

TOWN OF CUMBERLAND, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island as of June 30, 2021, 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.

Emphasis of Matter

During fiscal year ended June 30, 2021, the Town adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Town reported a restatement for the change in accounting principle (see Note 15). The Town also reported restatements for the correction of errors relating to the calculation of capital assets including accumulated depreciation as well as for the beginning balance of various receivable balances (see Note 15). Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of budgetary comparison information, Schedule of Changes in Town's Net Pension Liability and Related Ratios, Schedule of Town's Contributions and Investment Returns, Schedule of Town's Proportionate Share of the Net Pension Liability, Schedule of Town's Contributions, Schedule of Changes in Town and School's Net OPEB Liability and Related Ratios, Schedule of Town's Contributions and Investment Returns and accompanying notes on pages 4 through 13, and pages 99 through 114 respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cumberland, Rhode Island's financial statements. The combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, and the tax collector's annual report, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, and the tax collector's annual report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, the combining and individual non-major fund statements, annual supplemental transparency report and accompanying notes, and the tax collector's annual report are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2022, 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.

Marcum LLP

Providence, RI
April 12, 2022

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

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, 2021. 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, 2021 by \$42,339,201 for its Governmental Activities and \$27,875,345 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 \$3,428,868 and \$157,885 for its Governmental Activities and Business-Type Activities, respectively, as compared to the previous year that was restated.
- As of the close of the current fiscal year, the Town of Cumberland's total governmental funds reported combined ending fund balances of \$33.0 million an increase of \$437 thousand from the previous year. Approximately 36.6% of this total, \$12.5 million, is available for spending at the Town's discretion (unassigned).
- At the end of the current fiscal year, the total fund balance of the General Fund was \$22.7 million, or 13.7% of total general fund expenditures and other net financing uses. Of this amount, the unassigned fund balance for the General Fund was \$12.1 million, which is available for spending at the Town's discretion.
- The remaining balance consisted of:
 - \$4,104,729 non-spendable, of which \$3,568,775 are funds advanced to the Water Fund and \$535,954 are prepaid items.
 - Restricted Funds of \$3,060,676 which consists of School Special Revenue Grant Funds in the amount of \$1,413,787, Capital Projects Funds of \$636,672, Town Special Revenue Grant Funds of \$475,715 and General Fund lease proceeds of \$534,502.
 - Committed Funds of \$9,086,871 which consists of the School Unrestricted Fund balance of \$5,680,178, Sewer funds of \$263,916, Capital Projects of \$466,760 and Town Special Revenue Funds of \$2,676,017.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

- Assigned Funds of \$6,209,719 which consists of \$2,245,185 of revenue stabilization funds, town capital project funds of \$1,800,000, school capital project funds of \$600,000, debt service funds of \$550,000, community and economic funds of \$485,148, senior center funds of \$93,685, office of children youth and learning funds of \$132,501 and recreation program funds of \$303,200.

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Government-wide financial statements (statement of net position and statement of activities) are on pages 14-17 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 nine (109) 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 18-21 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 125.

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-

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

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 22-24 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 25-26 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 27-98 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 99-130 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 140-173 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 \$70,214,546 at the end of the fiscal year ended June 30, 2021.

The Town of Cumberland's unrestricted net deficit at June 30, 2021 is \$(39,991,977). 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, 2021

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 \$12.8 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 Change</u>
	<u>2021</u>	<u>Restated 2020</u>	<u>2021</u>	<u>Restated 2020</u>	<u>2021</u>	<u>Restated 2020</u>	
Current & other assets	\$ 105,174,599	\$ 93,039,254	\$ 4,083,215	\$ 8,409,678	\$ 109,257,814	\$ 101,448,932	7.7%
Capital assets	<u>116,730,374</u>	<u>116,760,982</u>	<u>41,532,099</u>	<u>35,292,448</u>	<u>158,262,473</u>	<u>152,053,430</u>	4.1%
Total assets	<u>221,904,973</u>	<u>209,800,236</u>	<u>45,615,314</u>	<u>43,702,126</u>	<u>267,520,287</u>	<u>253,502,362</u>	5.5%
Deferred outflows of resources	<u>20,723,351</u>	<u>19,252,083</u>	<u>--</u>	<u>--</u>	<u>20,723,351</u>	<u>19,252,083</u>	7.6%
Current liabilities	42,281,901	28,535,395	1,689,076	1,561,195	43,970,977	30,096,590	46.1%
Long-term liabilities	<u>142,838,898</u>	<u>148,214,624</u>	<u>16,050,893</u>	<u>14,423,471</u>	<u>158,889,791</u>	<u>162,638,095</u>	-2.3%
Total liabilities	<u>185,120,799</u>	<u>176,750,019</u>	<u>17,739,969</u>	<u>15,984,666</u>	<u>202,860,768</u>	<u>192,734,685</u>	5.3%
Deferred inflows of resources	<u>15,168,324</u>	<u>13,391,967</u>	<u>--</u>	<u>--</u>	<u>15,168,324</u>	<u>13,391,967</u>	13.3%
Net investment in capital assets	70,360,317	69,360,594	27,012,213	20,275,422	97,372,530	89,636,016	8.6%
Restricted	11,290,054	12,725,260	1,543,939	--	12,833,993	12,725,260	0.9%
Unrestricted	<u>(39,311,170)</u>	<u>(43,175,521)</u>	<u>(680,807)</u>	<u>7,442,038</u>	<u>(39,991,977)</u>	<u>(35,733,483)</u>	11.9%
Total net position	<u>\$ 42,339,201</u>	<u>\$ 38,910,333</u>	<u>\$ 27,875,345</u>	<u>\$ 27,717,460</u>	<u>\$ 70,214,546</u>	<u>\$ 66,627,793</u>	5.4%

On June 30, 2021, the Town has a positive balance in the Water Fund. The Water Fund had an increase in net position of \$157,885.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Governmental Activities

Governmental Activities net position increased by \$3,586,753. Property taxes are the largest revenue source for governmental activities, accounting for 57.0% of total revenues while operating grants and contributions contributed to 26.6% of the revenues. A comparison of FY 2021 and FY 2020 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>		<u>Percent Change</u>
	<u>2021</u>	<u>Restated 2020</u>	<u>2021</u>	<u>Restated 2020</u>	<u>2021</u>	<u>Restated 2020</u>	
Revenues							
Program revenues:							
Charges for services	\$ 5,788,636	\$ 4,314,446	\$ 6,119,677	\$ 5,335,160	\$ 11,908,313	\$ 9,649,606	23.4%
Operating grants	31,018,675	33,533,472	--	--	31,018,675	33,533,472	-7.5%
Capital grants	478,319	2,750,397	--	--	478,319	2,750,397	-82.6%
General revenues:							
Property taxes	66,409,769	67,324,838	--	--	66,409,769	67,324,838	-1.4%
State aid town	4,180,499	3,247,704	--	--	4,180,499	3,247,704	28.7%
State aid to education	1,991,408	3,121,962	--	--	1,991,408	3,121,962	-36.2%
Unrestricted investment earnings	221,106	1,108,308	--	--	221,106	1,108,308	-80.1%
Other	295,178	176,118	154,613	220,455	449,791	396,573	13.4%
Total Revenue	<u>110,383,590</u>	<u>115,577,245</u>	<u>6,274,290</u>	<u>5,555,615</u>	<u>116,657,880</u>	<u>121,132,860</u>	<u>-3.7%</u>
Program Expenses							
General government	2,299,202	6,933,141	--	--	2,299,202	6,933,141	-66.8%
Community development	1,078,422	657,013	--	--	1,078,422	657,013	64.1%
Public safety	11,961,239	14,638,513	--	--	11,961,239	14,638,513	-18.3%
Public works	7,692,505	8,418,198	--	--	7,692,505	8,418,198	-8.6%
Public libraries	2,660,727	1,869,773	--	--	2,660,727	1,869,773	42.3%
Education	79,823,107	78,923,255	--	--	79,823,107	78,923,255	1.1%
Parks and recreation	342,946	321,540	--	--	342,946	321,540	6.7%
Interest on long-term debt	1,171,574	1,308,133	--	--	1,171,574	1,308,133	-10.4%
Water	--	--	6,041,405	5,724,019	6,041,405	5,724,019	5.5%
Total Program Expenses	<u>107,029,722</u>	<u>113,069,566</u>	<u>6,041,405</u>	<u>5,724,019</u>	<u>113,071,127</u>	<u>118,793,585</u>	<u>-4.8%</u>
Change in net position prior to transfers	3,353,868	2,507,679	232,885	(168,404)	3,586,753	2,339,275	53.3%
Transfers	<u>75,000</u>	<u>--</u>	<u>(75,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>0.0%</u>
Change in net position	3,428,868	2,507,679	157,885	(168,404)	3,586,753	2,339,275	53.3%
Net Position - Beginning	<u>38,910,333</u>	<u>36,402,654</u>	<u>27,717,460</u>	<u>27,885,864</u>	<u>66,627,793</u>	<u>64,288,518</u>	<u>3.6%</u>
Net Position - Ending	<u>\$ 42,339,201</u>	<u>\$ 38,910,333</u>	<u>\$ 27,875,345</u>	<u>\$ 27,717,460</u>	<u>\$ 70,214,546</u>	<u>\$ 66,627,793</u>	<u>5.4%</u>

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

- Property taxes revenue decreased \$915,069 or 1.4% for fiscal year 2021 due to the timing of taxes received within 60 days after year end.
- Charges for services increased by \$1,474,190 or (34.2%). This is primarily a result of increased public works charges for building permits and other associated fines.
- Grant Income (Operation and Capital) saw a combined decrease of \$4,786,875 (13.2%). Decreases relate primarily to public safety and public works.
- Education expenses account for approximately 66.4% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 12.3% and 7.1%, respectively, general government makes up 5.8% and the remainder relates to the public library, interest on long-term debt and other areas.

Business-Type Activities: Net position of business-type activities (the Water Fund) increased by \$157,885 which is a .5% increase in business-type activities net position.

Charges for services for Water Fund increased \$784,517 or 14.7% while expenses increased \$317,386 or 5.5%.

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 \$33.0 million. Approximately 33.8% of this amount, \$10.5 million constitutes unassigned fund balance which is available for spending at the government's discretion.

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 \$12.1 million, which is included in the total fund balance of \$22.7 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 11.8% of the 2021 Adopted General Fund Expenditure Budget.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

The total fund balance of the Town's General Fund increased by \$1,350,745 during the current fiscal year.

School Unrestricted Fund: The school fund has a total fund balance of \$6.0 million. The total fund balance of the School Unrestricted Fund decreased by \$316 thousand during the current fiscal year.

General Fund Budgetary Highlights

The Town finished the 2020-2021 Fiscal Year with budgetary surpluses as follows:

- General Fund - \$1,565,051
- School Unrestricted Fund - \$0
- Sewer Fund - \$290,152
- Water Fund - \$201,793

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 \$534,860. Federal and State funds, primarily associated with Covid pandemic increased intergovernmental funds. Public work expenditures were under budget \$419,917.

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, 2021, amounts to \$97,372,530 (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 \$3,423,066.

	<u>Gross Governmental Capital Assets</u>	
	June 30, 2021	June 30, 2020
Land	\$ 23,431,923	\$ 23,431,923
Work in progress	3,131,786	538,786
Land improvements	4,412,241	4,352,967
Infrastructure	35,576,233	35,304,706
Buildings and improvements	102,132,665	101,840,984
Machinery and equipment	6,721,400	6,641,351
Vehicles	5,892,038	5,764,503
	<u>\$ 181,298,286</u>	<u>\$ 177,875,220</u>

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

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

- Street payment and road infrastructure improvements
- Improvements at the Diamond Hill Music Pavillion and Diamond Hill Trailhead Facilities
- Epheta Park improvements
- Sanitary Manhole Rehab improvements
- Senior Center Kitchen improvements

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 \$21,045,000 in bonds outstanding, compared to \$23,440,000 last year, a decrease of \$2,395,000. 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, 2021, the Town had a legal debt limit of \$129,862,534, based on net assessed valuations as of December 31, 2020. As of June 30, 2021, the Town had outstanding debt subject to the 3% debt limit of \$21,045,000.

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.

Subsequent Fiscal Year 2021-2022 Budget and Tax Rates

The Town of Cumberland's total general fund budget for fiscal year 2022 is \$108,385,729, which reflects an increase of \$2,514,958 over the final fiscal year 2021 budget. In the Town's 2022 budget, \$74,755,317 or 68.97% is allocated for educational purposes, which is an increase of \$1,552,510 or 2.12% over the fiscal year 2021 budget. \$33,630,412 or 31.03% is budgeted for all other purposes, which is an increase of \$962,418 or 2.95%.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

Of the \$74,755,317 budgeted for educational purposes, the State of Rhode Island is budgeted for fiscal year 2022 to contribute \$20,545,315 to the Town's education department and the Town is budgeted to contribute \$47,056,398, which is an increase of \$848,323 or 1.84% over the fiscal year 2021 budget. The budget also appropriated the use of school surplus funds totaling \$1,089,372 in the fiscal year 2022 budget. The amount contributed by the State is based on the Town being considered an outlying suburban community. The total population of the Cumberland School District and the average level of wages earned by its citizens are the determining factors for this designation. Within the adopted fiscal year 2022 budget the Town has funded four separate master leases for the school department related to the capital needs of the school district.

General Economic Factors

The May 2021 unemployment rate (not seasonally adjusted) for the Town of Cumberland was 4.8%, which compares favorably to the unemployment rate of the State of Rhode Island at 5.5% and favorably to the national rate of 5.8% from the same period. According to the most recent data on the Department of Labor and Training site (RI City & Town Income from American Community Survey estimates) the median family income of the Town was \$109,169, compared to the State average of \$86,258. Median family income in the Town increased from \$63,194 in 2000, an increase of 72.7%. The Town's median family income ranks eleventh among Rhode Island cities and towns.

The per capita income of the Town of Cumberland was \$43,603, compared to \$36,121 for the state in the 2015 – 2019 period. Per capita income in the Town increased from \$25,592 in 2000, an increase of 70.4%. The Town's per capita income ranks ninth among Rhode Island cities and towns.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 44,872,493	\$ 2,987,687	\$ 47,860,180
Restricted cash	9,703,309	1,543,939	11,247,248
Investments	211,740	--	211,740
Funds on deposit	222,100	--	222,100
Tax receivable, net	34,423,540	--	34,423,540
Accounts receivable, net	1,400,211	696,280	2,096,491
Sewer use and assessment receivable	851,839	--	851,839
Due from federal and state governments	1,155,260	2,424,084	3,579,344
Prepays and other assets	535,954	--	535,954
Total Current Assets	<u>93,376,446</u>	<u>7,651,990</u>	<u>101,028,436</u>
Noncurrent Assets			
Internal balances	3,568,775	(3,568,775)	--
Net pension asset	8,229,378	--	8,229,378
Capital assets not being depreciated	26,563,709	8,985,675	35,549,384
Capital assets, net of accumulated depreciation	<u>90,166,665</u>	<u>32,546,424</u>	<u>122,713,089</u>
Total Noncurrent Assets	<u>128,528,527</u>	<u>37,963,324</u>	<u>166,491,851</u>
Total Assets	<u>221,904,973</u>	<u>45,615,314</u>	<u>267,520,287</u>
Deferred Outflows of Resources			
Pension related deferred outflows of resources	19,727,802	--	19,727,802
OPEB related deferred outflows of resources	<u>995,549</u>	<u>--</u>	<u>995,549</u>
Total Deferred Outflows of Resources	<u>20,723,351</u>	<u>--</u>	<u>20,723,351</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	3,125,104	691,964	3,817,068
BAN payable	33,000,000	--	33,000,000
Unearned revenue	134,420	--	134,420
Escrow deposits	254,465	--	254,465
Current portion of compensated absences	252,073	10,404	262,477
Current portion of other commitments	17,850	--	17,850
Current portion of deferred salaries	50,448	--	50,448
Current portion of general obligation bonds	4,338,821	884,564	5,223,385
Current portion of capital lease obligations	1,108,720	102,144	1,210,864
Total Current Liabilities	<u>42,281,901</u>	<u>1,689,076</u>	<u>43,970,977</u>
Noncurrent Liabilities			
Compensated absences, net	1,799,251	93,631	1,892,882
Other commitments, net	107,100	--	107,100
Deferred salaries, net	150,270	--	150,270
General obligation bonds, net	34,877,586	15,633,730	50,511,316
Capital lease obligations, net	5,198,903	323,532	5,522,435
Net pension liability	82,300,487	--	82,300,487
Net OPEB liability	18,405,301	--	18,405,301
Total Noncurrent Liabilities	<u>142,838,898</u>	<u>16,050,893</u>	<u>158,889,791</u>
Total Liabilities	<u>185,120,799</u>	<u>17,739,969</u>	<u>202,860,768</u>
Deferred inflows of resources			
Deferred sewer assessment	660,676	--	660,676
Deferred gain on refunding	846,027	--	846,027
Pension related deferred inflows of resources	11,931,509	--	11,931,509
OPEB related deferred inflows of resources	1,730,112	--	1,730,112
Total Deferred Inflows of Resources	<u>15,168,324</u>	<u>--</u>	<u>15,168,324</u>
Net Position			
Net investment in capital assets	70,360,317	27,012,213	97,372,530
Restricted:			
Net pension asset	8,229,378	--	8,229,378
School grant funds	1,413,787	--	1,413,787
Lease proceeds	534,502	--	534,502
Town grant funds	475,715	--	475,715
Capital project funds	636,672	--	636,672
Water projects	--	1,543,939	1,543,939
Unrestricted	(39,311,170)	(680,807)	(39,991,977)
Total Net Position	<u>\$ 42,339,201</u>	<u>\$ 27,875,345</u>	<u>\$ 70,214,546</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, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental Activities							
General government	\$ 2,299,202	\$ 452,060	\$ 1,713,788	\$ --	\$ (133,354)		\$ (133,354)
Community development	1,078,422	10,150	--	--	(1,068,272)		(1,068,272)
Public safety	11,961,239	2,071,147	60,932	69,469	(9,759,691)		(9,759,691)
Public works	7,692,505	2,298,392	226,308	405,244	(4,762,561)		(4,762,561)
Public libraries	2,660,727	8,093	--	--	(2,652,634)		(2,652,634)
Education	79,823,107	758,403	29,013,876	--	(50,050,828)		(50,050,828)
Parks and recreation	342,946	190,391	3,771	3,606	(145,178)		(145,178)
Interest on long-term debt	1,171,574	--	--	--	(1,171,574)		(1,171,574)
Total Governmental Activities	<u>107,029,722</u>	<u>5,788,636</u>	<u>31,018,675</u>	<u>478,319</u>	<u>(69,744,092)</u>		<u>(69,744,092)</u>
Business-Type Activities							
Water	6,041,405	6,119,677	--	--		\$ 78,272	78,272
Total Business-Type Activities	<u>6,041,405</u>	<u>6,119,677</u>	<u>--</u>	<u>--</u>		<u>78,272</u>	<u>78,272</u>
Total	\$ 113,071,127	\$ 11,908,313	\$ 31,018,675	\$ 478,319	(69,744,092)	78,272	(69,665,820)

