>Success | RIPTIDE<br>DUI | RI Found<br>Comm<br>Grant | Distracted<br>Driving | RIPTIDE<br>Speed  | Child<br>Passenger<br>Safety | Town<br>Clerk<br>Special | Click It<br>or Ticket |
| <b>Revenues</b>  |                               |                |                           |                       |                   |                              |                          |                       |
| Intergovernmental  | \$ --                         | \$ 4,251       | \$ --                     | \$ 4,284              | \$ 6,382          | \$ 4,008                     | \$ --                    | \$ --                 |
| Other  | --                            | --             | --                        | --                    | --                | --                           | 19,392                   | 9,013                 |
| <b>Total Revenues</b>  | <u>--</u>                     | <u>4,251</u>   | <u>--</u>                 | <u>4,284</u>          | <u>6,382</u>      | <u>4,008</u>                 | <u>19,392</u>            | <u>9,013</u>          |
| <b>Expenditures</b>  |                               |                |                           |                       |                   |                              |                          |                       |
| <b>Current</b>   |                               |                |                           |                       |                   |                              |                          |                       |
| General government   | --                            | --             | --                        | --                    | --                | --                           | 45,289                   | --                    |
| Public safety  | --                            | 3,740          | --                        | 4,250                 | 7,132             | 4,447                        | --                       | 8,158                 |
| Public works   | --                            | --             | --                        | --                    | --                | --                           | --                       | --                    |
| Parks and recreation   | --                            | --             | --                        | --                    | --                | --                           | --                       | --                    |
| Education  | --                            | --             | --                        | --                    | --                | --                           | --                       | --                    |
| <b>Debt Service</b>  | --                            | --             | --                        | --                    | --                | --                           | --                       | --                    |
| <b>Capital Outlays</b>   | <u>--</u>                     | <u>--</u>      | <u>--</u>                 | <u>--</u>             | <u>--</u>         | <u>--</u>                    | <u>--</u>                | <u>--</u>             |
| <b>Total Expenditures</b>  | <u>--</u>                     | <u>3,740</u>   | <u>--</u>                 | <u>4,250</u>          | <u>7,132</u>      | <u>4,447</u>                 | <u>45,289</u>            | <u>8,158</u>          |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                     | <u>511</u>     | <u>--</u>                 | <u>34</u>             | <u>(750)</u>      | <u>(439)</u>                 | <u>(25,897)</u>          | <u>855</u>            |
| <b>Other Financing Sources (Uses)</b>                                |                               |                |                           |                       |                   |                              |                          |                       |
| Transfers in   | --                            | --             | --                        | --                    | --                | --                           | --                       | --                    |
| Transfers out  | <u>--</u>                     | <u>--</u>      | <u>--</u>                 | <u>--</u>             | <u>--</u>         | <u>--</u>                    | <u>--</u>                | <u>--</u>             |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                     | <u>--</u>      | <u>--</u>                 | <u>--</u>             | <u>--</u>         | <u>--</u>                    | <u>--</u>                | <u>--</u>             |
| <b>Net Change in Fund Balances</b>                                   | --                            | 511            | --                        | 34                    | (750)             | (439)                        | (25,897)                 | 855                   |
| <b>Fund Balance - Beginning of Year</b>                              | <u>(1,847)</u>                | <u>(121)</u>   | <u>1,348</u>              | <u>(492)</u>          | <u>(5,611)</u>    | <u>1,004</u>                 | <u>216,084</u>           | <u>1,512</u>          |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ (1,847)</u>             | <u>\$ 390</u>  | <u>\$ 1,348</u>           | <u>\$ (458)</u>       | <u>\$ (6,361)</u> | <u>\$ 565</u>                | <u>\$ 190,187</u>        | <u>\$ 2,367</u>       |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                               |               |                                   |                        |                      |                              |                     |
|--|----------------------------|-------------------------------|---------------|-----------------------------------|------------------------|----------------------|------------------------------|---------------------|
|  | 355                        | 357                           | 361           | 367                               | 371                    | 372                  | 380                          | 329                 |
|  | Historic<br>District       | RIEMA<br>Hazard<br>Mitigation | PED<br>Bike   | Assistance<br>for<br>Firefighters | RI Found<br>Sign Grant | Ruth E.<br>Carpenter | Outdoor<br>Commerce<br>Grant | Probate<br>Deposits |
| <b>Revenues</b>  |                            |                               |               |                                   |                        |                      |                              |                     |
| Intergovernmental  | \$ --                      | \$ --                         | \$ --         | \$ 81,971                         | \$ --                  | \$ --                | \$ --                        | \$ --               |
| Other  | --                         | --                            | --            | --                                | --                     | 750                  | --                           | --                  |
| <b>Total Revenues</b>  | <u>--</u>                  | <u>--</u>                     | <u>--</u>     | <u>81,971</u>                     | <u>--</u>              | <u>750</u>           | <u>--</u>                    | <u>--</u>           |
| <b>Expenditures</b>  |                            |                               |               |                                   |                        |                      |                              |                     |
| <b>Current</b>   |                            |                               |               |                                   |                        |                      |                              |                     |
| General government   | 13,400                     | --                            | --            | --                                | --                     | --                   | 91,282                       | 79,660              |
| Public safety  | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Public works   | --                         | 13,815                        | --            | --                                | --                     | --                   | --                           | --                  |
| Parks and recreation   | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Education  | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| <b>Debt Service</b>  | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| <b>Capital Outlays</b>   | <u>--</u>                  | <u>--</u>                     | <u>--</u>     | <u>77,036</u>                     | <u>--</u>              | <u>--</u>            | <u>--</u>                    | <u>--</u>           |
| <b>Total Expenditures</b>  | <u>13,400</u>              | <u>13,815</u>                 | <u>--</u>     | <u>77,036</u>                     | <u>--</u>              | <u>--</u>            | <u>91,282</u>                | <u>79,660</u>       |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(13,400)</u>            | <u>(13,815)</u>               | <u>--</u>     | <u>4,935</u>                      | <u>--</u>              | <u>750</u>           | <u>(91,282)</u>              | <u>(79,660)</u>     |
| <b>Other Financing Sources (Uses)</b>                                |                            |                               |               |                                   |                        |                      |                              |                     |
| Transfers in   | --                         | --                            | --            | --                                | --                     | --                   | --                           | --                  |
| Transfers out  | <u>--</u>                  | <u>--</u>                     | <u>--</u>     | <u>--</u>                         | <u>--</u>              | <u>--</u>            | <u>--</u>                    | <u>--</u>           |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                  | <u>--</u>                     | <u>--</u>     | <u>--</u>                         | <u>--</u>              | <u>--</u>            | <u>--</u>                    | <u>--</u>           |
| <b>Net Change in Fund Balances</b>                                   | (13,400)                   | (13,815)                      | --            | 4,935                             | --                     | 750                  | (91,282)                     | (79,660)            |
| <b>Fund Balance - Beginning of Year</b>                              | <u>(4,500)</u>             | <u>3,596</u>                  | <u>619</u>    | <u>(1,123)</u>                    | <u>7,300</u>           | <u>1,500</u>         | <u>22,351</u>                | <u>79,660</u>       |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ (17,900)</u>         | <u>\$ (10,219)</u>            | <u>\$ 619</u> | <u>\$ 3,812</u>                   | <u>\$ 7,300</u>        | <u>\$ 2,250</u>      | <u>\$ (68,931)</u>           | <u>\$ --</u>        |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS |                  |                           |                    |                     |                   |                          |                         |
|--|----------------------------|------------------|---------------------------|--------------------|---------------------|-------------------|--------------------------|-------------------------|
|  | 332                        | 341              | 390                       | 424                | 418                 | 419               | 205                      | 311                     |
|  | Opioid<br>Settlement       | ARPA             | CDBG<br>Program<br>Income | CDBG<br>2021       | CDBG<br>2018        | CDBG<br>2019      | Public<br>Safety<br>Bond | RI<br>Commerce<br>Grant |
| <b>Revenues</b>  |                            |                  |                           |                    |                     |                   |                          |                         |
| Intergovernmental  | \$ 101,220                 | \$ 1,177,700     | \$ --                     | \$ 23,151          | \$ 17,397           | \$ 33,225         | \$ --                    | \$ --                   |
| Other  | --                         | --               | 19,772                    | --                 | --                  | --                | --                       | --                      |
| <b>Total Revenues</b>  | <u>101,220</u>             | <u>1,177,700</u> | <u>19,772</u>             | <u>23,151</u>      | <u>17,397</u>       | <u>33,225</u>     | <u>--</u>                | <u>--</u>               |
| <b>Expenditures</b>  |                            |                  |                           |                    |                     |                   |                          |                         |
| <b>Current</b>   |                            |                  |                           |                    |                     |                   |                          |                         |
| General government   | --                         | 840,948          | --                        | --                 | --                  | --                | 33,194                   | --                      |
| Public safety  | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| Public works   | --                         | --               | --                        | 82,540             | --                  | 27,379            | --                       | --                      |
| Parks and recreation   | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| Education  | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| <b>Debt Service</b>  | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| <b>Capital Outlays</b>   | --                         | 336,752          | --                        | --                 | --                  | --                | --                       | 99,876                  |
| <b>Total Expenditures</b>  | <u>--</u>                  | <u>1,177,700</u> | <u>--</u>                 | <u>82,540</u>      | <u>--</u>           | <u>27,379</u>     | <u>33,194</u>            | <u>99,876</u>           |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>101,220</u>             | <u>--</u>        | <u>19,772</u>             | <u>(59,389)</u>    | <u>17,397</u>       | <u>5,846</u>      | <u>(33,194)</u>          | <u>(99,876)</u>         |
| <b>Other Financing Sources (Uses)</b>                                |                            |                  |                           |                    |                     |                   |                          |                         |
| Transfers in   | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| Transfers out  | --                         | --               | --                        | --                 | --                  | --                | --                       | --                      |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                  | <u>--</u>        | <u>--</u>                 | <u>--</u>          | <u>--</u>           | <u>--</u>         | <u>--</u>                | <u>--</u>               |
| <b>Net Change in Fund Balances</b>                                   | 101,220                    | --               | 19,772                    | (59,389)           | 17,397              | 5,846             | (33,194)                 | (99,876)                |
| <b>Fund Balance - Beginning of Year</b>                              | <u>160,231</u>             | <u>--</u>        | <u>3,400</u>              | <u>(23,151)</u>    | <u>(212,881)</u>    | <u>249,173</u>    | <u>33,194</u>            | <u>--</u>               |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ 261,451</u>          | <u>\$ --</u>     | <u>\$ 23,172</u>          | <u>\$ (82,540)</u> | <u>\$ (195,484)</u> | <u>\$ 255,019</u> | <u>\$ --</u>             | <u>\$ (99,876)</u>      |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | TOWN SPECIAL REVENUE FUNDS     |                                  |                                 |                                       |                                    |  |
|--|--------------------------------|----------------------------------|---------------------------------|---------------------------------------|------------------------------------|--|
|  | 359<br>RI<br>Commerce<br>Grant | 364<br>Police<br>Body<br>Cameras | 382<br>VFL<br>Urban<br>Forestry | 385<br>Recycling<br>Profit<br>Sharing | 421<br>CDBG<br>PY20 Post<br>Office | Total<br>Town Special<br>Revenue Funds |
| <b>Revenues</b>  |                                |                                  |                                 |                                       |                                    |  |
| Intergovernmental  | \$ --                          | \$ 68,250                        | \$ --                           | \$ --                                 | \$ 10,000                          | \$ 1,593,542                           |
| Other  | --                             | --                               | --                              | 1,730                                 | --                                 | 562,576                                |
| <b>Total Revenues</b>  | --                             | 68,250                           | --                              | 1,730                                 | 10,000                             | 2,156,118                              |
| <b>Expenditures</b>  |                                |                                  |                                 |                                       |                                    |  |
| <b>Current</b>   |                                |                                  |                                 |                                       |                                    |  |
| General government   | 7,700                          | --                               | 104,645                         | --                                    | --                                 | 1,243,612                              |
| Public safety  | --                             | 68,250                           | --                              | --                                    | --                                 | 128,414                                |
| Public works   | --                             | --                               | --                              | --                                    | 4,730                              | 192,396                                |
| Parks and recreation   | --                             | --                               | --                              | --                                    | --                                 | 39,380                                 |
| Education  | --                             | --                               | --                              | --                                    | --                                 | --                                     |
| <b>Debt Service</b>  | --                             | --                               | --                              | --                                    | --                                 | --                                     |
| <b>Capital Outlays</b>   | --                             | --                               | --                              | --                                    | --                                 | 1,167,769                              |
| <b>Total Expenditures</b>  | 7,700                          | 68,250                           | 104,645                         | --                                    | 4,730                              | 2,771,571                              |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | (7,700)                        | --                               | (104,645)                       | 1,730                                 | 5,270                              | (615,453)                              |