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Property taxes	66,409,769	--	66,409,769
Motor vehicle phase-out taxes	770,174	--	770,174
Library state aid	328,443	--	328,443
Public service corporation tax	423,981	--	423,981
Hotel, meals, and beverage tax	427,371	--	427,371
Housing aid	1,599,279	--	1,599,279
State COVID aid	2,230,530	--	2,230,530
Medicaid reimbursement	392,129	--	392,129
Unrestricted investment earnings	221,106	154,613	375,719
Other	295,178	--	295,178
Transfers in (out)	<u>75,000</u>	<u>(75,000)</u>	<u>--</u>
Total General Revenues and Transfers	<u>73,172,960</u>	<u>79,613</u>	<u>73,252,573</u>
Change in Net Position	3,428,868	157,885	3,586,753
Net Position - Beginning of Year, As Restated	<u>38,910,333</u>	<u>27,717,460</u>	<u>66,627,793</u>
Net Position - End of Year	<u>\$ 42,339,201</u>	<u>\$ 27,875,345</u>	<u>\$ 70,214,546</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2021

	General Fund	School Unrestricted	Public Safety Bond	Sewer Fund	School Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 41,828,004	\$ 651,028	\$ --	\$ 441,299	\$ --	\$ 1,952,162	\$ 44,872,493
Restricted cash	9,703,309	--	--	--	--	--	9,703,309
Investments	211,740	--	--	--	--	--	211,740
Taxes receivable, net	34,423,540	--	--	--	--	--	34,423,540
Other receivables, net	1,246,006	2,455	--	--	--	151,750	1,400,211
Sewer use and assessment receivable	--	--	--	851,839	--	--	851,839
Due from federal and state governments	--	59,048	--	--	--	1,096,212	1,155,260
Prepays	225,013	310,941	--	--	--	--	535,954
Deposits held	222,100	--	--	--	--	--	222,100
Advanced to other fund	3,568,775	--	--	--	--	--	3,568,775
Due from other funds	--	6,414,501	--	--	31,930,892	3,877,899	42,223,292
Total Assets	<u>\$ 91,428,487</u>	<u>\$ 7,437,973</u>	<u>\$ --</u>	<u>\$ 1,293,138</u>	<u>\$ 31,930,892</u>	<u>\$ 7,078,023</u>	<u>\$ 139,168,513</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 861,065	\$ 1,446,854	\$ --	\$ 6,720	\$ --	\$ 284,901	\$ 2,599,540
Bond anticipation note	--	--	--	--	33,000,000	--	33,000,000
Due to other funds	40,576,790	--	--	170,664	--	1,475,838	42,223,292
Unearned revenue	--	--	--	--	--	134,420	134,420
Escrow deposits	200,290	--	--	--	--	54,175	254,465
Total Liabilities	<u>41,638,145</u>	<u>1,446,854</u>	<u>--</u>	<u>177,384</u>	<u>33,000,000</u>	<u>1,949,334</u>	<u>78,211,717</u>
Deferred Inflows of Resources							
Deferred sewer receivable	--	--	--	851,838	--	--	851,838
Unavailable tax and EMS revenue	27,110,097	--	--	--	--	--	27,110,097
Total Deferred Inflows of Resources	<u>27,110,097</u>	<u>--</u>	<u>--</u>	<u>851,838</u>	<u>--</u>	<u>--</u>	<u>27,961,935</u>
Fund Balances							
Non-spendable	3,793,788	310,941	--	--	--	--	4,104,729
Restricted	534,502	--	--	--	--	2,526,174	3,060,676
Committed	--	5,680,178	--	263,916	--	3,142,777	9,086,871
Assigned	6,209,719	--	--	--	--	--	6,209,719
Unassigned	12,142,236	--	--	--	(1,069,108)	(540,262)	10,532,866
Total Fund Balances	<u>22,680,245</u>	<u>5,991,119</u>	<u>--</u>	<u>263,916</u>	<u>(1,069,108)</u>	<u>5,128,689</u>	<u>32,994,861</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 91,428,487</u>	<u>\$ 7,437,973</u>	<u>\$ --</u>	<u>\$ 1,293,138</u>	<u>\$ 31,930,892</u>	<u>\$ 7,078,023</u>	<u>\$ 139,168,513</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, 2021

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

Total Fund Balance reported in Governmental Funds	\$ 32,994,861
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	116,730,374
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	20,723,351
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	(13,661,621)
Deferred gain on refunding of bonds which is amortized over the life of the new bond	(846,027)
Recognition of sewer use receivables that are fully deferred on a modified accrual basis of accounting	191,162
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	8,229,378
Accrual for net pension and net OPEB liabilities	(100,705,788)
Accrual for compensated absences	(2,051,324)
Deferred salaries	(200,718)
Other commitments	(124,950)
Capital lease obligations	(6,307,623)
General obligation bonds	(37,789,421)
Bond premium, net of amortization	(1,426,986)
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	27,110,097
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>(525,564)</u>
Total Net Position reported in Statement of Net Position	<u><u>\$ 42,339,201</u></u>

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, 2021

	General Fund	School Unrestricted	Public Safety Bond	Sewer Fund	School Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 69,624,465	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 69,624,465
Intergovernmental	5,779,778	21,098,627	--	--	--	4,637,999	31,516,404
Licenses, fees, fines, charges, and assessments	4,347,395	--	--	766,366	--	--	5,113,761
Investment income	221,106	--	--	--	--	--	221,106
State on behalf pension contribution	--	3,584,124	--	--	--	--	3,584,124
Other miscellaneous	389,607	794,054	--	--	--	2,443,358	3,627,019
Total Revenues	<u>80,362,351</u>	<u>25,476,805</u>	<u>--</u>	<u>766,366</u>	<u>--</u>	<u>7,081,357</u>	<u>113,686,879</u>
Expenditures							
Current							
General government	2,495,849	--	--	--	--	202,864	2,698,713
Community development	632,835	--	--	--	--	--	632,835
Public safety	9,509,141	--	5,388	--	--	99,803	9,614,332
Public works	6,014,329	--	--	299,018	--	185,459	6,498,806
Public library	2,193,035	--	--	--	--	--	2,193,035
Employee benefits	4,735,730	--	--	--	--	--	4,735,730
Other miscellaneous	710,155	--	--	--	--	--	710,155
Education	--	72,723,509	--	--	--	4,318,590	77,042,099
Parks and recreation	316,126	--	--	--	--	26,820	342,946
Debt Service							
Principal	5,093,621	--	--	--	--	--	5,093,621
Interest and other costs	1,103,645	--	--	--	62,250	5,679	1,171,574
Capital Outlays	384,311	8,722	33,194	137,196	--	2,859,643	3,423,066
Total Expenditures	<u>33,188,777</u>	<u>72,732,231</u>	<u>38,582</u>	<u>436,214</u>	<u>62,250</u>	<u>7,698,858</u>	<u>114,156,912</u>
Excess of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	<u>47,173,574</u>	<u>(47,255,426)</u>	<u>(38,582)</u>	<u>330,152</u>	<u>(62,250)</u>	<u>(617,501)</u>	<u>(470,033)</u>
Other Financing Sources (Uses)							
Issuance of bonds, refundings and capital leases	832,000	--	--	--	--	--	832,000
Transfers in	388,647	46,939,389	402,903	--	--	--	47,730,939
Transfers out	(47,043,476)	--	--	(40,000)	(433,816)	(138,647)	(47,655,939)
Total Other Financing Sources (Uses)	<u>(45,822,829)</u>	<u>46,939,389</u>	<u>402,903</u>	<u>(40,000)</u>	<u>(433,816)</u>	<u>(138,647)</u>	<u>907,000</u>
Net Change in Fund Balances	1,350,745	(316,037)	364,321	290,152	(496,066)	(756,148)	436,967
Fund Balance - Beginning of Year, as restated	<u>21,329,500</u>	<u>6,307,156</u>	<u>(364,321)</u>	<u>(26,236)</u>	<u>(573,042)</u>	<u>5,884,837</u>	<u>32,557,894</u>
Fund Balance - End of Year	<u>\$ 22,680,245</u>	<u>\$ 5,991,119</u>	<u>\$ --</u>	<u>\$ 263,916</u>	<u>\$ (1,069,108)</u>	<u>\$ 5,128,689</u>	<u>\$ 32,994,861</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 436,967
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	3,423,066
Depreciation expense, net of disposals	(3,453,674)
Governmental funds report bond, premium on bond, and capital lease proceeds as revenues. However, in the statement of activities, these funds are reported as additions to long-term debt.	(832,000)
Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.	5,093,621
Governmental funds do not report other long-term obligations as a liability. This reports the decrease in liability for 2021.	68,298
Governmental funds report sewer usage as fully deferred under the modified accrual method of accounting. This reports the decrease in receivable for 2021.	(88,593)
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:	
Increase in net pension asset	579,248
Decrease in net pension liability	716,477
Increase in net OPEB liability	(873,215)
Increase in deferred outflows of resources	1,471,268
Increase in deferred inflows of resources	(1,225,455)
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 2021.	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 decreased from fiscal 2020.	(3,214,696)
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 2020.	111,882
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 2020.	941,085
The activity for the current year amortization of loss on bond refundings.	<u>109,774</u>
Change in Net Position of Governmental Activities in the Statement of Activities	<u>\$ 3,428,868</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF NET POSITION PROPRIETARY FUND

JUNE 30, 2021

	<u>Water</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 2,987,687
Restricted cash	1,543,939
User charges receivable, net	696,280
Due from federal and state governments	<u>2,424,084</u>
Total Current Assets	<u>7,651,990</u>
Noncurrent Assets	
Capital assets not being depreciated	8,985,675
Capital assets, net of accumulated depreciation	<u>32,546,424</u>
Total Noncurrent Assets	<u>41,532,099</u>
Total Assets	<u>49,184,089</u>
Liabilities	
Current Liabilities	
Accounts payable and accrued expenses	557,921
Current portion of compensated absences	10,404
Accrued interest	134,043
Current portion of general obligation bonds	884,564
Current portion of capital lease obligations	<u>102,144</u>
Total Current Liabilities	<u>1,689,076</u>
Noncurrent Liabilities	
Long-term advance from Town	3,568,775
General obligation bonds, net	15,633,730
Capital lease obligations, net	323,532
Compensated absences, net	<u>93,631</u>
Total Noncurrent Liabilities	<u>19,619,668</u>
Total Liabilities	<u>21,308,744</u>
Net Position	
Net investment in capital assets	27,012,213
Restricted	
Water projects	1,543,939
Unrestricted	<u>(680,807)</u>
Total Net Position	<u>\$ 27,875,345</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 FUND

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Water</u>
Operating Revenues	
Charges for usage, service, and assessments	\$ 4,981,906
Surcharge revenue	<u>1,137,771</u>
Total Operating Revenues	<u>6,119,677</u>
Operating Expenses	
Personnel services	1,566,672
Maintenance and servicing	284,638
Operating supplies	116,732
Purchased water	1,840,034
Fixed and general charges	1,099,966
Depreciation and amortization	<u>731,106</u>
Total Operating Expenses	<u>5,639,148</u>
Operating Income	<u>480,529</u>
Nonoperating Revenue (Expenses)	
Interest income	154,613
Interest expense	<u>(402,257)</u>
Net Nonoperating Expenses	<u>(247,644)</u>
Income Before Transfers	<u>232,885</u>
Transfers out	<u>(75,000)</u>
Total Transfers	<u>(75,000)</u>
Changes in Net Position	157,885
Total Net Position - Beginning, as restated	<u>27,717,460</u>
Total Net Position - Ending	<u><u>\$ 27,875,345</u></u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF CASH FLOWS PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2021

	Water
Cash Flows from Operating Activities	
Cash received from customers	\$ 6,050,132
Cash paid to suppliers for goods and services and other operating payments	(3,800,320)
Cash paid for employees and benefits	(1,311,859)
Net Cash Provided by Operating Activities	<u>937,953</u>
Cash Flows from Noncapital Financing Activities	
Transfers from (to) other funds	(75,000)
(Payments to) receipts from other funds	1,074,582
Net Cash Provided by Noncapital Financing Activities	<u>999,582</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	(6,970,657)
Capital debt drawdown	3,753,171
Proceeds from long-term debt obligations	2,500,000
Principal payments on long-term debt	(573,056)
Interest and finance charges paid on debt obligations	(369,755)
Net Cash Used in Capital and Related Financing Activities	<u>(1,660,297)</u>
Cash Flows from Investing Activities	
Investment income	154,613
Net Cash Provided by Investing Activities	<u>154,613</u>
Net Increase in Cash and Cash Equivalents	<u>431,851</u>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>4,099,775</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ 4,531,626</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 480,529
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	731,106
(Increase) decrease in assessments and fees receivable	(69,545)
Increase (decrease) in accounts payable and accrued expenses	(458,950)
Increase (decrease) in compensated absence	254,813
Net Cash Provided by Operating Activities	<u><u>\$ 937,953</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, 2021

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 1,567,445	\$ 229,207	\$ 239,820
Receivables	10,282	--	--
Investments, at fair value:			
Fixed income securities	9,702,633	--	--
Equities	22,204,089	--	--
Total Assets	<u>33,484,449</u>	<u>229,207</u>	<u>239,820</u>
Liabilities			
Other liabilities	<u>1,644</u>	<u>485</u>	<u>22,596</u>
Total Liabilities	<u>1,644</u>	<u>485</u>	<u>22,596</u>
Net Position			
Held for individuals, organizations, and other governments	--	--	217,224
Restricted for pension benefits	26,972,984	--	--
Restricted for other post-employment benefits	6,509,821	--	--
Held in trust for private purposes per trust agreement	<u>--</u>	<u>228,722</u>	<u>--</u>
Total Net Position	<u>\$ 33,482,805</u>	<u>\$ 228,722</u>	<u>\$ 217,224</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, 2021

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ 3,894,878	\$ --	\$ --
Member contributions	290,468	--	--
Other revenue	--	--	12,893
Total Contributions	<u>4,185,346</u>	<u>--</u>	<u>12,893</u>
Investment earnings:			
Interest and dividends	<u>6,342,978</u>	<u>914</u>	<u>--</u>
Total Investment Earnings	<u>6,342,978</u>	<u>914</u>	<u>--</u>
Total Additions	<u>10,528,324</u>	<u>914</u>	<u>12,893</u>
Deductions			
Benefits paid	3,519,720	--	--
Other operating expenses	<u>75,077</u>	<u>--</u>	<u>2,000</u>
Total Deductions	<u>3,594,797</u>	<u>--</u>	<u>2,000</u>
Change in Net Position	6,933,527	914	10,893
Net Position - Beginning of Year	<u>26,549,278</u>	<u>227,808</u>	<u>206,331</u>
Net Position - End of Year	<u>\$ 33,482,805</u>	<u>\$ 228,722</u>	<u>\$ 217,224</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, 2021

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, 2021

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, 2021

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 funds are the Public Safety Bond Fund and the School Renovations Fund.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 the Town maintained one enterprise fund (Water Fund).

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, 2021

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>
<i>Major:</i>	
General Fund	See above for description.
Special Revenue Funds:	
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.
Capital Project Funds:	
Public Safety Bond	Accounts for the activities of the Town's Public Safety Bond. This fund did not meet the criteria for reporting as a major fund, however, management has elected to present it as such.
School Renovations	Accounts for the activities of the Town and School Departments Renovation Bond.
Proprietary Funds:	
Water Fund	Accounts for the operations of the Town's Water Department.
<i>Non Major:</i>	
Special Revenue Funds	Grant programs including federal grants, state grants, and private grants. The Town currently maintains ninety-seven (97) 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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS (CONTINUED)

Non Major (Continued):

Capital Project Funds	The Town currently maintains seven (7) 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.
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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, 2021

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, 2021

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, time and demand 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 guaranteed 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, 2021

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, 2021 the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$1,840,438.

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 2021, 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, 2021

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, 2021

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 2021.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 funds 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, 2021

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, 2021 the Town reported \$20,723,351 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, 2021 the Town reported \$13,661,621 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, 2021 the Town also reported \$846,027 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, 2021 the Town also reported in the Government-wide statement of net position \$660,676 of deferred inflows related to deferred sewer assessments.

At June 30, 2021 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 \$27,110,097 and deferred sewer receivables of \$851,838. The unavailable tax revenue at June 30, 2021 represents property taxes receivables which are assessed on December 31, 2019 and prior and are not collected within 60 days of June 30, 2021. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2021 but not recognized as revenue since they are considered unavailable as of June 30, 2021. 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, 2021

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 of 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021 the Town adopted GASB Statement No. 84, *Fiduciary Activities*, the impact of which resulted in a reclassification of funds previously reported as Agency funds that are now classified as nonmajor governmental funds. See restatements Note 15. Implementation of this standard also resulted in the classification of certain Agency funds to Custodial funds. 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.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

At June 30, 2021, the carrying amount of the Town's cash and cash equivalents was \$61,143,900 (including \$11,247,248 of restricted cash and \$2,036,472 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, 2021

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, 2021:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
Domestic fixed income funds	\$ 9,702,633	\$ --	\$ --	\$ 9,702,633
International equities	1,407,378	--	--	1,407,378
Domestic equities	20,796,711	--	--	20,796,711
Money market mutual funds	211,740	--	--	211,740
Total Investments by Fair Value	<u>\$ 32,118,462</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 32,118,462</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, 2021

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 Federal Deposit Insurance Corporation ("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 2021 were based on a net asset value of \$4,521,626,480, and amounted to \$70,419,062.

Unpaid property taxes as of June 30, 2021 of \$36,263,978, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,840,438. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2021, are recorded as a deferred inflow in fiscal 2021. Property taxes collected within 60 days following June 30, 2021, are recognized as revenue in the governmental fund financial statements and amounted to \$8,441,749. As of June 30, 2021, the Town levied property taxes for its next fiscal year as follows:

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate Per \$1,000	Net Levy
Real property	\$ 4,328,751,141	\$ 176,015,284	\$ 4,152,735,857	\$ 15	\$ 61,211,753
Motor vehicle	292,031,117	119,241,316	172,789,801	20	3,432,140
Tangible property	<u>197,050,990</u>	<u>950,168</u>	<u>196,100,822</u>	29	<u>5,775,169</u>
	<u>\$ 4,817,833,248</u>	<u>\$ 296,206,768</u>	<u>\$ 4,521,626,480</u>		<u>\$ 70,419,062</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, was as follows:

	Due From	Due To
General Fund	\$ --	\$ 40,576,790
School Unrestricted	6,414,501	--
Public Safety Bond Fund	--	--
Sewer Fund	--	170,664
School Renovations	31,930,892	--
Non-Major Governmental Funds	3,877,899	1,475,838
Total	<u>\$ 42,223,292</u>	<u>\$ 42,223,292</u>
	Advance From	Advance To
General Fund	\$ 3,568,775	\$ --
Water Fund	--	3,568,775
Total	<u>\$ 3,568,775</u>	<u>\$ 3,568,775</u>

The Town had interfund transfers totaling \$47,730,939 during the year ended June 30, 2021. 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 In	Transfers Out
General Fund	\$ 388,647	\$ 47,043,476
School Unrestricted	46,939,389	--
Public Safety Bond Fund	402,903	--
Sewer Fund	--	40,000
School Renovations	--	433,816
Non-Major Governmental Funds	--	138,647
Water Fund	--	75,000
Total	<u>\$ 47,730,939</u>	<u>\$ 47,730,939</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

Governmental Activities:	Beginning Balance 7/1/2020 (As Restated)	Increases	Decreases	Ending Balance 6/30/2021
Capital Assets Not Being Depreciated				
Land	\$ 23,431,923	\$ --	\$ --	\$ 23,431,923
Construction in progress	538,786	3,036,036	(443,036)	3,131,786
Total Capital Assets Not Being Depreciated	<u>23,970,709</u>	<u>3,036,036</u>	<u>(443,036)</u>	<u>26,563,709</u>
Capital Assets Being Depreciated				
Land improvements	4,352,967	59,274	--	4,412,241
Infrastructure	35,304,706	271,527	--	35,576,233
Building and improvements	101,840,984	291,681	--	102,132,665
Machinery and equipment	6,641,351	80,049	--	6,721,400
Vehicles	5,764,503	127,535	--	5,892,038
Total Capital Assets Being Depreciated	<u>153,904,511</u>	<u>830,066</u>	<u>--</u>	<u>154,734,577</u>
Less: Accumulated Depreciation For				
Land improvements	(2,010,863)	(165,973)	--	(2,176,836)
Infrastructure	(19,639,750)	(668,403)	--	(20,308,153)
Building and improvements	(30,395,731)	(2,050,296)	--	(32,446,027)
Machinery and equipment	(5,160,517)	(252,409)	--	(5,412,926)
Vehicles	(3,907,377)	(316,593)	--	(4,223,970)
Total Accumulated Depreciation	<u>(61,114,238)</u>	<u>(3,453,674)</u>	<u>--</u>	<u>(64,567,912)</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,760,982</u>	<u>\$ 412,428</u>	<u>\$ (443,036)</u>	<u>\$ 116,730,374</u>

Depreciation was charged to functions as follows:

Governmental Activities:	
General government	\$ 19,640
Public safety	482,684
Public works	936,329
Education	1,804,697
Public libraries	210,324
Total Governmental Activities Depreciation Expense	<u>\$ 3,453,674</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:	Beginning Balance 7/1/2020 (As Restated)	Increases	Decreases	Ending Balance 6/30/2021
Capital assets not being depreciated:				
Land	\$ 607,089	\$ 603,344	\$ --	\$ 1,210,433
Construction in progress	<u>5,455,695</u>	<u>6,220,927</u>	<u>(3,901,380)</u>	<u>7,775,242</u>
Total Capital Assets Not Being Depreciated	<u>6,062,784</u>	<u>6,824,271</u>	<u>(3,901,380)</u>	<u>8,985,675</u>
Capital Assets Being Depreciated:				
Buildings	5,090,877	--	--	5,090,877
Mains, laterals, standpipes and other	39,936,765	4,026,244	--	43,963,009
Vehicles	<u>517,283</u>	<u>21,522</u>	<u>--</u>	<u>538,805</u>
Total Capital Assets Being Depreciated	<u>45,544,925</u>	<u>4,047,766</u>	<u>--</u>	<u>49,592,691</u>
Less: Accumulated Depreciation For				
Buildings	(1,077,892)	(91,912)	--	(1,169,804)
Mains, laterals, standpipes and other	(14,780,820)	(616,768)	--	(15,397,588)
Vehicles	<u>(456,449)</u>	<u>(22,426)</u>	<u>--</u>	<u>(478,875)</u>
Total Accumulated Depreciation	<u>(16,315,161)</u>	<u>(731,106)</u>	<u>--</u>	<u>(17,046,267)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,292,548</u>	<u>\$ 10,140,931</u>	<u>\$ (3,901,380)</u>	<u>\$ 41,532,099</u>

Depreciation was charged to functions as follows:

Business-Type Activities:	
Water	<u>\$ 731,106</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 731,106</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - SHORT-TERM OBLIGATIONS

	Beginning Balance	Issued	Redeemed	Ending Balance
General obligation tax anticipation notes	\$ 19,900,000	\$ --	\$ 19,900,000	\$ --
Bond anticipation notes	--	33,000,000	--	33,000,000
Total	<u>\$ 19,900,000</u>	<u>\$ 33,000,000</u>	<u>\$ 19,900,000</u>	<u>\$ 33,000,000</u>

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, 2019, was \$4,328,751,141, limiting the amount of non-excepted debt outstanding to \$129,862,534. At June 30, 2021, the Town had \$21,045,000 outstanding subject to the limit.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of long-term obligations as of June 30, 2021, is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes, loans, and capital leases payables:					
Bonds payable	\$ 23,440,000	\$ --	\$ 2,395,000	\$ 21,045,000	\$ 2,490,000
Notes and loans payable	18,529,242	--	1,784,821	16,744,421	1,848,821
Capital lease payable	6,389,423	832,000	913,800	6,307,623	1,108,720
Plus amortized premium bonds and loans	1,591,801	--	164,815	1,426,986	--
Total bonds, notes, loans, and capital leases payable	<u>49,950,466</u>	<u>832,000</u>	<u>5,258,436</u>	<u>45,524,030</u>	<u>5,447,541</u>
Other liabilities:					
Deferred salary	251,166	--	50,448	200,718	50,448
Compensated absences	2,992,409	290,564	1,231,649	2,051,324	252,073
Net OPEB liability	17,532,086	873,215	--	18,405,301	--
Net pension liability	83,016,964	--	716,477	82,300,487	--
Other commitments	142,800	--	17,850	124,950	17,850
Governmental Activities Long-Term Liabilities	<u>\$ 153,885,891</u>	<u>\$ 1,995,779</u>	<u>\$ 7,274,860</u>	<u>\$ 148,606,810</u>	<u>\$ 5,767,912</u>
Business-Type Activities:					
Loans payable	\$ 14,591,351	\$ 2,500,000	\$ 573,057	\$ 16,518,294	\$ 884,564
Capital lease payable	425,676	--	--	425,676	102,144
Total bonds and loans payable	15,017,027	2,500,000	573,057	16,943,970	986,708
Compensated absences	83,428	45,731	25,124	104,035	10,404
Business-Type Activities Long-Term Liabilities	<u>\$ 15,100,455</u>	<u>\$ 2,545,731</u>	<u>\$ 598,181</u>	<u>\$ 17,048,005</u>	<u>\$ 997,112</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Issued Through Public Sale Purpose Governmental Activities:	Date Issued	Interest Rate	Maturity Date	Authorized and Issued	Outstanding June 30, 2020	New Issues	Maturities During Year	Outstanding June 30, 2021
Governmental Activities:								
Open Space Bond (Refunding)	11/30/2011	3.00%-3.50%	10/01/2021	\$ 1,000,000	\$ 230,000	\$ --	\$ 110,000	\$ 120,000
Open Space/Recreation Bond	8/28/2013	3.00%-5.00%	2/01/2033	3,500,000	2,655,000	--	155,000	2,500,000
School Bond (Refunding)	11/30/2011	3.00%-3.50%	10/01/2021	2,010,000	445,000	--	220,000	225,000
School Bond (Refunding)	8/28/2013	3.00%-5.00%	2/01/2023	2,370,000	710,000	--	235,000	475,000
Road Improvements	11/30/2011	3.00%-6.25%	11/01/2031	2,500,000	1,500,000	--	125,000	1,375,000
Road Improvements	10/29/2015	3.00%-5.00%	10/01/2025	2,380,000	1,830,000	--	280,000	1,550,000
Public Safety Complex	3/22/2018	3.00%-5.00%	3/15/2038	12,500,000	12,070,000	--	445,000	11,625,000
School and Town (Refunding)	9/24/2014	2.00%-4.00%	3/15/2026	7,630,000	4,000,000	--	825,000	3,175,000
Total Governmental Activities				<u>33,890,000</u>	<u>23,440,000</u>	<u>--</u>	<u>2,395,000</u>	<u>21,045,000</u>
Total Bonds Payable				<u>\$ 33,890,000</u>	<u>\$ 23,440,000</u>	<u>\$ --</u>	<u>\$ 2,395,000</u>	<u>\$ 21,045,000</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Loans Payable

Issued Through Public Sale Purpose Governmental Activities:	Date Issued	Interest Rate	Maturity Date	Authorized and Issued	Outstanding June 30, 2020	New Issues	Maturities During Year	Outstanding June 30, 2021
Governmental Activities:								
Issued Through Public Sale:								
School RIHEBC - Refunding	11/26/2016	2.00 - 5.00%	5/15/2028	\$ 17,230,000	\$ 14,260,000	\$ --	\$ 1,520,000	\$ 12,740,000
Total Governmental Activities - issued through Public Sale				17,230,000	14,260,000	--	1,520,000	12,740,000
Issued Through Direct Borrowing:								
Lambert Property Note	5/01/1997	2.59%	6/01/2023	190,000	107,242	--	4,821	102,421
RI Infrastructure Bank	9/03/2014	.12-2.48%	5/15/2028	518,000	444,000	--	25,000	419,000
RIIB EBF Street Lights	12/05/2017	1.368-2.176%	9/01/2028	1,343,000	1,218,000	--	126,000	1,092,000
RIIB Road and Bridge	4/22/2020	.83-2.27%	9/01/2039	2,500,000	2,500,000	--	109,000	2,391,000
<i>Total Governmental Activities - Issued through Direct Borrowing</i>				4,551,000	4,269,242	--	264,821	4,004,421
<i>Total Governmental Activities</i>				21,781,000	18,529,242	--	1,784,821	16,744,421
Business-Type Activities								
Issued Through Direct Borrowing:								
RI Clean Water Sewer Loan	3/10/1993	3.56%	9/01/2036	3,000,000	2,570,020	--	123,766	2,446,254
RIIB Safe Drinking Water	6/12/2018	1.0-2.85%	9/01/2037	4,000,000	3,833,000	--	168,000	3,665,000
RI Clean Water Loan	11/19/2009	1.15-4.04%	9/01/2030	5,750,000	2,798,756	--	208,908	2,589,848
RI Infrastructure Bank	12/17/2015	.31-2.90%	9/01/2035	1,750,000	1,389,574	--	71,382	1,318,192
RIIB Safe Drinking Water	6/30/2020	.36-2.49%	9/01/2039	4,000,000	4,000,000	--	1,000	3,999,000
2020 B RIIB Safe Drinking Water	10/01/2020	.49-2.81%	9/01/2040	2,500,000	--	2,500,000	--	2,500,000
<i>Total Business-Type Activities</i>				21,000,000	14,591,350	2,500,000	573,056	16,518,294
Total Loans Payable				\$ 42,781,000	\$ 33,120,592	\$ 2,500,000	\$ 2,357,877	\$ 33,262,715

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2021, scheduled annual debt service requirements to maturity for general obligation bonds are as follows:

Issued Through Public Sale Fiscal Year Ending June 30,	Governmental Activities General Obligation Bonds	
	Principal	Interest
2022	\$ 4,338,821	\$ 1,550,436
2023	4,132,000	1,381,054
2024	4,066,000	1,199,255
2025	3,486,000	1,020,956
2026	3,625,000	870,019
2027-2031	10,207,000	2,443,404
2032-2036	5,439,000	953,159
2037-2040	2,495,600	123,957
	<u>\$ 37,789,421</u>	<u>\$ 9,542,240</u>

Fiscal Year Ending June 30,	Business Type Activities Issued Through Public Sale	
	Principal	Interest
2022	\$ 884,564	\$ 428,076
2023	903,729	410,053
2024	922,894	390,560
2025	941,875	369,606
2026	963,760	347,155
2027-2031	5,203,903	1,337,582
2032-2036	4,287,171	666,484
2037-2041	2,410,398	124,780
	<u>\$ 16,518,294</u>	<u>\$ 4,074,296</u>

At June 30, 2021, scheduled annual debt service requirements to maturity for governmental capital leases are as follows:

Fiscal Year Ended June 30,	Lease Payment Requirements
2022	\$ 1,316,128
2023	1,316,128
2024	1,316,128
2025	1,080,941
2026	1,080,941
Thereafter	939,526
Total minimum lease payments	<u>7,049,792</u>
Less: Amount representing interest cost	<u>(742,169)</u>
Present value of minimum lease payments	<u>\$ 6,307,623</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - FUND BALANCES

The Town has classified governmental fund balances at June 30, 2021 as follows:

Non-Spendable:

General Fund - Advance to Water Fund	\$ 3,568,775
General Fund - Prepaid Items	225,013
School Unrestricted Fund - Prepaid Items	<u>310,941</u>
Total Non-Spendable	<u><u>\$ 4,104,729</u></u>

Restricted:

School Special Revenue - grant funds	\$ 1,413,787
Town Special Revenue - grant funds	475,715
General Fund - lease proceeds	534,502
Capital Projects	<u>636,672</u>
Total Restricted Fund Balance	<u><u>\$ 3,060,676</u></u>

Committed:

School Unrestricted Funds	\$ 5,680,178
Sewer Funds	263,916
Capital Projects	466,760
Town Special Revenue	<u>2,676,017</u>
Total Committed Fund Balance	<u><u>\$ 9,086,871</u></u>

Assigned:

General Fund Revenue Stabilization	\$ 2,245,185
General Fund Town Capital Projects	1,800,000
General Fund School Capital Projects	600,000
General Fund Debt Service	550,000
General Fund Community and Economic Fund	485,148
General Fund Senior Center	93,685
General Fund Office of Children Youth and Learning	132,501
General Fund Recreation Programs	<u>303,200</u>
Total Assigned Fund Balance	<u><u>\$ 6,209,719</u></u>

Unassigned:

General Fund	\$ 12,142,236
School Renovations - deficit fund balance	(1,069,108)
Town Special Revenue - deficit fund balances	(539,441)
School Special Revenue - deficit fund balances	<u>(821)</u>
Total Unassigned Fund Balance	<u><u>\$ 10,532,866</u></u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - FUND BALANCES (CONTINUED)

For the year ended June 30, 2021, the following funds recognized an operating deficit:

Governmental Funds:

School Special Revenue Funds:

Title II	\$ 750
Senate BF Norton	2,269
Senate Athletes	4
Senate Guidance	222
Perkins CTE	11,751
RI Found M. Fournier	159
Feinstein Predschool Ctr	71
Feinstein After Schl	5
High School Scholarship	<u>54,774</u>
Total School Special Revenue Funds	<u>70,005</u>

Town Special Revenue Funds:

DEM Grant Diamond Hill	123,958
Animal Control	28,654
Revolving Loan	50,047
Historical Records	19,718
EPHETA Park Grant	91,341
CDBG 2017	38,117
OCYL BT Fund	4,653
DARE	4,576
Albion Landfill	2,312
Police Forfeiture	4,267
Election Improvements	1,441
DPH HL Security EMA	35,244
RIPTIDE Speed	7,436
CDBG 2018	<u>141,161</u>
Total Town Special Revenue Funds	<u>552,925</u>

Capital Project Funds:

Drainage	19,550
Recreation Bond	735
Open Space	85,632
Road Infrastructure	2,067,330
Master Lease	<u>13,775</u>
Total Capital Project Funds	<u>2,187,022</u>

School Unrestricted Fund	316,037
School Renovations	<u>496,066</u>

Total Operating Deficits - Governmental Funds	<u>\$ 3,622,055</u>
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TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - FUND BALANCES (CONTINUED)

At June 30, 2021, 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	\$	177,349	*
Substance Abuse		883	*
Sewer Ferncrest		46,134	*
EPHETA Park Grant		79,006	*
CDBG 2017		21,467	*
Albion Landfill		7,474	*
Partnership for Success		1,847	*
Distracted Driving		754	*
RIPTIDE Speed		6,465	*
Assistance for Firefighters		1,123	*
CDBG 2018		196,939	*
Total Town Special Revenue Funds		<u>539,441</u>	

School Special Revenue Funds:

Title II		750	*
Feinstein Preschool Ctr		71	*
Total School Special Revenue Funds		<u>821</u>	

Major Governmental Funds

School Renovations		<u>1,069,108</u>	**
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Total Cumulative Deficits - Governmental Funds	\$	<u><u>1,609,370</u></u>	
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* Deficit will be covered via transfer of funds or additional revenues

** Deficit will be covered via proceeds from long-term debt

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 Municipal Employees' Retirement System ("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.

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, 2021

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, 2021

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 Social Security normal retirement age.

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

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021

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 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 \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees Covered by Benefit Terms

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

	General	EMS
Retirees and beneficiaries	177	9
Inactive, nonretired members	111	7
Active members	242	18
	530	34

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Contributions (Continued)

actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,097,976 and \$104,134 for general and EMS, respectively, in the year ended June 30, 2021, which was 10.09% and 8.90% of covered payroll, respectively.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2019, and rolled forward to June 30, 2020, 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, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)	
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 7.50%; 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	A 2.1% COLA is assumed for all MERS units with the COLA provision.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

The actuarial assumptions used in the June 30, 2019, valuation rolled forward to June 30, 2020, and the calculation of the total pension liability at June 30, 2020, were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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 39 sources. The June 30, 2019, 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, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2019	\$ 35,440,669	\$ 8,069,396	\$ 43,510,065
Changes for the year:			
Service cost	808,105	239,335	1,047,440
Interest on the total pension liability	2,442,299	564,185	3,006,484
Difference between expected and actual experience	(131,140)	149,160	18,020
Changes in assumptions	(353,812)	(13,918)	(367,730)
Benefit payments	(1,909,471)	(258,563)	(2,168,034)
Balances as of June 30, 2020	36,296,650	8,749,595	45,046,245
Fiduciary Net Position:			
Balances as of July 1, 2019	28,436,692	7,578,782	36,015,474
Employer contributions	1,156,696	100,641	1,257,337
Employee contributions	183,619	113,591	297,210
Pension plan net investment income	1,045,747	283,188	1,328,935
Benefit payments	(1,909,471)	(258,563)	(2,168,034)
Pension plan administrative expense	(28,813)	(7,803)	(36,616)
Other changes	(240,075)	(52,968)	(293,043)
Balances as of June 30, 2020	28,644,395	7,756,868	36,401,263
Net Pension Liability	\$ 7,652,255	\$ 992,727	\$ 8,644,982

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 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 (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
General employee plan	\$ 10,910,180	\$ 7,652,255	\$ 3,720,642
EMS employee plan	1,759,556	992,727	67,213
Total	<u>\$ 12,669,736</u>	<u>\$ 8,644,982</u>	<u>\$ 3,787,855</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, 2021, the Town recognized pension expense of \$1,297,660 and \$300,002 for their General and EMS Plans, respectively.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 1,097,976	\$ 104,134	\$ 1,202,110
Differences between expected and actual experience	--	370,000	370,000
Changes in assumptions	139,109	132,918	272,027
Net differences between projected and actual earnings on pension plan investments	795,076	209,949	1,005,025
	<u>\$ 2,032,161</u>	<u>\$ 817,001</u>	<u>\$ 2,849,162</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 644,134	\$ 312,416	\$ 956,550
Changes in assumptions	278,677	12,657	291,334
Net differences between projected and actual earnings on pension plan investments	300,092	81,342	381,434
	<u>\$ 1,222,903</u>	<u>\$ 406,415</u>	<u>\$ 1,629,318</u>

\$1,202,110 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2020 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, 2021

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
2022	\$ (362,398)	\$ (1,096)	\$ (363,494)
2023	(106,338)	89,971	(16,367)
2024	69,936	85,753	155,689
2025	110,082	114,802	224,884
2026	--	17,022	17,022
Total	<u>\$ (288,718)</u>	<u>\$ 306,452</u>	<u>\$ 17,734</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 Employees' Retirement System plan ("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, 2021

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 services and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than five years of service as of July 1, 2012. Members are vested after five years of service. The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members. Cost of living adjustments are provided but are currently suspended until the collective 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 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021, for the State and the Town, respectively. The Town contributed \$4,834,052, \$4,714,869, and \$5,002,374 for the fiscal years ended June 30, 2021, 2020, and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2020 was \$3,584,124 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, 2021

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, 2021, the Town reported a liability of \$58,588,479 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	\$ 58,588,479
State's proportionate share of the net pension liability	<u>43,532,675</u>
Total Net Pension Liability	<u><u>\$102,121,154</u></u>

The net pension liability was measured as of June 30, 2020, 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, 2019, rolled forward to June 30, 2020. 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, 2020, the Town's proportion was 1.83%.

For the year ended June 30, 2021, the Town recognized gross pension expense of \$10,828,626 and revenue of \$4,405,558 for support provided by the State.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, 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	\$ 4,834,052
Difference between expected and actual experience	572,839
Changes in assumptions	2,615,483
Net difference between projected and actual earnings on pension plan investments	1,955,650
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>3,209,684</u>

Total	<u>\$ 13,187,708</u>
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Deferred Inflows of Resources

Difference between expected and actual experience	\$ (1,141,801)
Changes in assumptions	(1,365,306)
Net difference between projected and actual earnings on pension plan investments	(766,187)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(894,439)</u>

Total	<u>\$ (4,167,733)</u>
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\$4,834,052 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2021 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, 2021

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,	
2022	\$ 764,908
2023	1,466,036
2024	1,222,222
2025	743,732
2026	57,533
Thereafter	<u>(68,508)</u>
Total	<u>\$ 4,185,923</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, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 39 sources. The June 30, 2020, 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, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-Total	40.00%	
Private Growth:		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-Total	15.00%	
INCOME		
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%
Sub-Total	12.00%	
STABILITY		
Crisis Protection Class:		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 70,296,907	\$ 58,588,479	\$ 44,458,329

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, 2021

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

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

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, 2021

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

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 \$48,063, \$51,675 and \$51,718 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021 the Town reported an asset of \$8,229,378 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, 2020, 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, 2019 rolled forward to June 30, 2020. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020 the Town's proportion was 6.93%.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the Town recognized pension expense of (\$279,476).

At June 30, 2021, 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	\$ 48,063
Difference between expected and actual experience	705,810
Changes in assumptions	555,266
Net difference between projected and actual earnings on pension plan investments	652,761
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>127,081</u>
Total	<u>\$ 2,088,981</u>

Deferred Inflows of Resources

Difference between expected and actual experience	\$ (1,754,821)
Changes in assumptions	(568,672)
Net difference between projected and actual earnings on pension plan investments	(251,168)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(387,832)</u>
Total	<u>\$ (2,962,493)</u>

\$48,063 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2021 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, 2021

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,	
2022	\$ (170,380)
2023	(2,925)
2024	38,931
2025	(100,423)
2026	(243,986)
Thereafter	<u>(442,792)</u>
Total	<u>\$ (921,575)</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, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 39 sources. The June 30, 2020, 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, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Actuarial Assumptions (Continued)

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 6,845,238	\$ 8,229,378	\$ 9,900,267

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' survivors benefit plan 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, 2021

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, 2020:

Inactive employees or beneficiaries currently receiving benefit payments	76
Active employees	41
Total	<u>117</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, 2021

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, 2020, was used to determine the Town's annual required contribution for the fiscal year ended June 30, 2021. For the year ended June 30, 2021, the Town contributed \$2,508,000 or 79.86% 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 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, 2021

NOTE 9 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Rate of return – For the year ended June 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 23.86%. 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, 2021, were as follows:

Pension Liability:	
Balance at July 1, 2020	\$ 39,626,754
Changes for the year:	
Service cost	746,400
Interest	2,844,882
Changes in assumptions	656,495
Differences in experience	432,290
Benefit payments	<u>(2,266,811)</u>
Net changes	<u>2,413,256</u>
Balance at June 30, 2021	<u>\$ 42,040,010</u>
Fiduciary Net Position:	
Balance at July 1, 2020	\$ 21,392,362
Changes for the year:	
Employer contributions	2,508,000
Member contributions	290,468
Net investment income	5,105,226
Benefit payments	(2,266,811)
Administrative expense	<u>(56,261)</u>
Net changes	<u>5,580,622</u>
Balance at June 30, 2021	<u>\$ 26,972,984</u>
Town's Net Pension Liability	<u>\$ 15,067,026</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2020, 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% - 6.00%, age graded

Discount rate 7.25 percent

Investment rate of return 7.25 percent, net of pension plan investment expense, including inflation

Mortality was updated from the RP-2014 Blue Collar Mortality with 2019 Social Security Generational Improvement Scale from 2006 to the PubS-2010 Generational MP-2020 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 7.25%. 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, 2021

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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 20,665,169	\$ 15,067,026	\$ 10,499,288

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized pension expense related to the Plan of \$1,410,728. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 422,671	\$ (70,707)
Differences between expected and actual earnings on investments	232,931	(2,984,093)
Changes in assumptions	946,349	(117,165)
Total	<u>\$ 1,601,951</u>	<u>\$ (3,171,965)</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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:	
2022	\$ (315,219)
2023	(302,891)
2024	(462,195)
2025	(489,709)
	<u>\$ (1,570,014)</u>

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2021.

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	\$ 2,032,161	\$ 817,001	\$ 1,601,951	\$ 13,187,708	\$ 2,088,981	\$ 19,727,802
Deferred inflows	1,222,903	406,415	3,171,965	4,167,733	2,962,493	11,931,509
Net pension liability	7,652,255	992,727	15,067,026	58,588,479	--	82,300,487
Net pension asset	--	--	--	--	8,229,378	8,229,378
Pension expense	1,297,660	300,002	1,410,728	5,705,627	(279,476)	8,434,541

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 \$871,066 for the fiscal year ended June 30, 2021. 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 10. 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, 2021

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, 2020, the date of the latest available actuarial valuation, membership census is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	71
Active employees	26
Total	97

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021, the 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 7.25% 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, 2021, real returns and target asset allocation by major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	38.00%	2.00%
Domestic Equity	50.00%	7.25%
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, 2021

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

Net OPEB Liability

	<u>Total OPEB Liability</u>
OPEB Liability:	
Balance at July 1, 2020	\$ 22,743,170
Changes for the year:	
Service cost	305,158
Interest	1,626,380
Changes in assumptions	1,430,526
Differences in experience	62,797
Benefit payments	<u>(1,252,909)</u>
Net changes	<u>2,171,952</u>
 Balance at June 30, 2021	 <u><u>\$ 24,915,122</u></u>
 Fiduciary Net Position:	
Balance at July 1, 2020	\$ 5,211,084
Changes for the year:	
Employer contributions	1,386,878
Net investment income	1,183,307
Benefit payments	(1,252,909)
Administrative expense	<u>(18,539)</u>
Net changes	<u>1,298,737</u>
 Balance at June 30, 2021	 <u><u>\$ 6,509,821</u></u>
 Town's Net OPEB Liability	 <u><u>\$ 18,405,301</u></u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 7.25 percent for the Town and 3.50 percent for the School 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net OPEB liability	\$ 21,677,084	\$ 18,405,301	\$ 15,731,205

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 (3.50%)	Current Health Care Trend Rates (4.50%)	1% Increase (5.50%)
Net OPEB liability	\$ 15,642,531	\$ 18,405,301	\$ 21,781,207

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$204,840. At June 30, 2021, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,865	\$ (1,100,248)
Net difference between projected actual earnings	--	(597,174)
Changes in assumptions	953,684	(32,690)
Total	<u>\$ 995,549</u>	<u>\$ (1,730,112)</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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:	
2022	\$ (782,228)
2023	346,227
2024	(138,282)
2025	(160,280)
	<u>\$ (734,563)</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, 2021, 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, 2021.

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, 2021

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 2021 and 2020 were as follows:

Incurred but not reported claims (IBNR), June 30, 2020	\$ 450,000
Approximate amount of incurred claims	9,533,966
Paid claims including amount in accounts payable at June 30, 2021	<u>(9,593,331)</u>
Estimated IBNR Claims outstanding at June 30, 2021	<u>\$ 390,635</u>

Incurred but not reported claims (IBNR), June 30, 2019	\$ 450,000
Approximate amount of incurred claims	9,655,842
Paid claims including amount in accounts payable at June 30, 2020	<u>(9,655,842)</u>
Estimated IBNR Claims outstanding at June 30, 2020	<u>\$ 450,000</u>

Healthcare

The Town of Cumberland is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. The Town purchases commercial insurance which provides coverage for workers' compensation claims. Settled claims resulting from these risks have not exceeded Trust or commercial coverage in any of the past three fiscal years. The Town is self-insured for unemployment benefits.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 at the date of this writing contains \$2,588,975.

NOTE 14 - ECONOMIC UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business across the country for non-essential services. There is considerable uncertainty about the duration of closings. The Town has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact the Town's financial condition or results of operations is uncertain.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - RESTATEMENTS

The Town recorded the following restatements at July 1, 2020:

Governmental Activities	
Net Position as originally stated at July 1, 2020	\$ 32,352,229
Reclassification of student activities and scholarship funds for the implementation of GASB 84	468,693
Reclassification of Rhode Island Infrastructure Bond receivables	2,550,078
Removal of accrued interest GASB 34 conversion asset	(348,044)
Fixed asset restatement for assets capitalized in error in prior year	(396,861)
Restatement for improper depreciation of capital assets	<u>4,284,238</u>
Net Position at July 1, 2020, as restated	<u>\$ 38,910,333</u>
Business-Type Activities	
Net Position as originally stated at July 1, 2020	\$ 28,100,066
Restatement for prior year principal payment on capital lease	100,488
Fixed asset restatement for assets that were not capitalized in prior year	984,803
Restatement of accounts receivable beginning balance	<u>(1,467,897)</u>
Net Position at July 1, 2020, as restated	<u>\$ 27,717,460</u>
Nonmajor Governmental Funds	
Fund Balance as originally stated at July 1, 2020	\$ 2,293,024
Reclassification of school renovations bond to a major fund	573,042
Reclassification of student activities and scholarship funds for the implementation of GASB 84	468,693
Reclassification of Rhode Island Infrastructure Bond receivables	<u>2,550,078</u>
Fund Balance at July 1, 2020, as restated	<u>\$ 5,884,837</u>
Water Fund	
Net Position as originally stated at July 1, 2020	\$ 28,100,066
Restatement for prior year principal payment on capital lease	100,488
Fixed asset restatement for assets that were not capitalized in prior year	984,803
Restatement of accounts receivable beginning balance	<u>(1,467,897)</u>
Net Position at July 1, 2020, as restated	<u>\$ 27,717,460</u>

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 FIVE FISCAL YEARS

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 305,158	\$ 306,987	\$ 426,530	\$ 426,356	\$ 434,661
Interest	1,626,380	1,632,408	1,832,913	1,890,431	1,568,378
Differences between expected and actual experience	62,797	(973,636)	(3,102,808)	(2,223,963)	2,821,128
Changes of assumptions	1,430,526	--	(130,760)	--	394,753
Benefit payments	(1,252,909)	(848,310)	(810,268)	(907,780)	(1,778,950)
Net change in total OPEB liability	2,171,952	117,449	(1,784,393)	(814,956)	3,439,970
Total OPEB Liability - Beginning	<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>
Total OPEB Liability - Ending	<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>
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,386,878	\$ 1,320,000	\$ 1,575,235	\$ 1,503,461	\$ 1,903,000
Net investment income	1,183,307	234,124	350,683	197,255	297,230
Benefit payments	(1,252,909)	(848,310)	(810,268)	(907,780)	(1,778,950)
Administrative expenses	(18,539)	(18,227)	(15,633)	(11,990)	(13,765)
Net change in plan fiduciary net position	1,298,737	687,587	1,100,017	780,946	407,515
Plan Fiduciary Net Position - Beginning	<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>
Plan Fiduciary Net Position - Ending	<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>
Town's Net OPEB Liability - Ending	<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>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	26.13%	22.91%	19.99%	14.02%	10.48%
Covered Payroll	\$ 1,928,292	\$ 2,202,703	\$ 2,159,513	\$ 2,210,352	\$ 2,167,012
Town's Net OPEB Liability as a Percentage of Covered Payroll	954.49%	795.94%	838.25%	949.47%	1042.10%

Notes:

*The information in this schedule is intended to show 10 years
- additional years will be displayed as they become available.*

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 FIVE FISCAL YEARS

OPEB Trust Fund - Town	Year	Actuarially		Contribution		Actual Contribution
	Ended June 30	Determined Contribution	Actual Contribution	(Deficiency) Excess	Covered Payroll	as a % of Covered Payroll
	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%

Notes:

The information in this schedule is intended to show 10 years - additional years will be displayed as they become available.