| <b>Other Financing Sources (Uses)</b>                                |                                |                                  |                                 |                                       |                                    |  |
| Transfers in   | --                             | --                               | --                              | --                                    | --                                 | 104,295                                |
| Transfers out  | --                             | --                               | --                              | --                                    | --                                 | (155,000)                              |
| <b>Total Other Financing Sources (Uses)</b>                          | --                             | --                               | --                              | --                                    | --                                 | (50,705)                               |
| <b>Net Change in Fund Balances</b>                                   | (7,700)                        | --                               | (104,645)                       | 1,730                                 | 5,270                              | (666,158)                              |
| <b>Fund Balance - Beginning of Year</b>                              | --                             | --                               | --                              | --                                    | --                                 | 2,927,142                              |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ (7,700)</u>              | <u>\$ --</u>                     | <u>\$ (104,645)</u>             | <u>\$ 1,730</u>                       | <u>\$ 5,270</u>                    | <u>\$ 2,260,984</u>                    |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                               |                     |                      |                       |                      |
|--|------------------------------|-------------------------------|---------------------|----------------------|-----------------------|----------------------|
|  | 21011100<br>IDEA<br>Part B   | 21011200<br>IDEA<br>Preschool | 21021100<br>Title I | 21031100<br>Title II | 21041100<br>Title III | 21051100<br>Title IV |
| <b>Revenues</b>  |                              |                               |                     |                      |                       |                      |
| Intergovernmental  | \$ 1,292,566                 | \$ 34,448                     | \$ 566,812          | \$ 218,204           | \$ 36,028             | \$ 62,997            |
| Other revenue  | --                           | --                            | --                  | --                   | --                    | --                   |
| <b>Total Revenues</b>  | <u>1,292,566</u>             | <u>34,448</u>                 | <u>566,812</u>      | <u>218,204</u>       | <u>36,028</u>         | <u>62,997</u>        |
| <b>Expenditures</b>  |                              |                               |                     |                      |                       |                      |
| Education  | 1,292,566                    | 34,448                        | 566,812             | 218,204              | 36,028                | 62,997               |
| Capital outlay   | --                           | --                            | --                  | --                   | --                    | --                   |
| <b>Total Expenditures</b>  | <u>1,292,566</u>             | <u>34,448</u>                 | <u>566,812</u>      | <u>218,204</u>       | <u>36,028</u>         | <u>62,997</u>        |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                    | <u>--</u>                     | <u>--</u>           | <u>--</u>            | <u>--</u>             | <u>--</u>            |
| <b>Other Financing Sources (Uses)</b>                                |                              |                               |                     |                      |                       |                      |
| Transfers in   | --                           | --                            | --                  | --                   | --                    | --                   |
| Transfers out  | --                           | --                            | --                  | --                   | --                    | --                   |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                    | <u>--</u>                     | <u>--</u>           | <u>--</u>            | <u>--</u>             | <u>--</u>            |
| <b>Net Change in Fund Balances</b>                                   | <u>--</u>                    | <u>--</u>                     | <u>--</u>           | <u>--</u>            | <u>--</u>             | <u>--</u>            |
| <b>Fund Balances - Beginning of Year</b>                             | <u>--</u>                    | <u>--</u>                     | <u>--</u>           | <u>--</u>            | <u>--</u>             | <u>--</u>            |
| <b>Fund Balances - End of Year</b>                                   | <u><u>\$ --</u></u>          | <u><u>\$ --</u></u>           | <u><u>\$ --</u></u> | <u><u>\$ --</u></u>  | <u><u>\$ --</u></u>   | <u><u>\$ --</u></u>  |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS     |                                    |                               |                                |                          |                            |
|--|----------------------------------|------------------------------------|-------------------------------|--------------------------------|--------------------------|----------------------------|
|  | 21091100<br>Perkins<br>Secondary | 21162100<br>USDA<br>Fruits and Veg | 21251702<br>ESSER II<br>Funds | 21251802<br>ESSER III<br>Funds | 21251820<br>ELC<br>Covid | 23911005<br>Opioid<br>Fund |
| <b>Revenues</b>  |                                  |                                    |                               |                                |                          |                            |
| Intergovernmental  | \$ 44,641                        | \$ 33,735                          | \$ 681,117                    | \$ 2,395,381                   | \$ 36,986                | \$ --                      |
| Other revenue  | --                               | --                                 | --                            | --                             | --                       | --                         |
| <b>Total Revenues</b>  | <u>44,641</u>                    | <u>33,735</u>                      | <u>681,117</u>                | <u>2,395,381</u>               | <u>36,986</u>            | <u>--</u>                  |
| <b>Expenditures</b>  |                                  |                                    |                               |                                |                          |                            |
| Education  | 45,786                           | 42,591                             | 681,715                       | 2,395,381                      | 36,986                   | --                         |
| Capital outlay   | --                               | --                                 | --                            | --                             | --                       | --                         |
| <b>Total Expenditures</b>  | <u>45,786</u>                    | <u>42,591</u>                      | <u>681,715</u>                | <u>2,395,381</u>               | <u>36,986</u>            | <u>--</u>                  |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(1,145)</u>                   | <u>(8,856)</u>                     | <u>(598)</u>                  | <u>--</u>                      | <u>--</u>                | <u>--</u>                  |
| <b>Other Financing Sources (Uses)</b>                                |                                  |                                    |                               |                                |                          |                            |
| Transfers in   | --                               | --                                 | --                            | --                             | --                       | --                         |
| Transfers out  | --                               | --                                 | --                            | --                             | --                       | --                         |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                        | <u>--</u>                          | <u>--</u>                     | <u>--</u>                      | <u>--</u>                | <u>--</u>                  |
| <b>Net Change in Fund Balances</b>                                   | <u>(1,145)</u>                   | <u>(8,856)</u>                     | <u>(598)</u>                  | <u>--</u>                      | <u>--</u>                | <u>--</u>                  |
| <b>Fund Balances - Beginning of Year</b>                             | <u>--</u>                        | <u>(10,886)</u>                    | <u>--</u>                     | <u>--</u>                      | <u>--</u>                | <u>--</u>                  |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ (1,145)</u>                | <u>\$ (19,742)</u>                 | <u>\$ (598)</u>               | <u>\$ --</u>                   | <u>\$ --</u>             | <u>\$ --</u>               |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS      |                                   |                                |                                   |                                 |                                |
|--|-----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|---------------------------------|--------------------------------|
|  | 22192000<br>USDA Health<br>School | 23021000<br>Literacy<br>Set Aside | 23091000<br>State<br>Breakfast | 23112001<br>Middle Schl<br>Senate | 23112003<br>Senate<br>BF Norton | 23112004<br>Senate<br>Athletes |
| <b>Revenues</b>  |                                   |                                   |                                |                                   |                                 |                                |
| Intergovernmental  | \$ --                             | \$ --                             | \$ --                          | \$ 3,000                          | \$ --                           | \$ 1,000                       |
| Other revenue  | --                                | --                                | --                             | --                                | 2,000                           | --                             |
| <b>Total Revenues</b>  | --                                | --                                | --                             | 3,000                             | 2,000                           | 1,000                          |
| <b>Expenditures</b>  |                                   |                                   |                                |                                   |                                 |                                |
| Education  | --                                | --                                | --                             | 5,432                             | 2,073                           | 1,000                          |
| Capital outlay   | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Total Expenditures</b>  | --                                | --                                | --                             | 5,432                             | 2,073                           | 1,000                          |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | --                                | --                                | --                             | (2,432)                           | (73)                            | --                             |
| <b>Other Financing Sources (Uses)</b>                                |                                   |                                   |                                |                                   |                                 |                                |
| Transfers in   | --                                | --                                | --                             | --                                | --                              | --                             |
| Transfers out  | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Total Other Financing Sources (Uses)</b>                          | --                                | --                                | --                             | --                                | --                              | --                             |
| <b>Net Change in Fund Balances</b>                                   | --                                | --                                | --                             | (2,432)                           | (73)                            | --                             |
| <b>Fund Balances - Beginning of Year</b>                             | 254                               | --                                | 380                            | 2,432                             | 184                             | --                             |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 254</u>                     | <u>\$ --</u>                      | <u>\$ 380</u>                  | <u>\$ --</u>                      | <u>\$ 111</u>                   | <u>\$ --</u>                   |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS   |  |  |                            |                                 |                            |
|--|--------------------------------|--|--|----------------------------|---------------------------------|----------------------------|
|  | 23112005<br>Senate<br>Guidance | 23112006<br>House of Reps<br>Community | 23112007<br>House of Reps<br>Cumb Hill | 23112008<br>Senate<br>NCMS | 23112010<br>House of Rep<br>CHS | 23183000<br>RICA<br>Ashton |
| <b>Revenues</b>  |                                |  |  |                            |                                 |                            |
| Intergovernmental  | \$ --                          | \$ --                                  | \$ --                                  | \$ --                      | \$ 2,000                        | \$ --                      |
| Other revenue  | 10,000                         | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Revenues</b>  | <u>10,000</u>                  | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>2,000</u>                    | <u>--</u>                  |
| <b>Expenditures</b>  |                                |  |  |                            |                                 |                            |
| Education  | 11,300                         | --                                     | --                                     | --                         | 2,000                           | --                         |
| Capital outlay   | --                             | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Expenditures</b>  | <u>11,300</u>                  | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>2,000</u>                    | <u>--</u>                  |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(1,300)</u>                 | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>--</u>                       | <u>--</u>                  |
| <b>Other Financing Sources (Uses)</b>                                |                                |  |  |                            |                                 |                            |
| Transfers in   | --                             | --                                     | --                                     | --                         | --                              | --                         |
| Transfers out  | --                             | --                                     | --                                     | --                         | --                              | --                         |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                      | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>--</u>                       | <u>--</u>                  |
| <b>Net Change in Fund Balances</b>                                   | <u>(1,300)</u>                 | <u>--</u>                              | <u>--</u>                              | <u>--</u>                  | <u>--</u>                       | <u>--</u>                  |
| <b>Fund Balances - Beginning of Year</b>                             | <u>--</u>                      | <u>180</u>                             | <u>--</u>                              | <u>19</u>                  | <u>2,500</u>                    | <u>400</u>                 |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ (1,300)</u>              | <u>\$ 180</u>                          | <u>\$ --</u>                           | <u>\$ 19</u>               | <u>\$ 2,500</u>                 | <u>\$ 400</u>              |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS        |                    |                            |                               |                              |                                 |
|--|-------------------------------------|--------------------|----------------------------|-------------------------------|------------------------------|---------------------------------|
|  | 23183001<br>RI Council<br>Cumb Hill | 23473000<br>US DOH | 23581000<br>Perkins<br>CTE | 23671000<br>EL<br>Categorical | 24012004<br>Feinstein<br>CHS | 24012005<br>Feinstein<br>Ashton |
| <b>Revenues</b>  |                                     |                    |                            |                               |                              |                                 |
| Intergovernmental  | \$ --                               | \$ --              | \$ 59,088                  | \$ 17,174                     | \$ --                        | \$ --                           |
| Other revenue  | --                                  | --                 | --                         | --                            | --                           | 12,000                          |
| <b>Total Revenues</b>  | <u>--</u>                           | <u>--</u>          | <u>59,088</u>              | <u>17,174</u>                 | <u>--</u>                    | <u>12,000</u>                   |
| <b>Expenditures</b>  |                                     |                    |                            |                               |                              |                                 |
| Education  | --                                  | --                 | 69,751                     | 10,923                        | 701                          | 5,672                           |
| Capital outlay   | --                                  | --                 | --                         | --                            | --                           | --                              |
| <b>Total Expenditures</b>  | <u>--</u>                           | <u>--</u>          | <u>69,751</u>              | <u>10,923</u>                 | <u>701</u>                   | <u>5,672</u>                    |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                           | <u>--</u>          | <u>(10,663)</u>            | <u>6,251</u>                  | <u>(701)</u>                 | <u>6,328</u>                    |