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 FIVE FISCAL YEARS

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

Notes:

The information in this schedule is intended to show 10 years - additional years will be displayed as they become available.

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 SEVEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Total Pension Liability							
Service cost	\$ 808,105	\$ 779,346	\$ 787,451	\$ 755,616	\$ 712,369	\$ 705,121	\$ 733,946
Interest	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	(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	(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	855,981	1,211,573	592,543	1,577,136	456,206	1,869,936	1,075,230
Total Pension Liability - Beginning	<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>
Total Pension Liability - Ending	<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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 1,156,696	\$ 1,138,128	\$ 1,138,960	\$ 1,199,279	\$ 1,194,969	\$ 1,278,367	\$ 1,125,835
Contributions - employee	183,619	192,684	199,538	195,052	183,696	89,142	85,199
Net investment income	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	(1,909,471)	(1,717,338)	(1,660,018)	(1,720,193)	(1,778,432)	(1,708,632)	(1,784,047)
Administrative expenses	(28,813)	(27,765)	(26,968)	(25,550)	(30,770)	(22,128)	(19,485)
Other	(240,075)	2,942	(71,676)	20,199	15,028	(43,004)	190,528
Net change in plan fiduciary net position	207,703	1,364,813	1,605,571	2,373,221	(414,318)	144,644	2,709,689
Plan Fiduciary Net Position - Beginning	<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>
Plan Fiduciary Net Position - Ending	<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>
Plan's Net Pension Liability - Ending	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.92%	80.24%	79.09%	75.71%	72.03%	74.38%	78.57%
Covered Payroll	\$ 10,563,462	\$ 9,766,244	\$ 9,556,447	\$ 9,305,618	\$ 8,915,758	\$ 8,914,303	\$ 8,455,599
Net Pension Liability as a Percentage of Covered Payroll	72.44%	71.72%	74.89%	87.80%	100.57%	90.82%	75.34%

Notes:

The information in this schedule is intended to show 10 years - additional years will be displayed as they become available.

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 SEVEN FISCAL YEARS

Measurement Date:

	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Total Pension Liability							
Service cost	\$ 239,335	\$ 251,355	\$ 252,781	\$ 206,114	\$ 210,967	\$ 195,086	\$ 180,477
Interest	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	149,160	346,972	(465,179)	44,367	(196,928)	(194,663)	--
Changes of assumptions	(13,918)	--	--	353,594	--	--	(57,543)
Benefit payments	(258,563)	(252,342)	(155,220)	(139,121)	(118,791)	(133,416)	(110,488)
Net change in total pension liability	680,199	851,223	131,840	929,248	335,336	461,954	387,958
Total Pension Liability - Beginning	<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>
Total Pension Liability - Ending	<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>
Plan Fiduciary Net Position							
Contributions - employer	\$ 100,641	\$ 110,734	\$ 94,482	\$ 101,415	\$ 121,820	\$ 117,481	\$ 65,507
Contributions - employee	113,591	119,069	118,397	107,091	109,053	87,843	75,078
Net investment income	283,188	473,373	533,924	693,525	(2,004)	132,860	728,100
Benefit payments, including refunds of employee contributions	(258,563)	(252,342)	(155,220)	(139,121)	(118,791)	(133,416)	(110,488)
Administrative expenses	(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	178,086	443,436	604,765	756,342	104,995	202,571	756,200
Plan Fiduciary Net Position - Beginning	<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>
Plan Fiduciary Net Position - Ending	<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>
Plan's Net Pension Liability - Ending	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.65%	93.92%	98.85%	92.16%	68.80%	97.38%	101.99%
Covered Payroll	\$ 1,135,905	\$ 1,190,692	\$ 1,183,985	\$ 1,075,188	\$ 1,132,406	\$ 1,074,854	\$ 1,011,640
Net Pension Liability as a Percentage of Covered Payroll	87.40%	41.20%	7.00%	51.69%	33.81%	14.19%	-10.56%

Notes:

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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 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS

	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
General Employees Plan	2021	\$ 1,097,976	\$ 1,097,976	\$ --	\$ 10,880,366	10.09%
	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%
EMS Employees Plan	2021	\$ 104,134	\$ 104,134	\$ --	\$ 1,169,982	8.90%
	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%

Notes:

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TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST SEVEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Town's proportion of the net pension liability	1.83%	1.80%	1.77%	1.76%	1.83%	1.70%	1.67%
Town's proportionate share of the net pension liability	\$ 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>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>\$ 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>\$ 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	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	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

Notes:

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 4,834,052	\$ 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>4,834,052</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>
Covered payroll	<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	14.95%	15.02%	16.42%	14.98%	15.39%	15.29%	10.51%	16.07%

Notes:

1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

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 SEVEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Town's proportion of the net pension asset	6.93%	6.74%	6.61%	6.77%	6.75%	6.80%	6.53%
Town's proportionate share of the net pension asset	\$ 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	\$ 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 as a percentage of its covered payroll	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%	150.20%	137.40%	136.10%	153.30%	153.30%	153.30%

Notes:

1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

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TOWN OF CUMBERLAND, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS - TSB

LAST EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 48,063	\$ 51,675	\$ 51,718	\$ 50,296	\$ 49,201	\$ 39,954	\$ 43,338	\$ 39,802
Contributions in relation to the actuarially determined contribution	<u>48,063</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>
Covered payroll	<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	0.15%	0.16%	0.17%	0.17%	0.18%	0.15%	0.15%	0.15%

Notes:

1.) 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.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

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 EIGHT FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 746,400	\$ 747,928	\$ 682,675	\$ 654,232	\$ 610,341	\$ 658,427	\$ 603,593	\$ 625,409
Interest	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	432,290	(117,189)	129,230	(1,966)	150,892	150,365	--	287,596
Changes of assumptions	656,495	(124,893)	1,052,884	(47,482)	(196,402)	(99,400)	--	--
Benefit payments	(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	2,413,256	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	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>\$ 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>
Plan Fiduciary Net Position								
Contributions - employer	\$ 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	290,468	278,185	273,795	251,263	245,844	232,349	260,793	185,877
Net investment income	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	(2,266,811)	(2,097,379)	(1,996,466)	(1,919,613)	(1,939,389)	(1,823,825)	(1,765,110)	(1,656,011)
Administrative expenses	(56,261)	(31,350)	(29,210)	(55,035)	(17,150)	(11,346)	(39,406)	(9,955)
Net change in plan fiduciary net position	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	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>\$ 26,972,984</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>
Plan's net pension liability - ending	<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>
Plan fiduciary net position as a percentage of the total pension liability	64.16%	53.98%	51.36%	48.89%	45.81%	41.79%	41.24%	39.34%
Covered-employee payroll	\$ 3,140,657	\$ 3,053,587	\$ 2,994,240	\$ 2,817,547	\$ 2,805,661	\$ 2,966,003	\$ 2,686,120	\$ 2,633,451
Net pension liability as a percentage of covered-employee payroll	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 EIGHT FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll	Weighted Rate of Return
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, 2021

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 7.25% 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.

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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

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.
- 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.

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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

- 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 June 30, 2019.

Methods and assumptions used to determine contribution rates:

Discount rate 7.25%

Long-term rate of return on investments 7.25%

Municipal bond N/A

Salary increases 1.00% - 6.00%, 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: Healthy RP-2014 Blue Collar Mortality with fully generational improvements from 2006 based on assumptions from 2019 Social Security Administration Trustees Report

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, 2021

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues and other financing sources:				
General property taxes and interest	\$ 69,349,055	\$ 69,032,073	\$ 69,566,933	\$ 534,860
Investment and interest income	125,000	185,000	221,106	36,106
Payments in lieu of taxes	51,131	50,630	57,275	6,645
Other local and departmental revenue	3,174,941	2,064,969	2,745,427	680,458
Federal and State aid and grants	4,340,519	3,423,689	3,804,269	380,580
Cell tower revenue	235,000	235,000	261,187	26,187
Rescue service revenue	1,525,000	1,250,000	1,098,556	(151,444)
School housing capital aid	--	1,760,793	1,599,279	(161,514)
Appropriation of general fund surplus	860,576	710,576	--	(710,576)
Lease proceeds	792,000	792,000	832,000	40,000
Other financing sources - police detail	135,000	135,000	135,000	--
Total revenues and other financing sources	80,588,222	79,639,730	80,321,032	681,302
Expenditures and other financing uses:				
General government:				
Mayor's Office	215,755	316,466	313,499	2,967
Town Clerk	245,680	328,544	318,824	9,720
Town Officers	15,976	4,521	4,735	(214)
Town Council	138,171	139,112	51,990	87,122
Legal	193,218	263,275	264,330	(1,055)
Canvassing	95,688	115,987	105,660	10,327
Misc. Boards	500	6,900	5,510	1,390
Courts	52,200	105,519	108,672	(3,153)
	957,188	1,280,324	1,173,220	107,104
Community Development:				
Planning	205,483	289,731	270,007	19,724
Inspection	238,234	345,439	347,682	(2,243)
Zoning	16,300	16,759	15,146	1,613
	460,017	651,929	632,835	19,094

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, 2021

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Financial Administration				
Information technology	107,000	107,000	74,260	32,740
Finance	557,164	773,289	770,171	3,118
Human Resources	87,100	109,233	92,059	17,174
Assessor	228,890	299,740	281,627	18,113
	<u>980,154</u>	<u>1,289,262</u>	<u>1,218,117</u>	<u>71,145</u>
Public Safety:				
Police department	4,525,940	5,676,110	5,619,458	56,652
Telecommunication	414,168	592,171	507,265	84,906
EMS service	2,058,497	2,652,474	2,710,978	(58,504)
Animal control	112,012	151,438	128,085	23,353
	<u>7,110,617</u>	<u>9,072,193</u>	<u>8,965,786</u>	<u>106,407</u>
Public Works:				
Public works	2,976,690	2,927,271	2,773,020	154,251
Highway	2,506,944	3,293,779	3,071,753	222,026
Recreation	319,692	277,389	236,481	40,908
Town Hall	195,957	285,969	283,237	2,732
	<u>5,999,283</u>	<u>6,784,408</u>	<u>6,364,491</u>	<u>419,917</u>
Social Services:				
Library	1,724,694	1,726,129	1,693,087	33,042
Children and Learning	201,762	252,880	248,960	3,920
Senior Citizen	239,287	256,224	259,763	(3,539)
	<u>2,165,743</u>	<u>2,235,233</u>	<u>2,201,810</u>	<u>33,423</u>
Other Expenditures:				
Outside Agencies	85,500	94,500	85,500	9,000
Severances	100,000	100,000	69,456	30,544
Contingencies	50,000	50,000	29,736	20,264
Capital Improvements	50,000	--	--	--
Emergency Management	10,191	--	--	--
Stress	10,000	--	--	--
RI League Of Cities & Towns	14,706	14,706	15,441	(735)
Traffic Calming	40,000	--	--	--
Property & Liability Insur.	480,000	480,000	510,022	(30,022)
Nri Chamber Of Commerce	800	--	--	--
Economic Development	48,000	--	--	--
Financial Software	59,590	--	--	--
	<u>948,787</u>	<u>739,206</u>	<u>710,155</u>	<u>29,051</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, 2021

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Debt Service - Town	2,416,862	2,396,862	2,317,879	78,983
Debt service - School	3,292,713	3,292,713	3,306,954	(14,241)
Town Master Lease	293,618	293,618	572,433	(278,815)
Fringe benefits	8,043,042	4,307,489	4,735,730	(428,241)
	<u>14,046,235</u>	<u>10,290,682</u>	<u>10,932,996</u>	<u>(642,314)</u>
School Department				
Town Contribution - Education	46,208,075	46,208,075	45,945,880	262,195
Capital Improvements - Leases	520,123	296,418	269,418	27,000
Other Contributions	792,000	792,000	341,273	450,727
Healthcare - Education	400,000	--	--	--
	<u>47,920,198</u>	<u>47,296,493</u>	<u>46,556,571</u>	<u>739,922</u>
Total expenditure and other financing uses	<u>80,588,222</u>	<u>79,639,730</u>	<u>78,755,981</u>	<u>(883,749)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>--</u>	<u>--</u>	<u>1,565,051</u>	<u>1,565,051</u>
Adjustment of budgetary basis to US GAAP			(214,306)	
Fund balance, beginning of year (GAAP)			<u>21,329,500</u>	
Fund balance, end of year (GAAP)			<u>\$ 22,680,245</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenue				
Local Appropriation	\$ 46,208,075	\$ 46,208,075	\$ 46,208,075	\$ --
Leasing Proceeds	1,352,123	1,352,123	297,498	(1,054,625)
State Aid	20,509,459	20,509,459	20,706,498	197,039
Medicaid	500,000	500,000	392,129	(107,871)
Section 125 Co-Pays (1)	1,655,000	1,655,000	--	(1,655,000)
Retiree & COBRA Health, Life Insurance (2)	275,000	275,000	--	(275,000)
Building/Pool Rentals	125,000	125,000	70,532	(54,468)
Preschool Tuitions/Transportation	50,000	50,000	90,313	40,313
Miscellaneous	15,000	15,000	28,122	13,122
Town Capital Bond	--	--	433,816	433,816
Town Appropriation Healthcare	400,000	400,000	--	(400,000)
School Master Lease	518,137	518,137	--	(518,137)
RIDE Grant	--	--	87,529	87,529
CTE Tuitions	600,000	600,000	517,557	(82,443)
Fund Balance Educational Supplies	125,000	125,000	--	(125,000)
Fund Balance Medical	300,000	300,000	--	(300,000)
Fund Balance Covid	1,340,625	1,340,625	316,037	(1,024,588)
Fund Balance Designated	575,000	575,000	--	(575,000)
Total Revenue	<u>74,548,419</u>	<u>74,548,419</u>	<u>69,148,106</u>	<u>(5,400,313)</u>
Expenditures				
<i>Ashton</i>				
Salaries Yr. Round Employees	238,352	238,352	231,197	7,155
Salaries-Certified Teachers	1,984,859	1,984,859	1,987,966	(3,107)
Salaries-Para/Aides	95,634	95,634	81,832	13,802
Services/Postage/Volunteers	10,227	10,227	8,873	1,354
Materials & Supplies	58,938	58,938	46,680	12,258
Dues	700	700	595	105
Capital	2,000	2,000	1,434	566
	<u>2,390,710</u>	<u>2,390,710</u>	<u>2,358,578</u>	<u>32,132</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<i>Community</i>				
Salaries- Yr. Round Employees	262,581	262,581	308,281	(45,700)
Salaries-Certified Teachers	3,662,869	3,662,869	3,610,067	52,802
Salaries-Para/Aides	267,530	267,530	239,979	27,551
Services/Postage/Volunteers	12,744	12,744	15,580	(2,836)
Materials & Supplies	116,509	116,509	87,455	29,054
Dues	1,050	1,050	595	455
Capital	3,000	3,000	--	3,000
	<u>4,326,283</u>	<u>4,326,283</u>	<u>4,261,957</u>	<u>64,326</u>
<i>Cumberland Hill</i>				
Salaries- Yr. Round Employees	255,807	255,807	246,712	9,095
Salaries-Certified Teachers	2,690,506	2,690,506	2,692,977	(2,471)
Salaries-Para/Aides	241,013	241,013	220,608	20,405
Services/Postage/Volunteers	11,002	11,002	7,384	3,618
Materials & Supplies	67,509	67,509	52,757	14,752
Dues	650	650	595	55
Capital	1,350	1,350	700	650
	<u>3,267,837</u>	<u>3,267,837</u>	<u>3,221,732</u>	<u>46,105</u>
<i>Garvin</i>				
Salaries- Yr. Round Employees	228,309	228,309	225,102	3,207
Salaries-Certified Teachers	2,682,226	2,682,226	2,650,781	31,445
Salaries-Para/Aides	105,932	105,932	101,135	4,797
Services/Postage/Volunteers	11,382	11,382	10,597	785
Materials & Supplies	70,647	70,647	50,728	19,919
Dues	700	700	595	105
Capital	2,000	2,000	2,702	(702)
	<u>3,101,196</u>	<u>3,101,196</u>	<u>3,041,640</u>	<u>59,556</u>
<i>BF Norton</i>				
Salaries-Yr. Round Employees	254,271	254,271	301,128	(46,857)
Salaries-Certified Teachers	2,431,635	2,431,635	2,352,956	78,679
Salaries-Para/Aides	255,624	255,624	213,695	41,929
Services/Postage/Volunteers	11,720	11,720	10,731	989
Materials & Supplies	62,166	62,166	45,661	16,505
Dues	1,050	1,050	595	455
Capital	2,000	2,000	750	1,250
	<u>3,018,466</u>	<u>3,018,466</u>	<u>2,925,515</u>	<u>92,951</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, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>Pre-School</i>				
Salaries- Year Round	91,417	91,417	91,417	--
Salaries-Certified Teachers	440,261	440,261	445,046	(4,785)
Salaries-Para/Aides	115,785	115,785	93,912	21,873
Child Outreach Salaries	300	300	295	5
Materials & Supplies	5,250	5,250	4,382	868
Capital	1,000	1,000	1,129	(129)
	<u>654,013</u>	<u>654,013</u>	<u>636,181</u>	<u>17,832</u>
<i>McCourt</i>				
Salaries- Year Round	403,770	403,770	353,061	50,709
Salaries-Certified Teachers	3,901,722	3,901,722	3,721,130	180,592
Salaries-Para/Aides	99,390	99,390	115,906	(16,516)
Services/Postage	38,414	38,414	28,877	9,537
Student Travel	57,075	57,075	26,741	30,334
Dues	1,800	1,800	1,785	15
Capital	51,880	51,880	46,268	5,612
	<u>4,554,051</u>	<u>4,554,051</u>	<u>4,293,767</u>	<u>260,284</u>
<i>NCM School</i>				
Salaries- Year Round	411,887	411,887	385,950	25,937
Salaries-Certified Teachers	4,105,427	4,105,427	4,093,291	12,136
Salaries-Para/Aides	137,038	137,038	128,738	8,300
Services/Postage	41,570	41,570	31,623	9,947
Student Travel	66,829	66,829	37,033	29,796
Dues	1,800	1,800	1,190	610
Capital	67,800	67,800	63,975	3,825
	<u>4,832,351</u>	<u>4,832,351</u>	<u>4,741,800</u>	<u>90,551</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, 2021

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>Cumberland High School</i>				
Salaries- Yr. Round Employees	1,167,576	1,167,576	926,535	241,041
Salaries-Certified Teachers	9,719,355	9,719,355	9,544,530	174,825
Salaries-Para/Aides	523,506	523,506	644,647	(121,141)
Dual Enrollment	67,000	67,000	68,346	(1,346)
Services/Postage	165,031	165,031	172,173	(7,142)
Maint & Repairs, Rentals	11,000	11,000	5,039	5,961
Graduation	6,000	6,000	11,491	(5,491)
Student Travel	6,000	6,000	1,032	4,968
Materials & Supplies	110,973	110,973	49,501	61,472
Dues	12,250	12,250	6,785	5,465
Capital	5,000	5,000	1,136	3,864
	<u>11,793,691</u>	<u>11,793,691</u>	<u>11,431,216</u>	<u>362,475</u>
<i>Summer School (ALL)</i>				
Salaries Remedial	7,000	7,000	--	7,000
Salaries-Certified ESY	97,190	97,190	108,613	(11,423)
Services	24,000	24,000	--	24,000
Supplies, Maint & Repairs	1,500	1,500	17,198	(15,698)
	<u>129,690</u>	<u>129,690</u>	<u>125,811</u>	<u>3,879</u>
<i>Elem Cord/Attrition</i>				
Salaries-Certified Cord	535,004	535,004	525,049	9,955
	<u>535,004</u>	<u>535,004</u>	<u>525,049</u>	<u>9,955</u>
<i>Special Education</i>				
Salaries- Year Round	233,652	233,652	224,711	8,941
Salaries-Certified Teachers/Tutors	135,918	135,918	89,065	46,853
Services & Repairs	815,195	815,195	811,936	3,259
Tuitions	1,250,000	1,250,000	1,035,918	214,082
Materials & Supplies	16,750	16,750	19,513	(2,763)
Capital	15,000	15,000	26,458	(11,458)
	<u>2,466,515</u>	<u>2,466,515</u>	<u>2,207,601</u>	<u>258,914</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<i>Superintendent & School Committee</i>				
Salaries	264,689	264,689	272,016	(7,327)
School Committee Stipends	--	--	--	--
Services/Legal/Maint Repairs	122,000	122,000	151,330	(29,330)
Materials & Supplies	1,350	1,350	2,213	(863)
Travel	6,000	6,000	1,785	4,215
Dues	7,000	7,000	13,048	(6,048)
	<u>401,039</u>	<u>401,039</u>	<u>440,391</u>	<u>(39,352)</u>
<i>Asst Superintendent</i>				
Salaries	195,802	195,802	203,796	(7,994)
Substitutes/Curr Coord.	5,000	5,000	--	5,000
Prof Development Staff Training	19,140	19,140	3,500	15,640
Maint & Repairs/Catering	69,250	69,250	58,841	10,409
Virtual Learning	138,622	138,622	106,477	32,145
Materials & Supplies	20,100	20,100	7,099	13,001
Dues	2,000	2,000	--	2,000
	<u>449,914</u>	<u>449,914</u>	<u>379,713</u>	<u>70,201</u>
<i>Human Resources</i>				
Salaries	220,977	220,977	221,752	(775)
Building Subs	270,000	270,000	--	270,000
Breakage	(269,469)	(269,469)	--	(269,469)
Services	21,300	21,300	19,562	1,738
Materials & Supplies	1,000	1,000	1,140	(140)
Capital	2,000	2,000	94	1,906
	<u>245,808</u>	<u>245,808</u>	<u>242,548</u>	<u>3,260</u>
<i>Technology</i>				
Salaries	434,090	434,090	459,283	(25,193)
Travel	9,000	9,000	3,225	5,775
Maint & Repairs	307,074	307,074	230,199	76,875
Materials & Supplies	20,300	20,300	(2,507)	22,807
Dues & Training	399	399	25	374
Capital	659,842	659,842	697,399	(37,557)
	<u>1,430,705</u>	<u>1,430,705</u>	<u>1,387,623</u>	<u>43,082</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, 2021

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>Business Office</i>				
Salaries	353,173	353,173	348,655	4,518
Longevity ICSE Staff	--	--	--	--
Services/Postage	82,600	82,600	73,732	8,868
Debt Service	520,123	520,123	--	520,123
Copier Lease (Reduced Lease Pay)	93,940	93,940	73,186	20,754
Postage/Supplies	3,800	3,800	3,285	515
Dues	500	500	225	275
	<u>1,054,136</u>	<u>1,054,136</u>	<u>499,083</u>	<u>555,053</u>
<i>Facilities</i>				
Salaries	338,874	338,874	310,173	28,701
Travel	--	--	2,112	(2,112)
Services	738,900	738,900	1,032,261	(293,361)
Utilities	1,092,000	1,092,000	1,124,430	(32,430)
Insurance (Property & Liability)	282,394	282,394	289,221	(6,827)
Supplies	392,000	392,000	119,777	272,223
Capital	758,000	758,000	633,985	124,015
	<u>3,602,168</u>	<u>3,602,168</u>	<u>3,511,959</u>	<u>90,209</u>
<i>Athletics & Pool</i>				
Salaries - Athletics Director	74,233	74,233	76,432	(2,199)
Stipends - Coaches	174,700	174,700	151,631	23,069
Services /Rentals	31,500	31,500	21,800	9,700
Materials & Supplies	21,500	21,500	9,641	11,859
Transportation	67,374	67,374	41,053	26,321
Dues	48,000	48,000	37,943	10,057
	<u>417,307</u>	<u>417,307</u>	<u>338,499</u>	<u>78,808</u>
<i>Health Services</i>				
Stipends	14,200	14,200	5,385	8,815
	<u>14,200</u>	<u>14,200</u>	<u>5,385</u>	<u>8,815</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, 2021

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>School Safety</i>				
Salaries Truant Officer	34,918	34,918	35,441	(523)
Travel/Supplies	--	--	3,582	(3,582)
Salaries Bus Monitors	170,000	170,000	56,698	113,302
	<u>204,918</u>	<u>204,918</u>	<u>95,721</u>	<u>109,197</u>
<i>Transportation/Travel</i>				
Services State	670,000	670,000	759,050	(89,050)
Midday	63,163	63,163	94,800	(31,637)
Durham Spec Ed & Reg Ed	2,695,000	2,695,000	2,877,425	(182,425)
Durham Homeless & Other	--	--	16,536	(16,536)
	<u>3,428,163</u>	<u>3,428,163</u>	<u>3,747,811</u>	<u>(319,648)</u>
<i>Advertising Services</i>	<u>10,000</u>	<u>10,000</u>	<u>5,454</u>	<u>4,546</u>
	<u>10,000</u>	<u>10,000</u>	<u>5,454</u>	<u>4,546</u>
<i>Other Tuitions - Charter Schools</i>				
Services	3,965,154	3,965,154	3,731,382	233,772
	<u>3,965,154</u>	<u>3,965,154</u>	<u>3,731,382</u>	<u>233,772</u>
<i>Area Voc Tuitions & Met School</i>				
Services	456,092	456,092	360,133	95,959
	<u>456,092</u>	<u>456,092</u>	<u>360,133</u>	<u>95,959</u>
<i>Non-Public School Textbooks</i>				
Materials & Supplies	12,000	12,000	1,857	10,143
	<u>12,000</u>	<u>12,000</u>	<u>1,857</u>	<u>10,143</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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<i>Benefits</i>				
CTA 3% All Empl. Severance	41,369	41,369	179,635	(138,266)
Tuitions/Travel	15,000	15,000	1,305	13,695
ICSE Longevity	60,000	60,000	56,202	3,798
Healthcare Buyback	135,000	135,000	131,220	3,780
Health Insurance Admin & Claims (1)	8,640,541	8,640,541	6,330,641	2,309,900
Dental (2)	515,000	515,000	345,775	169,225
Social Security	354,993	354,993	324,649	30,344
Medicare	578,307	578,307	543,312	34,995
Life Insurance	315,000	315,000	212,907	102,093
Workers Compensation	162,000	162,000	164,311	(2,311)
Unemployment Compensation	400,000	400,000	96,121	303,879
Survivors Benefits	51,000	51,000	48,063	2,937
Certified Retirement	5,906,465	5,906,465	5,657,306	249,159
Non-Certified Retirement	612,332	612,332	538,252	74,080
	<u>17,787,007</u>	<u>17,787,007</u>	<u>14,629,699</u>	<u>3,157,308</u>
 Total expenditures	 <u>74,548,419</u>	 <u>74,548,419</u>	 <u>69,148,106</u>	 <u>5,400,312</u>
 Net Changes in Fund Balance, Budgetary basis	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ --</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, 2021

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenue				
Charges for services	\$ 396,938	\$ 396,938	\$ 541,957	\$ 145,019
Sewer assessments	138,714	138,714	151,004	12,290
Miscellaneous and other	54,175	54,175	73,405	19,230
Total revenues	589,827	589,827	766,366	176,539
Expenditures				
Personnel services	162,294	162,294	151,494	10,800
Supplies and materials	67,170	67,170	55,080	12,090
Repairs and maintenance	208,500	208,500	152,421	56,079
Capital improvements	151,863	151,863	117,219	34,644
Total expenditures	589,827	589,827	476,214	113,613
Excess(deficiency) of revenue over expenditure	--	--	290,152	62,926
Adjustments of budgetary basis for US GAAP basis			--	
Excess of revenue and other sources over expenditures and other financing uses US GAAP basis			290,152	
Fund balance, beginning of year			(26,236)	
Fund balance, end of year			\$ 263,916	

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, 2021

	Original Budget	Budget As Adopted	Actual	Variance Favorable (Unfavorable)
Revenue				
Charges for services	\$ 6,325,006	\$ 6,325,006	\$ 6,119,677	\$ (205,329)
Miscellaneous	125,000	125,000	154,613	29,613
Total revenues	6,450,006	6,450,006	6,274,290	(175,716)
Expenditures:				
Personnel services	1,653,430	1,653,430	1,566,673	86,757
Supplies and materials	146,200	146,200	150,695	(4,495)
Repairs and maintenance	131,500	131,500	88,168	43,332
Other charges and expenditures	3,292,407	3,292,407	3,216,648	75,759
Indirect cost	75,000	75,000	75,000	--
Debt service	1,151,469	1,151,469	975,313	176,156
Total expenditures	6,450,006	6,450,006	6,072,497	377,509
Excess (deficiency) of revenues and other sources over expenses and other uses	--	--	201,793	201,793
Adjustments of budgetary basis for US GAAP basis			(43,908)	
Excess of revenue and other source over expenditures and other financing uses, US GAAP basis			157,885	
Fund balance, beginning of year			27,717,460	
Fund balance, end of year			\$ 27,875,345	

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, 2021

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, 2021

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, 2021 for the General Fund:

Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 1,565,051
Unbudgeted transfer to Public Safety Bond Fund	(402,903)
Unbudgeted activity in Fund #305 (Senior Center)	(998)
Unbudgeted activity in Fund #307 (Public Fund)	(32,187)
Unbudgeted activity in Fund #315 (Police Detail)	242,405
Unbudgeted activity in Fund #324 (OC & YL)	<u>(20,623)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 1,350,745</u>

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2021 for the School Unrestricted Fund:

Excess of Expenditures and Other Financing Uses	
Over Revenue and Other Financing Sources - Budgetary basis	\$ --
ERSRI on behalf pension revenue	3,584,124
ERSRI on behalf pension expenditures	(3,584,124)
Budgeted use of fund balance	<u>(316,037)</u>
Excess of Expenditures and Other Financing Uses	
Over Revenues and Other Financing Sources - GAAP Basis	<u>\$ (316,037)</u>

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 for the Water Fund:

Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 201,793
Budgeted capital expenditures which are capitalized under the GAAP basis of accounting	114,142
Unbudgeted depreciation expense	(731,106)
Principal payments which are budgeted for net netted against long-term liabilities for GAAP purposes	573,056
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 157,885</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, 2021

Real estate and personal property taxes receivable:

									FY 2021 Collections Summary			
Fiscal Year	July 1, 2020	Current Year Assessment	Additions	Abatements	Refunds / Adjustments	Amount to be Collected	FY 2021 Collections	June 30, 2021	July - August 2020 (FY20) Collections Subject to 60-day FY20 Accrual	September - June 2021 Collections	Total FY 2021 Collections	July - August 2021 (FY 21) Collections Subject to 60-day FY21 Accrual
2021	\$ --	\$ 70,419,062	\$ 35,123	\$ (221,584)	\$ (530,580)	\$ 69,702,021	\$ 36,202,608	\$ 33,499,413	\$ --	\$ 36,202,608	\$ 36,202,608	\$ 8,203,506
2020	34,722,370	--	67,517	(201,320)	81,321	34,669,888	33,720,392	949,496	9,484,198	24,236,194	33,720,392	134,094
2019	893,824	--	1,252	(411)	70,988	965,653	532,131	433,522	188,780	343,351	532,131	97,132
2018	62,153	--	1,215	(839)	7,691	70,220	37,633	32,587	7,673	29,960	37,633	3,292
2017	218,614	--	4,339	(557)	2,423	224,819	75,077	149,742	2,074	73,003	75,077	330
2016	145,213	--	1,199	(180)	1,495	147,727	7,443	140,284	917	6,526	7,443	791
2015	97,201	--	347	(90)	1,712	99,170	7,062	92,109	147	6,915	7,062	1,158
2014	154,392	--	--	(14,650)	(3,853)	135,889	5,761	130,128	43	5,718	5,761	1,259
2013	134,863	--	--	(14,914)	1,758	121,707	1,728	119,978	(248)	1,976	1,728	45
2012	112,853	--	--	(51)	2,698	115,500	1,138	114,361	55	1,083	1,138	56
2011 and prior	605,092	--	--	--	(1,826)	603,266	908	602,358	(445)	1,353	908	86
	<u>\$ 37,146,575</u>	<u>\$ 70,419,062</u>	<u>\$ 110,992</u>	<u>\$ (454,596)</u>	<u>\$ (366,173)</u>	<u>\$ 106,855,860</u>	<u>\$ 70,591,882</u>	<u>\$ 36,263,978</u>	<u>\$ 9,683,194</u>	<u>\$ 60,908,688</u>	<u>\$ 70,591,882</u>	<u>\$ 8,441,749</u>
Allowance for Uncollectible Accounts	(2,072,184)							(1,840,438)				
Net Property Tax Receivable	<u>\$ 35,074,391</u>							<u>\$ 34,423,540</u>				