| <b>Other Financing Sources (Uses)</b>                                |                                     |                    |                            |                               |                              |                                 |
| Transfers in   | --                                  | --                 | --                         | --                            | --                           | --                              |
| Transfers out  | --                                  | --                 | --                         | --                            | --                           | --                              |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                           | <u>--</u>          | <u>--</u>                  | <u>--</u>                     | <u>--</u>                    | <u>--</u>                       |
| <b>Net Change in Fund Balances</b>                                   | <u>--</u>                           | <u>--</u>          | <u>(10,663)</u>            | <u>6,251</u>                  | <u>(701)</u>                 | <u>6,328</u>                    |
| <b>Fund Balances - Beginning of Year</b>                             | <u>441</u>                          | <u>379</u>         | <u>82,692</u>              | <u>(6,251)</u>                | <u>950</u>                   | <u>32,753</u>                   |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 441</u>                       | <u>\$ 379</u>      | <u>\$ 72,029</u>           | <u>\$ --</u>                  | <u>\$ 249</u>                | <u>\$ 39,081</u>                |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                         |                         |                            |                         |                         |
|--|------------------------------|-------------------------|-------------------------|----------------------------|-------------------------|-------------------------|
|  | 24012006                     | 24012007                | 24012008                | 24012014                   | 24012024                | 24012025                |
|  | Kiducation                   | Feinstein<br>NCSM       | RI Found<br>M. Fournier | RI Found<br>L. Deslauriers | Feinstein<br>Cumb Hill  | Feinstein<br>BF Norton  |
| <b>Revenues</b>  |                              |                         |                         |                            |                         |                         |
| Intergovernmental  | \$ --                        | \$ --                   | \$ --                   | \$ --                      | \$ --                   | \$ --                   |
| Other revenue  | --                           | 13,500                  | --                      | --                         | 11,500                  | 11,500                  |
| <b>Total Revenues</b>  | <u>--</u>                    | <u>13,500</u>           | <u>--</u>               | <u>--</u>                  | <u>11,500</u>           | <u>11,500</u>           |
| <b>Expenditures</b>  |                              |                         |                         |                            |                         |                         |
| Education  | --                           | 14,820                  | --                      | --                         | 3,718                   | 5,140                   |
| Capital outlay   | --                           | --                      | --                      | --                         | --                      | --                      |
| <b>Total Expenditures</b>  | <u>--</u>                    | <u>14,820</u>           | <u>--</u>               | <u>--</u>                  | <u>3,718</u>            | <u>5,140</u>            |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                    | <u>(1,320)</u>          | <u>--</u>               | <u>--</u>                  | <u>7,782</u>            | <u>6,360</u>            |
| <b>Other Financing Sources (Uses)</b>                                |                              |                         |                         |                            |                         |                         |
| Transfers in   | --                           | --                      | --                      | --                         | --                      | --                      |
| Transfers out  | --                           | --                      | --                      | --                         | --                      | --                      |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                    | <u>--</u>               | <u>--</u>               | <u>--</u>                  | <u>--</u>               | <u>--</u>               |
| <b>Net Change in Fund Balances</b>                                   | <u>--</u>                    | <u>(1,320)</u>          | <u>--</u>               | <u>--</u>                  | <u>7,782</u>            | <u>6,360</u>            |
| <b>Fund Balances - Beginning of Year</b>                             | <u>1,132</u>                 | <u>28,852</u>           | <u>396</u>              | <u>12</u>                  | <u>19,901</u>           | <u>42,510</u>           |
| <b>Fund Balances - End of Year</b>                                   | <u><u>\$ 1,132</u></u>       | <u><u>\$ 27,532</u></u> | <u><u>\$ 396</u></u>    | <u><u>\$ 12</u></u>        | <u><u>\$ 27,683</u></u> | <u><u>\$ 48,870</u></u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS    |                                   |                                     |                                    |                                 |                                  |
|--|---------------------------------|-----------------------------------|-------------------------------------|------------------------------------|---------------------------------|----------------------------------|
|  | 24012030<br>Sparks<br>BF Norton | 24012043<br>Verizon<br>Foundation | 24012044<br>Cumb Educ<br>Foundation | 24012059<br>Feinstein<br>Community | 24012060<br>Feinstein<br>Garvin | 24012081<br>Feinstein<br>McCourt |
| <b>Revenues</b>  |                                 |                                   |                                     |                                    |                                 |                                  |
| Intergovernmental  | \$ --                           | \$ --                             | \$ --                               | \$ --                              | \$ --                           | \$ --                            |
| Other revenue  | --                              | --                                | --                                  | 7,000                              | 8,500                           | --                               |
| <b>Total Revenues</b>  | --                              | --                                | --                                  | 7,000                              | 8,500                           | --                               |
| <b>Expenditures</b>  |                                 |                                   |                                     |                                    |                                 |                                  |
| Education  | --                              | --                                | --                                  | 500                                | 4,475                           | --                               |
| Capital outlay   | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Total Expenditures</b>  | --                              | --                                | --                                  | 500                                | 4,475                           | --                               |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | --                              | --                                | --                                  | 6,500                              | 4,025                           | --                               |
| <b>Other Financing Sources (Uses)</b>                                |                                 |                                   |                                     |                                    |                                 |                                  |
| Transfers in   | --                              | --                                | --                                  | --                                 | --                              | --                               |
| Transfers out  | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Total Other Financing Sources (Uses)</b>                          | --                              | --                                | --                                  | --                                 | --                              | --                               |
| <b>Net Change in Fund Balances</b>                                   | --                              | --                                | --                                  | 6,500                              | 4,025                           | --                               |
| <b>Fund Balances - Beginning of Year</b>                             | 242                             | 8,103                             | 1,300                               | 17,694                             | 16,831                          | 9,134                            |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 242</u>                   | <u>\$ 8,103</u>                   | <u>\$ 1,300</u>                     | <u>\$ 24,194</u>                   | <u>\$ 20,856</u>                | <u>\$ 9,134</u>                  |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS     |  |  |                               |
|--|----------------------------------|--|--|-------------------------------|
|  | 24012082<br>Feinstein<br>McCourt | 24012084<br>Feinstein<br>Preschool Ctr | 24012010<br>Center for Ed<br>Improvement | 24030077<br>Raytheon<br>Grant |
| <b>Revenues</b>  |                                  |  |  |                               |
| Intergovernmental  | \$ --                            | \$ --                                  | \$ --                                    | \$ --                         |
| Other revenue  | 6,500                            | 6,500                                  | --                                       | --                            |
| <b>Total Revenues</b>  | <u>6,500</u>                     | <u>6,500</u>                           | <u>--</u>                                | <u>--</u>                     |
| <b>Expenditures</b>  |                                  |  |  |                               |
| Education  | 5,407                            | 5,799                                  | --                                       | --                            |
| Capital outlay   | --                               | --                                     | --                                       | --                            |
| <b>Total Expenditures</b>  | <u>5,407</u>                     | <u>5,799</u>                           | <u>--</u>                                | <u>--</u>                     |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>1,093</u>                     | <u>701</u>                             | <u>--</u>                                | <u>--</u>                     |
| <b>Other Financing Sources (Uses)</b>                                |                                  |  |  |                               |
| Transfers in   | --                               | --                                     | --                                       | --                            |
| Transfers out  | --                               | --                                     | --                                       | --                            |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                        | <u>--</u>                              | <u>--</u>                                | <u>--</u>                     |
| <b>Net Change in Fund Balances</b>                                   | <u>1,093</u>                     | <u>701</u>                             | <u>--</u>                                | <u>--</u>                     |
| <b>Fund Balances - Beginning of Year</b>                             | <u>13,483</u>                    | <u>7,929</u>                           | <u>11</u>                                | <u>114</u>                    |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 14,576</u>                 | <u>\$ 8,630</u>                        | <u>\$ 11</u>                             | <u>\$ 114</u>                 |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                            |                                    |                       |                                      |                                    |
|--|------------------------------|----------------------------|------------------------------------|-----------------------|--------------------------------------|------------------------------------|
|  | 24040008<br>Nature<br>Trails | 23911020<br>RIDE /<br>STEM | 24040168<br>Goodwill<br>Industries | 24040180<br>Go! Grant | 24040209<br>International<br>Library | 24012003<br>EdResearch<br>Recovery |
| <b>Revenues</b>  |                              |                            |                                    |                       |                                      |                                    |
| Intergovernmental  | \$ --                        | \$ 2,116                   | \$ --                              | \$ --                 | \$ --                                | \$ --                              |
| Other revenue  | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Revenues</b>  | <u>--</u>                    | <u>2,116</u>               | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>--</u>                          |
| <b>Expenditures</b>  |                              |                            |                                    |                       |                                      |                                    |
| Education  | --                           | 1,903                      | --                                 | --                    | --                                   | 657                                |
| Capital outlay   | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Expenditures</b>  | <u>--</u>                    | <u>1,903</u>               | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>657</u>                         |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>--</u>                    | <u>213</u>                 | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>(657)</u>                       |
| <b>Other Financing Sources (Uses)</b>                                |                              |                            |                                    |                       |                                      |                                    |
| Transfers in   | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| Transfers out  | --                           | --                         | --                                 | --                    | --                                   | --                                 |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                    | <u>--</u>                  | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>--</u>                          |
| <b>Net Change in Fund Balances</b>                                   | <u>--</u>                    | <u>213</u>                 | <u>--</u>                          | <u>--</u>             | <u>--</u>                            | <u>(657)</u>                       |
| <b>Fund Balances - Beginning of Year</b>                             | <u>4,828</u>                 | <u>--</u>                  | <u>187</u>                         | <u>243</u>            | <u>3,450</u>                         | <u>800</u>                         |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 4,828</u>              | <u>\$ 213</u>              | <u>\$ 187</u>                      | <u>\$ 243</u>         | <u>\$ 3,450</u>                      | <u>\$ 143</u>                      |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS |                  |                |                   |                |               |                 |
|--|------------------------------|------------------|----------------|-------------------|----------------|---------------|-----------------|
|  | 60010000                     | 21251805         | 21251806       | 21251810          | 21251815       | 21251816      | 21422100        |
|  | Food                         | ESSER III        | ESSER III      | ARP               | ARP            | ARP IDEA      | High Quality    |
|  | Services                     | Digital Divide   | Priority       | Transportation    | IDEA K-12      | Preschool     | Curriculum      |
| <b>Revenues</b>  |                              |                  |                |                   |                |               |                 |
| Intergovernmental  | \$ 2,193,096                 | \$ 1,020,572     | \$ 176,295     | \$ 13,639         | \$ 253,232     | \$ 25,476     | \$ 13,982       |
| Other revenue  | --                           | --               | --             | --                | --             | --            | --              |
| <b>Total Revenues</b>  | <u>2,193,096</u>             | <u>1,020,572</u> | <u>176,295</u> | <u>13,639</u>     | <u>253,232</u> | <u>25,476</u> | <u>13,982</u>   |
| <b>Expenditures</b>  |                              |                  |                |                   |                |               |                 |
| Education  | 2,471,943                    | 1,020,572        | 176,295        | 15,289            | 253,232        | 25,476        | 14,976          |
| Capital outlay   | --                           | --               | --             | --                | --             | --            | --              |
| <b>Total Expenditures</b>  | <u>2,471,943</u>             | <u>1,020,572</u> | <u>176,295</u> | <u>15,289</u>     | <u>253,232</u> | <u>25,476</u> | <u>14,976</u>   |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(278,847)</u>             | <u>--</u>        | <u>--</u>      | <u>(1,650)</u>    | <u>--</u>      | <u>--</u>     | <u>(994)</u>    |
| <b>Other Financing Sources (Uses)</b>                                |                              |                  |                |                   |                |               |                 |
| Transfers in   | --                           | --               | --             | --                | --             | --            | --              |
| Transfers out  | --                           | --               | --             | --                | --             | --            | --              |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                    | <u>--</u>        | <u>--</u>      | <u>--</u>         | <u>--</u>      | <u>--</u>     | <u>--</u>       |
| <b>Net Change in Fund Balances</b>                                   | <u>(278,847)</u>             | <u>--</u>        | <u>--</u>      | <u>(1,650)</u>    | <u>--</u>      | <u>--</u>     | <u>(994)</u>    |
| <b>Fund Balances - Beginning of Year</b>                             | <u>1,418,209</u>             | <u>--</u>        | <u>--</u>      | <u>--</u>         | <u>--</u>      | <u>--</u>     | <u>--</u>       |