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

FOR THE YEAR ENDED JUNE 30, 2021

Schedule of Net Assessed Property, Value by Category			Reconciliation of Current Year Property Tax Revenue	
Description of Property	Valuations December 31, 2020	Levy		
Real Property	\$ 4,328,751,141	\$ 61,211,753	Current Year Collections	\$ 70,591,882
Motor Vehicle	292,031,117	3,432,140	July - August 2021 Collections	
Tangible	197,050,990	5,775,169	Subject to 60-day FY 21 Accrual	8,441,749
Total	4,817,833,248	70,419,062		<u>79,033,631</u>
Exemptions	(296,206,768)	--	July - August 2020 Collections	
			Subject to 60-day FY20 Accrual	<u>(9,683,194)</u>
Net Assessed Value	<u>\$ 4,521,626,480</u>	<u>\$ 70,419,062</u>	Current Year Property Tax Revenue	69,350,437
			Interest and penalties	216,753
			Current Year Payment in Lieu of Taxes	<u>57,275</u>
			Current year general fund tax revenue	<u>\$ 69,624,465</u>

TOWN OF CUMBERLAND, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 44,406,114	\$ -
Last Year's Levy Tax Collection	24,460,278	-
Prior Years Property Tax Collection	484,045	-
Interest & Penalty	216,753	-
PILOT & Tax Treaty (excluded from levy) Collection	57,275	-
Other Local Property Taxes	-	-
Licenses and Permits	631,190	-
Fines and Forfeitures	-	-
Investment Income	221,106	-
Departmental	1,411,668	-
Rescue Run Revenue	1,098,556	-
Police & Fire Detail	970,891	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	607,871
Impact Aid	-	-
Medicaid	-	392,129
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,082,750
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,331,327
COVID - ESSER	-	-
COVID - CRF	2,251,172	636,001
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	84,719
COVID - ARPA	-	-
MV Excise Tax Reimbursement	253,650	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	297,545	-
Library Construction Aid	30,898	-
Public Service Corporation Tax	423,981	-
Meals & Beverage Tax / Hotel Tax	427,371	-
LEA Aid	-	20,706,498
Group Home	-	-
Housing Aid Capital Projects	402,435	-
Housing Aid Bonded Debt	1,196,845	-
State Food Service Revenue	-	21,910
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	59,245
Motor Vehicle Phase Out	516,524	-
Other Revenue	604,054	577,835
Local Appropriation for Education	-	46,939,389
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 80,362,351	\$ 73,439,673
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	388,647	-
Financing Sources: Debt Proceeds	832,000	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 1,220,647	\$ -

TOWN OF CUMBERLAND, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2021

<u>EXPENDITURES</u>	<u>General Government</u>	<u>Finance</u>	<u>Social Services</u>	<u>Centralized IT</u>	<u>Planning</u>	<u>Libraries</u>	<u>Public Works</u>	<u>Parks and Rec</u>	<u>Police Department</u>
Compensation- Group A	\$ 841,553	\$ 406,846	\$ 320,559	\$ -	\$ 349,769	\$ 936,467	\$ 2,120,663	\$ 91,672	\$ 3,568,625
Compensation - Group B	-	-	-	-	-	-	-	-	188,929
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	2,080	839	-	-	-	1,093	43,937	-	13,864
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	1,900,553
Active Medical Insurance - Group A	123,197	66,106	54,018	-	70,347	147,397	519,268	8,016	706,580
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	42,709
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	8,164	6,057	4,127	-	3,576	8,164	39,118	649	43,858
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	2,651
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	67,060	33,157	24,267	-	26,472	76,411	159,450	7,257	298,405
Life Insurance	9,367	5,077	2,574	-	3,861	4,934	19,412	1,216	24,474
State Defined Contribution- Group A	17,697	2,665	2,719	-	2,688	5,931	16,769	851	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	57,027
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	2,177	11,400	600	145,075
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	2,507,797
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	51,544	41,789	25,487	-	36,037	61,788	209,537	9,114	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	32,152
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	6,990	-	-	-	-	-	-	-	-
Purchased Services	108,550	124,686	-	-	29,444	1,511	76,951	162,741	32,690
Materials/Supplies	24,076	11,200	17,001	-	5,625	206,571	51,128	2,651	35,057
Software Licenses	61,188	65,368	-	-	1,327	46,275	12,285	-	-
Capital Outlays	339,728	6,382	8,778	-	1,200	57,983	414	-	129,201
Insurance	641,196	-	-	-	-	-	-	-	-
Maintenance	-	-	2,502	-	-	26,467	121,545	-	6,340
Vehicle Operations	-	-	6,043	-	-	-	194,303	2,350	198,254
Utilities	194,057	-	-	-	-	108,978	-	-	75,657
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	60,198	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	219,079	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,822,135	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	57,209	15,441	94,463	-	3,991	940	127,901	-	17,910
Tipping Fees	-	-	-	-	-	-	562,008	-	-
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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,553,656	\$ 785,613	\$ 562,538	\$ -	\$ 534,337	\$ 1,693,087	\$ 6,387,501	\$ 287,117	\$ 10,027,808

TOWN OF CUMBERLAND, RHODE ISLAND

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2021

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 329,353	\$ 1,383,842	\$ -	\$ -	\$ -	\$ 10,349,349	\$ 32,179,628
Compensation - Group B	-	-	85,937	-	-	-	274,866	3,806,766
Compensation - Group C	-	-	-	-	-	-	-	4,668,789
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	42,411	319,283	-	-	-	423,507	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	37,019
Police & Fire Detail	-	-	-	-	-	-	1,900,553	-
Active Medical Insurance - Group A	-	62,872	353,184	-	-	-	2,110,985	4,506,940
Active Medical Insurance- Group B	-	-	4,227	-	-	-	46,936	531,503
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,721,005
Active Dental Insurance- Group A	-	3,474	19,199	-	-	-	136,386	247,848
Active Dental Insurance- Group B	-	-	112	-	-	-	2,763	24,294
Active Dental Insurance- Group C	-	-	-	-	-	-	-	90,595
Payroll Taxes	-	27,999	133,863	-	-	-	854,341	1,004,954
Life Insurance	-	2,538	14,160	-	-	-	87,613	217,811
State Defined Contribution- Group A	-	3,377	315	-	-	-	53,012	790,215
State Defined Contribution - Group B	-	-	-	-	-	-	57,027	72,019
State Defined Contribution - Group C	-	-	-	-	-	-	-	45,067
Other Benefits- Group A	-	599	18,736	-	-	-	178,587	398,217
Other Benefits- Group B	-	-	-	-	-	-	-	11,013
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	2,507,797	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	32,879	143,561	-	-	-	611,736	4,644,332
State Defined Benefit Pension - Group B	-	-	4,786	-	-	-	36,938	537,353
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	464,165
Other Defined Benefit / Contribution	-	-	3,815	-	-	-	10,805	-
Purchased Services	-	-	37,318	-	-	-	573,891	12,205,280
Materials/Supplies	-	-	63,957	-	-	-	417,266	865,917
Software Licenses	-	-	-	-	-	-	186,443	7,178
Capital Outlays	-	-	48,665	-	-	-	592,351	1,783,583
Insurance	-	-	-	-	-	-	641,196	289,221
Maintenance	-	1,763	47,800	-	-	-	206,417	456,560
Vehicle Operations	-	-	58,525	-	-	-	459,475	5,915
Utilities	-	-	55,658	-	-	-	434,350	1,327,687
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	60,198	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	219,079	-
Trash Removal & Recycling	-	-	-	-	-	-	1,822,135	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	42,120	-	-	-	359,975	444,770
Tippling Fees	-	-	-	-	-	-	562,008	-
Local Appropriation for Education	-	-	-	46,939,389	-	-	46,939,389	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,404,000	-	1,404,000	-
Municipal Debt- Interest	-	-	-	-	775,191	-	775,191	-
School Debt- Principal	-	-	-	-	2,620,000	-	2,620,000	36,269
School Debt- Interest	-	-	-	-	825,601	-	825,601	36,917
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	4,963
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	2,904
OPEB Contribution- Total	-	-	-	-	-	1,386,000	1,386,000	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 507,265	\$ 2,839,063	\$ 46,939,389	\$ 5,624,792	\$ 1,386,000	\$ 80,128,166	\$ 73,466,697

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	104,087	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 104,087	\$ -
Net Change in Fund Balance¹	1,350,745	(27,024)
Fund Balance¹- beginning of year	\$21,329,500	\$6,962,413
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	468,693
Misc. Adjustment	-	3
Fund Balance¹ - beginning of year adjusted	21,329,500	7,431,109
Rounding	-	-
Fund Balance¹ - end of year	\$ 22,680,245	\$ 7,404,085

¹ 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, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2020						\$ 21,329,500	-	\$ 21,329,500	
No funds removed from RGS for fiscal 2020						-	-	-	
No funds added to RGS for Fiscal 2020						-	-	-	
No misc. adjustments made for fiscal 2020						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2021 adjusted						\$ 21,329,500	-	\$ 21,329,500	
General Fund	\$ 80,362,351	\$ 1,220,647	\$ 33,188,777	\$ 47,043,476	\$ 1,350,745	\$ 21,329,500	\$ -	\$ 21,329,500	\$ 22,680,245
Totals per audited financial statements	\$ 80,362,351	\$ 1,220,647	\$ 33,188,777	\$ 47,043,476	\$ 1,350,745	\$ 21,329,500	\$ -	\$ 21,329,500	\$ 22,680,245
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 46,939,389	\$ (46,939,389)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 80,362,351	\$ 1,220,647	\$ 80,128,166	\$ 104,087	\$ 1,350,745	\$ 21,329,500	\$ -	\$ 21,329,500	\$ 22,680,245

¹ 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

EDUCATION DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2020						\$ 6,962,413	468,693	\$ 7,431,106	
Misc. adjustments made for fiscal 2020						3	-	3	
Fund Balance ¹ - per MTP-2 at June 30, 2021 adjusted						\$ 6,962,416	\$ 468,693	\$ 7,431,109	
School Unrestricted Fund	\$ 25,476,805	\$ 46,939,389	\$ 72,732,231	\$ -	\$ (316,037)	\$ 6,307,156	\$ -	\$ 6,307,156	\$ 5,991,119
School Special Revenue Funds	4,607,603	-	4,318,590	-	289,013	655,260	468,693	1,123,953	1,412,966
Totals per audited financial statements	\$ 30,084,408	\$ 46,939,389	\$ 77,050,821	\$ -	\$ (27,024)	\$ 6,962,416	\$ 468,693	\$ 7,431,109	\$ 7,404,083
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 46,939,389	\$ (46,939,389)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,584,124)	-	(3,584,124)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 73,439,673	\$ -	\$ 73,466,697	\$ -	\$ (27,024)	\$ 6,962,416	\$ 468,693	\$ 7,431,109	\$ 7,404,083
<u>Reconciliation from MTP2 to UCOA</u>									
No miscellaneous variance between MTP2 & UCOA	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report - Dated 3/21/2022	\$ 73,439,673	\$ 73,466,697							