| <b>Fund Balances - End of Year</b>                                   | <u>\$ 1,139,362</u>          | <u>\$ --</u>     | <u>\$ --</u>   | <u>\$ (1,650)</u> | <u>\$ --</u>   | <u>\$ --</u>  | <u>\$ (994)</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | SCHOOL SPECIAL REVENUE FUNDS                  |  |                            |                          |                                       |
|--|---|--|----------------------------|--------------------------|---------------------------------------|
|  | 21422601<br>Expansion of<br>RI Advance Course | 23911001<br>School Building<br>Authority | High School<br>Scholarship | Student<br>Activities    | Total<br>School<br>Special<br>Revenue |
| <b>Revenues</b>  |   |  |                            |                          |                                       |
| Intergovernmental  | \$ 1,501                                      | \$ --                                    | \$ --                      | \$ --                    | \$ 9,185,086                          |
| Other revenue  | --  | 487,604                                  | --                         | 412,648                  | 989,252                               |
| <b>Total Revenues</b>  | <u>1,501</u>                                  | <u>487,604</u>                           | <u>--</u>                  | <u>412,648</u>           | <u>10,174,338</u>                     |
| <b>Expenditures</b>  |   |  |                            |                          |                                       |
| Education  | --  | 487,604                                  | --                         | 366,135                  | 10,396,307                            |
| Capital outlay   | --  | --                                       | --                         | --                       | --                                    |
| <b>Total Expenditures</b>  | <u>--</u>                                     | <u>487,604</u>                           | <u>--</u>                  | <u>366,135</u>           | <u>10,396,307</u>                     |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>1,501</u>                                  | <u>--</u>                                | <u>--</u>                  | <u>46,513</u>            | <u>(221,969)</u>                      |
| <b>Other Financing Sources (Uses)</b>                                |   |  |                            |                          |                                       |
| Transfers in   | --  | --                                       | --                         | --                       | --                                    |
| Transfers out  | <u>--</u>                                     | <u>--</u>                                | <u>--</u>                  | <u>--</u>                | <u>--</u>                             |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>                                     | <u>--</u>                                | <u>--</u>                  | <u>--</u>                | <u>--</u>                             |
| <b>Net Change in Fund Balances</b>                                   | <u>1,501</u>                                  | <u>--</u>                                | <u>--</u>                  | <u>46,513</u>            | <u>(221,969)</u>                      |
| <b>Fund Balances - Beginning of Year</b>                             | <u>--</u>                                     | <u>--</u>                                | <u>10,530</u>              | <u>485,045</u>           | <u>2,197,363</u>                      |
| <b>Fund Balances - End of Year</b>                                   | <u><u>\$ 1,501</u></u>                        | <u><u>\$ --</u></u>                      | <u><u>\$ 10,530</u></u>    | <u><u>\$ 531,558</u></u> | <u><u>\$ 1,975,394</u></u>            |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | CAPITAL PROJECT FUNDS |                           |                      |                               |                                    |                                   | Total<br>NonMajor<br>Governmental<br>Funds |
|--|-----------------------|---------------------------|----------------------|-------------------------------|------------------------------------|-----------------------------------|--|
|  | 202<br>Drainage       | 203<br>Recreation<br>Bond | 204<br>Open<br>Space | 207<br>Road<br>Infrastructure | 209<br>Tucker<br>Field<br>Phase II | Total<br>Capital<br>Project Funds |  |
| <b>Revenues</b>  |                       |                           |                      |                               |                                    |                                   |  |
| Intergovernmental  | \$ --                 | \$ --                     | \$ --                | \$ --                         | \$ --                              | \$ --                             | \$ 10,778,628                              |
| Other  | --                    | --                        | --                   | --                            | --                                 | --                                | 1,551,828                                  |
| <b>Total Revenues</b>  | <u>--</u>             | <u>--</u>                 | <u>--</u>            | <u>--</u>                     | <u>--</u>                          | <u>--</u>                         | <u>12,330,456</u>                          |
| <b>Expenditures</b>  |                       |                           |                      |                               |                                    |                                   |  |
| <b>Current</b>   |                       |                           |                      |                               |                                    |                                   |  |
| General government   | --                    | --                        | --                   | --                            | --                                 | --                                | 1,243,612                                  |
| Public safety  | --                    | --                        | --                   | --                            | --                                 | --                                | 128,414                                    |
| Public works   | 27,890                | --                        | --                   | --                            | --                                 | 27,890                            | 220,286                                    |
| Parks and recreation   | --                    | --                        | 370,932              | --                            | --                                 | 370,932                           | 410,312                                    |
| Education  | --                    | --                        | --                   | --                            | --                                 | --                                | 10,396,307                                 |
| <b>Debt Service</b>  | --                    | --                        | 4,773                | --                            | --                                 | 4,773                             | 4,773                                      |
| <b>Capital Outlays</b>   | <u>--</u>             | <u>--</u>                 | <u>--</u>            | <u>--</u>                     | <u>--</u>                          | <u>--</u>                         | <u>1,167,769</u>                           |
| <b>Total Expenditures</b>  | <u>27,890</u>         | <u>--</u>                 | <u>375,705</u>       | <u>--</u>                     | <u>--</u>                          | <u>403,595</u>                    | <u>13,571,473</u>                          |
| <b>Excess (Deficiency) of Revenues Over<br/>(Under) Expenditures</b> | <u>(27,890)</u>       | <u>--</u>                 | <u>(375,705)</u>     | <u>--</u>                     | <u>--</u>                          | <u>(403,595)</u>                  | <u>(1,241,017)</u>                         |
| <b>Other Financing Sources (Uses)</b>                                |                       |                           |                      |                               |                                    |                                   |  |
| Transfers in   | --                    | --                        | 125,000              | --                            | --                                 | 125,000                           | 229,295                                    |
| Transfers out  | <u>--</u>             | <u>--</u>                 | <u>--</u>            | <u>--</u>                     | <u>--</u>                          | <u>--</u>                         | <u>(155,000)</u>                           |
| <b>Total Other Financing Sources (Uses)</b>                          | <u>--</u>             | <u>--</u>                 | <u>125,000</u>       | <u>--</u>                     | <u>--</u>                          | <u>125,000</u>                    | <u>74,295</u>                              |
| <b>Net Change in Fund Balances</b>                                   | (27,890)              | --                        | (250,705)            | --                            | --                                 | (278,595)                         | (1,166,722)                                |
| <b>Fund Balance - Beginning of Year</b>                              | <u>27,904</u>         | <u>20,322</u>             | <u>260,378</u>       | <u>8,257</u>                  | <u>12,230</u>                      | <u>329,091</u>                    | <u>5,453,596</u>                           |
| <b>Fund Balance - End of Year</b>                                    | <u>\$ 14</u>          | <u>\$ 20,322</u>          | <u>\$ 9,673</u>      | <u>\$ 8,257</u>               | <u>\$ 12,230</u>                   | <u>\$ 50,496</u>                  | <u>\$ 4,286,874</u>                        |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2023

|                                       | Town<br>Healthcare | School<br>Healthcare | Total<br>Enterprise<br>Funds |
|---------------------------------------|--------------------|----------------------|------------------------------|
| <b>Assets</b>                         |                    |                      |                              |
| <b>Current Assets</b>                 |                    |                      |                              |
| Deposits                              | \$ 133,260         | \$ 310,941           | \$ 444,201                   |
| Prepaid costs                         | <u>495,039</u>     | <u>1,666,532</u>     | <u>2,161,571</u>             |
| <b>Total Current Assets</b>           | <u>628,299</u>     | <u>1,977,473</u>     | <u>2,605,772</u>             |
| <b>Total Assets</b>                   | <u>628,299</u>     | <u>1,977,473</u>     | <u>2,605,772</u>             |
| <b>Liabilities</b>                    |                    |                      |                              |
| <b>Current Liabilities</b>            |                    |                      |                              |
| Accounts payable and accrued expenses | <u>295,333</u>     | <u>698,590</u>       | <u>993,923</u>               |
| <b>Total Current Liabilities</b>      | <u>295,333</u>     | <u>698,590</u>       | <u>993,923</u>               |
| <b>Total Liabilities</b>              | <u>295,333</u>     | <u>698,590</u>       | <u>993,923</u>               |
| <b>Net Position</b>                   |                    |                      |                              |
| Unrestricted                          | <u>332,966</u>     | <u>1,278,883</u>     | <u>1,611,849</u>             |
| <b>Total Net Position</b>             | <u>\$ 332,966</u>  | <u>\$ 1,278,883</u>  | <u>\$ 1,611,849</u>          |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|                                       | Town<br>Healthcare       | School<br>Healthcare       | Total<br>Enterprise<br>Funds |
|---------------------------------------|--------------------------|----------------------------|------------------------------|
| <b>Operating Revenues</b>             |                          |                            |                              |
| Charges for services                  | \$ 4,267,102             | \$ 9,678,927               | \$ 13,946,029                |
| <b>Total Operating Revenues</b>       | <u>4,267,102</u>         | <u>9,678,927</u>           | <u>13,946,029</u>            |
| <b>Operating Expenses</b>             |                          |                            |                              |
| Health care management                | <u>4,479,743</u>         | <u>9,812,027</u>           | <u>14,291,770</u>            |
| <b>Total Operating Expenses</b>       | <u>4,479,743</u>         | <u>9,812,027</u>           | <u>14,291,770</u>            |
| <b>Change in Net Position</b>         | <u>(212,641)</u>         | <u>(133,100)</u>           | <u>(345,741)</u>             |
| <b>Total Net Position - Beginning</b> | <u>545,607</u>           | <u>1,411,983</u>           | <u>1,957,590</u>             |
| <b>Total Net Position - Ending</b>    | <u><u>\$ 332,966</u></u> | <u><u>\$ 1,278,883</u></u> | <u><u>\$ 1,611,849</u></u>   |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|  | Town<br>Healthcare                     | School<br>Healthcare                   | Total<br>Enterprise<br>Funds           |
|--|--|--|--|
| <b>Cash Flows from Operating Activities</b>  |  |  |  |
| Cash received from customers   | \$ 4,267,102                           | \$ 9,678,927                           | \$ 13,946,029                          |
| Claims paid  | <u>(4,267,102)</u>                     | <u>(9,678,927)</u>                     | <u>(13,946,029)</u>                    |
| <b>Net Cash (Used in) Provided by Operating Activities</b>   | <u>          --          </u>          | <u>          --          </u>          | <u>          --          </u>          |
| <b>Net Increase in Cash and Cash Equivalents</b>   | --                                     | --                                     | --                                     |
| <b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>                                   | <u>          --          </u>          | <u>          --          </u>          | <u>          --          </u>          |
| <b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>   | <u><u>\$          --          </u></u> | <u><u>\$          --          </u></u> | <u><u>\$          --          </u></u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>  |  |  |  |
| Operating income (loss)  | \$ (212,641)                           | \$ (133,100)                           | \$ (345,741)                           |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |  |  |  |
| (Increase) decrease in prepaid costs   | 101,538                                | (216,983)                              | (115,445)                              |
| Increase (decrease) in accounts payable and accrued expenses   | <u>111,103</u>                         | <u>350,083</u>                         | <u>461,186</u>                         |
| <b>Net Cash Provided by (Used in) Operating Activities</b>   | <u><u>\$          --          </u></u> | <u><u>\$          --          </u></u> | <u><u>\$          --          </u></u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF FIDUCIARY NET POSITION EMPLOYEE BENEFIT TRUST FUNDS

JUNE 30, 2023

|                                   | 710<br>Police<br>Pension<br>Trust | 713<br>Town<br>OPEB<br>Trust | Total                |
|-----------------------------------|-----------------------------------|------------------------------|----------------------|
| <b>Assets</b>                     |                                   |                              |                      |
| Cash and cash equivalents         | \$ 762,747                        | \$ 254,710                   | \$ 1,017,457         |
| Receivables                       | --                                | 26,691                       | 26,691               |
| <i>Investments, at fair value</i> |                                   |                              |                      |
| Fixed income                      | 8,647,952                         | 1,680,883                    | 10,328,835           |
| Equities                          | 17,204,843                        | 4,557,827                    | 21,762,670           |
| <b>Total Assets</b>               | <u>\$ 26,615,542</u>              | <u>\$ 6,520,111</u>          | <u>\$ 33,135,653</u> |
| <b>Liabilities</b>                |                                   |                              |                      |
| Other liabilities                 | \$ 1,644                          | \$ --                        | \$ 1,644             |
| <b>Total Liabilities</b>          | <u>\$ 1,644</u>                   | <u>\$ --</u>                 | <u>\$ 1,644</u>      |
| <b>Net Position</b>               |                                   |                              |                      |
| Restricted for Pension benefits   | \$ 26,613,898                     | \$ --                        | \$ 26,613,898        |
| Restricted for OPEB benefits      | --                                | 6,520,111                    | 6,520,111            |
| <b>Total Net Position</b>         | <u>\$ 26,613,898</u>              | <u>\$ 6,520,111</u>          | <u>\$ 33,134,009</u> |

*See independent auditors' report on supplementary information.*

# TOWN OF CUMBERLAND, RHODE ISLAND

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION EMPLOYEE BENEFIT TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2023

|   | 710<br>Police<br>Pension<br>Trust | 713<br>Town<br>OPEB<br>Trust | Total                       |
|---|-----------------------------------|------------------------------|-----------------------------|
| <b>Additions</b>                        |                                   |                              |                             |
| Employer contributions                  | \$ 2,626,800                      | \$ 1,455,041                 | \$ 4,081,841                |
| Member contributions                    | 265,984                           | --                           | 265,984                     |
| Net investment income                   | 2,299,628                         | 639,973                      | 2,939,601                   |
| <b>Total Additions</b>                  | <u>5,192,412</u>                  | <u>2,095,014</u>             | <u>7,287,426</u>            |
| <b>Deductions</b>                       |                                   |                              |                             |
| Benefits paid                           | 2,553,583                         | 1,477,576                    | 4,031,159                   |
| Administrative expenses                 | --                                | 19,797                       | 19,797                      |
| <b>Total Deductions</b>                 | <u>2,553,583</u>                  | <u>1,497,373</u>             | <u>4,050,956</u>            |
| <b>Change in Net Position</b>           | 2,638,829                         | 597,641                      | 3,236,470                   |
| <b>Net Position - Beginning of Year</b> | <u>23,975,069</u>                 | <u>5,922,470</u>             | <u>29,897,539</u>           |
| <b>Net Position - End of Year</b>       | <u><u>\$ 26,613,898</u></u>       | <u><u>\$ 6,520,111</u></u>   | <u><u>\$ 33,134,009</u></u> |

*See independent auditors' report on supplementary information.*