¹ 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, 2021

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, 2021

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, 2021

	TOWN SPECIAL REVENUE FUNDS						
	300	302	303	304	306	312	313
	DEM						
	Grant	Substance	Animal	Impact	Sewer	Revolving	Historical
	Diamond Hill	Abuse	Control	Fees	Ferncrest	Loan	Records
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 89,824	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	--	4,277	8,512	--	--	--	21,812
Other receivables, net	--	--	--	--	133,669	--	--
Total Assets	<u>\$ --</u>	<u>\$ 4,277</u>	<u>\$ 8,512</u>	<u>\$ 89,824</u>	<u>\$ 133,669</u>	<u>\$ --</u>	<u>\$ 21,812</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 56,559	\$ 5,160	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--
Due to other funds	120,790	--	--	3,282	46,134	--	--
Unearned revenue	--	--	--	--	133,669	--	--
Total Liabilities	<u>177,349</u>	<u>5,160</u>	<u>--</u>	<u>3,282</u>	<u>179,803</u>	<u>--</u>	<u>--</u>
Fund Balances							
Restricted	--	--	8,512	--	--	--	21,812
Committed	--	--	--	86,542	--	--	--
Unassigned	(177,349)	(883)	--	--	(46,134)	--	--
Total Fund Balances	<u>(177,349)</u>	<u>(883)</u>	<u>8,512</u>	<u>86,542</u>	<u>(46,134)</u>	<u>--</u>	<u>21,812</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 4,277</u>	<u>\$ 8,512</u>	<u>\$ 89,824</u>	<u>\$ 133,669</u>	<u>\$ --</u>	<u>\$ 21,812</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS							
	314	316	318	321	325	326	327	328
	EPHETA		EMS			OCYL		
	Park	CDBG	Grants /	Animal	Library	Donation	OCYL	
	Grant	2017	Donations	Husbandry	Legislative	Fund	BT Fund	DARE
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 8,695	\$ --	\$ 3,606	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	--	25,509	15,722	1,000	--	7,064	--
Other receivables, net	--	--	--	--	--	--	925	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 25,509</u>	<u>\$ 24,417</u>	<u>\$ 1,000</u>	<u>\$ 3,606</u>	<u>\$ 7,989</u>	<u>\$ --</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 562	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	79,006	21,467	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	751	--
Total Liabilities	<u>79,006</u>	<u>21,467</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,313</u>	<u>--</u>
Fund Balances								
Restricted	--	--	25,509	24,417	1,000	3,606	6,676	--
Committed	--	--	--	--	--	--	--	--
Unassigned	(79,006)	(21,467)	--	--	--	--	--	--
Total Fund Balances	<u>(79,006)</u>	<u>(21,467)</u>	<u>25,509</u>	<u>24,417</u>	<u>1,000</u>	<u>3,606</u>	<u>6,676</u>	<u>--</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 25,509</u>	<u>\$ 24,417</u>	<u>\$ 1,000</u>	<u>\$ 3,606</u>	<u>\$ 7,989</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS							
	330	331	333	334	335	338	339	340
	Albion Landfill	Police Forfeiture	Community Donation	CTCL Covid 19	Election Improvements	DPH HL Security EMA	Special Reserve	Bulletproof Vest
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 4,180	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	38,129	1,497	--	139	5,917	2,588,975	32,177
Other receivables, net	4,850	--	--	--	--	--	--	388
Total Assets	<u>\$ 4,850</u>	<u>\$ 38,129</u>	<u>\$ 1,497</u>	<u>\$ 4,180</u>	<u>\$ 139</u>	<u>\$ 5,917</u>	<u>\$ 2,588,975</u>	<u>\$ 32,565</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	12,324	--	--	3,532	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>12,324</u>	<u>--</u>	<u>--</u>	<u>3,532</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances								
Restricted	--	38,129	1,497	648	139	5,917	--	32,565
Committed	--	--	--	--	--	--	2,588,975	--
Unassigned	(7,474)	--	--	--	--	--	--	--
Total Fund Balances	<u>(7,474)</u>	<u>38,129</u>	<u>1,497</u>	<u>648</u>	<u>139</u>	<u>5,917</u>	<u>2,588,975</u>	<u>32,565</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 4,850</u>	<u>\$ 38,129</u>	<u>\$ 1,497</u>	<u>\$ 4,180</u>	<u>\$ 139</u>	<u>\$ 5,917</u>	<u>\$ 2,588,975</u>	<u>\$ 32,565</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS							
	343	344	345	346	348	349	350	352
	Partnership For Success	RIPTIDE DUI	RI Found Comm Grant	Distracted Driving	RIPTIDE Speed	Child Passenger Safety	Town Clerk Special	Click It or Ticket
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 25,218	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	247	1,348	187	--	669	208,933	1,204
Other receivables, net	--	122	--	444	222	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 369</u>	<u>\$ 1,348</u>	<u>\$ 631</u>	<u>\$ 222</u>	<u>\$ 669</u>	<u>\$ 234,151</u>	<u>\$ 1,204</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	1,847	--	--	1,385	6,687	--	8,389	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>1,847</u>	<u>--</u>	<u>--</u>	<u>1,385</u>	<u>6,687</u>	<u>--</u>	<u>8,389</u>	<u>--</u>
Fund Balances								
Restricted	--	369	1,348	--	--	669	225,762	1,204
Committed	--	--	--	--	--	--	--	--
Unassigned	(1,847)	--	--	(754)	(6,465)	--	--	--
Total Fund Balances	<u>(1,847)</u>	<u>369</u>	<u>1,348</u>	<u>(754)</u>	<u>(6,465)</u>	<u>669</u>	<u>225,762</u>	<u>1,204</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 369</u>	<u>\$ 1,348</u>	<u>\$ 631</u>	<u>\$ 222</u>	<u>\$ 669</u>	<u>\$ 234,151</u>	<u>\$ 1,204</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS									
	355	357	361	367	371	372	380	418	419	Total
	Historic	RIEMA	PED	Assistance	RI Found	Ruth E.	Outdoor	CDBG	CDBG	Town Special
	District	Hazard	Bike	for	Sign Grant	Carpenter	Commerce	2018	2019	Revenue Funds
		Mitigation		Firefighters			Grant			
Assets										
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ 7,300	\$ 1,500	\$ --	\$ --	\$ --	\$ 140,323
Due from federal & state governments	--	--	--	--	--	--	--	--	--	--
Due from other funds	--	3,596	596	--	--	--	29,252	--	35,610	3,032,372
Other receivables, net	1,000	--	--	--	--	--	--	--	--	141,620
Total Assets	<u>\$ 1,000</u>	<u>\$ 3,596</u>	<u>\$ 596</u>	<u>\$ --</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 29,252</u>	<u>\$ --</u>	<u>\$ 35,610</u>	<u>\$ 3,314,315</u>
Liabilities										
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,031	\$ 1,918	\$ 72,230
Deposits held	--	--	--	--	--	--	--	--	--	--
Due to other funds	500	--	--	1,123	--	--	--	188,908	--	495,374
Unearned revenue	--	--	--	--	--	--	--	--	--	134,420
Total Liabilities	<u>500</u>	<u>--</u>	<u>--</u>	<u>1,123</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>196,939</u>	<u>1,918</u>	<u>702,024</u>
Fund Balances										
Restricted	--	3,596	596	--	7,300	1,500	29,252	--	33,692	475,715
Committed	500	--	--	--	--	--	--	--	--	2,676,017
Unassigned	--	--	--	(1,123)	--	--	--	(196,939)	--	(539,441)
Total Fund Balances	<u>500</u>	<u>3,596</u>	<u>596</u>	<u>(1,123)</u>	<u>7,300</u>	<u>1,500</u>	<u>29,252</u>	<u>(196,939)</u>	<u>33,692</u>	<u>2,612,291</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 1,000</u>	<u>\$ 3,596</u>	<u>\$ 596</u>	<u>\$ --</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 29,252</u>	<u>\$ --</u>	<u>\$ 35,610</u>	<u>\$ 3,314,315</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	21011100	21011200	21021100	21031100	21041100	21051100
	IDEA	IDEA				
	Part B	Preschool	Title I	Title II	Title III	Title IV
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	464,461	13,396	244,462	106,767	19,848	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 464,461</u>	<u>\$ 13,396</u>	<u>\$ 244,462</u>	<u>\$ 106,767</u>	<u>\$ 19,848</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 3,906	\$ --	\$ 946	\$ 750	\$ 17,780	\$ --
Due to other funds	460,555	13,396	243,516	106,767	2,068	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>464,461</u>	<u>13,396</u>	<u>244,462</u>	<u>107,517</u>	<u>19,848</u>	<u>--</u>
Fund Balances						
Restricted	--	--	--	--	--	--
Unassigned	--	--	--	(750)	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>(750)</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 464,461</u>	<u>\$ 13,396</u>	<u>\$ 244,462</u>	<u>\$ 106,767</u>	<u>\$ 19,848</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	21091100 Perkins Secondary	21162100 USDA Fruits and Veg	21251100 CARES ESSER	21251300 CARES CRF	21251304 CARES Sub Teach	21422400 CS4RI Pathway
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	16,633	6,949	--	--	--	--
Due from other funds	--	--	237	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 16,633</u>	<u>\$ 6,949</u>	<u>\$ 237</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ 3,422	\$ 237	\$ --	\$ --	\$ --
Due to other funds	16,633	345	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>16,633</u>	<u>3,767</u>	<u>237</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	--	3,182	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>3,182</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 16,633</u>	<u>\$ 6,949</u>	<u>\$ 237</u>	<u>\$ --</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, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	22192000 USDA Health School	23021000 Literacy Set Aside	23091000 State Breakfast	23112001 Middle Schl Senate	23112003 Senate BF Norton	23112004 Senate Athletes
Assets						
Cash and cash equivalents	\$ 254	\$ --	\$ --	\$ 3,000	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	146,207	380	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 254</u>	<u>\$ 146,207</u>	<u>\$ 380</u>	<u>\$ 3,000</u>	<u>\$ --</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	568	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>568</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	254	146,207	380	2,432	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>254</u>	<u>146,207</u>	<u>380</u>	<u>2,432</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 254</u>	<u>\$ 146,207</u>	<u>\$ 380</u>	<u>\$ 3,000</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, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	23112005 Senate Guidance	23112006 House of Reps Community	23112007 House of Reps Cumb Hill	23112008 Senate NCMS	23112009 Senate CHS	23183000 RICA Ashton
Assets						
Cash and cash equivalents	\$ --	\$ 2,026	\$ 21	\$ 1,001	\$ 1,000	\$ 400
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 2,026</u>	<u>\$ 21</u>	<u>\$ 1,001</u>	<u>\$ 1,000</u>	<u>\$ 400</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 982	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>982</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	--	2,026	21	19	1,000	400
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>2,026</u>	<u>21</u>	<u>19</u>	<u>1,000</u>	<u>400</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 2,026</u>	<u>\$ 21</u>	<u>\$ 1,001</u>	<u>\$ 1,000</u>	<u>\$ 400</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	23183001 RI Council Cumb Hill	23473000 US DOH	23581000 Perkins CTE	23671000 EL Categorical	24012004 Feinstein CHS	24012005 Feinstein Ashton
Assets						
Cash and cash equivalents	\$ 441	\$ 379	\$ --	\$ --	\$ 950	\$ 34,717
Due from federal & state governments	--	--	--	10,086	--	--
Due from other funds	--	--	41,021	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 41,021</u>	<u>\$ 10,086</u>	<u>\$ 950</u>	<u>\$ 34,717</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ 6,990	\$ --	\$ --	\$ --
Due to other funds	--	--	--	10,086	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>6,990</u>	<u>10,086</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	441	379	34,031	--	950	34,717
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>441</u>	<u>379</u>	<u>34,031</u>	<u>--</u>	<u>950</u>	<u>34,717</u>
Total Liabilities and Fund Balances	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 41,021</u>	<u>\$ 10,086</u>	<u>\$ 950</u>	<u>\$ 34,717</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012006	24012007	24012008	24012014	24012024	24012025
	Kiducation	Feinstein NCSM	RI Found M. Fournier	RI Found L. Deslauriers	Feinstein Cumb Hill	Feinstein BF Norton
Assets						
Cash and cash equivalents	\$ 1,641	\$ 10,402	\$ 396	\$ 12	\$ 20,871	\$ 37,488
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 1,641</u>	<u>\$ 10,402</u>	<u>\$ 396</u>	<u>\$ 12</u>	<u>\$ 20,871</u>	<u>\$ 37,488</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 378	\$ 231
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>378</u>	<u>231</u>
Fund Balances						
Restricted	1,641	10,402	396	12	20,493	37,257
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>1,641</u>	<u>10,402</u>	<u>396</u>	<u>12</u>	<u>20,493</u>	<u>37,257</u>
Total Liabilities and Fund Balances	<u>\$ 1,641</u>	<u>\$ 10,402</u>	<u>\$ 396</u>	<u>\$ 12</u>	<u>\$ 20,871</u>	<u>\$ 37,488</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012030 Sparks BF Norton	24012043 Verizon Foundation	24012044 Cumb Educ Foundation	24012059 Feinstein Community	24012060 Feinstein Garvin	24012081 Feinstein McCourt
Assets						
Cash and cash equivalents	\$ 242	\$ 8,103	\$ 2,435	\$ 16,597	\$ 16,223	\$ 8,000
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 2,435</u>	<u>\$ 16,597</u>	<u>\$ 16,223</u>	<u>\$ 8,000</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ 1,135	\$ --	\$ 76	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>1,135</u>	<u>--</u>	<u>76</u>	<u>--</u>
Fund Balances						
Restricted	242	8,103	1,300	16,597	16,147	8,000
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>242</u>	<u>8,103</u>	<u>1,300</u>	<u>16,597</u>	<u>16,147</u>	<u>8,000</u>
Total Liabilities and Fund Balances	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 2,435</u>	<u>\$ 16,597</u>	<u>\$ 16,223</u>	<u>\$ 8,000</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012082 Feinstein McCourt	24012083 Feinstein NCMS	24012084 Feinstein Preschool Ctr	24012090 Feinstein Preschool	24030009 Feinstein After Schl	24030077 Raytheon Grant
Assets						
Cash and cash equivalents	\$ 12,483	\$ 10,000	\$ 151	\$ 2,000	\$ 2,270	\$ 114
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 12,483</u>	<u>\$ 10,000</u>	<u>\$ 151</u>	<u>\$ 2,000</u>	<u>\$ 2,270</u>	<u>\$ 114</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ 222	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>222</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	12,483	10,000	--	2,000	2,270	114
Unassigned	--	--	(71)	--	--	--
Total Fund Balances	<u>12,483</u>	<u>10,000</u>	<u>(71)</u>	<u>2,000</u>	<u>2,270</u>	<u>114</u>
Total Liabilities and Fund Balances	<u>\$ 12,483</u>	<u>\$ 10,000</u>	<u>\$ 151</u>	<u>\$ 2,000</u>	<u>\$ 2,270</u>	<u>\$ 114</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24040008 Nature Trails	24040085 Brad Faxon / Andrade	24040168 Goodwill Industries	24040180 Go! Grant	24040209 International Library	24040248 RI Healthy Schools
Assets						
Cash and cash equivalents	\$ 4,828	\$ --	\$ 187	\$ 243	\$ 3,450	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 4,828</u>	<u>\$ --</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	4,828	--	187	243	3,450	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>4,828</u>	<u>--</u>	<u>187</u>	<u>243</u>	<u>3,450</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 4,828</u>	<u>\$ --</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS			
	60010000			Total
	Food	High School	Student	School
	Services	Scholarship	Activities	Special
				Revenue
Assets				
Cash and cash equivalents	\$ 729,118	\$ 10,528	\$ 415,338	\$ 1,357,309
Due from federal & state governments	213,610	--	--	1,096,212
Due from other funds	--	--	--	187,845
Other receivables	10,130	--	--	10,130
Total Assets	<u>\$ 952,858</u>	<u>\$ 10,528</u>	<u>\$ 415,338</u>	<u>\$ 2,651,496</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 166,836	\$ --	\$ --	\$ 203,891
Due to other funds	126,530	--	--	980,464
Deposits held	54,175	--	--	54,175
Total Liabilities	<u>347,541</u>	<u>--</u>	<u>--</u>	<u>1,238,530</u>
Fund Balances				
Restricted	605,317	10,528	415,338	1,413,787
Unassigned	--	--	--	(821)
Total Fund Balances	<u>605,317</u>	<u>10,528</u>	<u>415,338</u>	<u>1,412,966</u>
Total Liabilities and Fund Balances	<u>\$ 952,858</u>	<u>\$ 10,528</u>	<u>\$ 415,338</u>	<u>\$ 2,651,496</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	CAPITAL PROJECT FUNDS								
	202	203	204	207	209	210	211	Total	Total
	Drainage	Recreation Bond	Open Space	Road Infrastructure	Tucker Field Phase II	Street Lights	Master Lease	Capital Project Funds	NonMajor Governmental Funds
Assets									
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 454,530	\$ --	\$ --	\$ --	\$ 454,530	\$ 1,952,162
Due from federal & state governments	--	--	--	--	--	--	--	--	1,096,212
Due from other funds	59,446	20,322	565,684	--	12,230	--	--	657,682	3,877,899
Other receivables, net	--	--	--	--	--	--	--	--	151,750
Total Assets	<u>\$ 59,446</u>	<u>\$ 20,322</u>	<u>\$ 565,684</u>	<u>\$ 454,530</u>	<u>\$ 12,230</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,112,212</u>	<u>\$ 4,426,527</u>
Liabilities									
Accounts payable and accrued liabilities	\$ --	\$ --	\$ 8,780	\$ --	\$ --	\$ --	\$ --	\$ 8,780	\$ 284,901
Deposits held	--	--	--	--	--	--	--	--	54,175
Due to other funds	--	--	--	--	--	--	--	--	1,475,838
Unearned revenue	--	--	--	--	--	--	--	--	134,420
Total Liabilities	<u>--</u>	<u>--</u>	<u>8,780</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>8,780</u>	<u>710,804</u>
Fund Balances									
Restricted	59,446	20,322	556,904	--	--	--	--	636,672	2,526,174
Committed	--	--	--	454,530	12,230	--	--	466,760	3,142,777
Unassigned	--	--	--	--	--	--	--	--	(540,262)
Total Fund Balances	<u>59,446</u>	<u>20,322</u>	<u>556,904</u>	<u>454,530</u>	<u>12,230</u>	<u>--</u>	<u>--</u>	<u>1,103,432</u>	<u>3,715,723</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 59,446</u>	<u>\$ 20,322</u>	<u>\$ 565,684</u>	<u>\$ 454,530</u>	<u>\$ 12,230</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,112,212</u>	<u>\$ 4,426,527</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, 2021

	TOWN SPECIAL REVENUE FUNDS						
	300 DEM Grant Diamond Hill	302 Substance Abuse	303 Animal Control	304 Impact Fees	306 Sewer Ferncrest	312 Revolving Loan	313 Historical Records
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other	122,942	--	--	138,659	18,186	--	8,257
Total Revenues	<u>122,942</u>	<u>--</u>	<u>--</u>	<u>138,659</u>	<u>18,186</u>	<u>--</u>	<u>8,257</u>
Expenditures							
Current							
General government	--	--	--	--	--	50,047	27,975
Public safety	--	--	3,330	--	--	--	--
Public works	--	--	--	--	17,850	--	--
Parks and recreation	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Capital Outlays	<u>246,900</u>	<u>--</u>	<u>25,324</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>246,900</u>	<u>--</u>	<u>28,654</u>	<u>--</u>	<u>17,850</u>	<u>50,047</u>	<u>27,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(123,958)</u>	<u>--</u>	<u>(28,654)</u>	<u>138,659</u>	<u>336</u>	<u>(50,047)</u>	<u>(19,718)</u>
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>(138,647)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(138,647)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(123,958)	--	(28,654)	12	336	(50,047)	(19,718)
Fund Balance - Beginning of Year	<u>(53,391)</u>	<u>(883)</u>	<u>37,166</u>	<u>86,530</u>	<u>(46,470)</u>	<u>50,047</u>	<u>41,530</u>
Fund Balance - End of Year	<u>\$ (177,349)</u>	<u>\$ (883)</u>	<u>\$ 8,512</u>	<u>\$ 86,542</u>	<u>\$ (46,134)</u>	<u>\$ --</u>	<u>\$ 21,812</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, 2021

	TOWN SPECIAL REVENUE FUNDS							
	314	316	318	321	325	326	327	328
	EPHETA		EMS			OCYL		
	Park	CDBG	Grants /	Animal	Library	Donation	OCYL	
	Grant	2017	Donations	Husbandry	Legislative	Fund	BT Fund	DARE
Revenues								
Intergovernmental	\$ --	\$ 27,482	\$ --	\$ --	\$ 1,000	\$ --	\$ --	\$ --
Other	--	--	69,469	8,695	--	3,606	--	--
Total Revenues	<u>--</u>	<u>27,482</u>	<u>69,469</u>	<u>8,695</u>	<u>1,000</u>	<u>3,606</u>	<u>--</u>	<u>--</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	--	--
Public safety	--	--	35,323	--	--	--	--	4,576
Public works	--	--	--	--	--	--	--	--
Parks and recreation	2,247	--	--	--	--	--	4,653	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	<u>89,094</u>	<u>65,599</u>	<u>23,220</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>91,341</u>	<u>65,599</u>	<u>58,543</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,653</u>	<u>4,576</u>
Excess (Deficiency) of Revenues Over								
(Under) Expenditures	<u>(91,341)</u>	<u>(38,117)</u>	<u>10,926</u>	<u>8,695</u>	<u>1,000</u>	<u>3,606</u>	<u>(4,653)</u>	<u>(4,576)</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(91,341)	(38,117)	10,926	8,695	1,000	3,606	(4,653)	(4,576)
Fund Balance - Beginning of Year	<u>12,335</u>	<u>16,650</u>	<u>14,583</u>	<u>15,722</u>	<u>--</u>	<u>--</u>	<u>11,329</u>	<u>4,576</u>
Fund Balance - End of Year	<u>\$ (79,006)</u>	<u>\$ (21,467)</u>	<u>\$ 25,509</u>	<u>\$ 24,417</u>	<u>\$ 1,000</u>	<u>\$ 3,606</u>	<u>\$ 6,676</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS							
	330	331	333	334	335	338	339	340
	Albion Landfill	Police Forfeiture	Community Donation	CTCL Covid-19	Election Improvements	DPH HL Security EMA	Special Reserve	Bulletproof Vest
Revenues								
Intergovernmental	\$ --	\$ --	\$ --	\$ 15,654	8,761	\$ --	\$ --	\$ --
Other	3,324	--	--	--	--	--	1,528,000	34,502
Total Revenues	<u>3,324</u>	<u>--</u>	<u>--</u>	<u>15,654</u>	<u>8,761</u>	<u>--</u>	<u>1,528,000</u>	<u>34,502</u>
Expenditures								
Current								
General government	--	--	--	15,006	10,202	--	5,375	--
Public safety	--	4,267	--	--	--	35,244	--	--
Public works	5,636	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	--	--	--	--	--	--	28,650	--
Total Expenditures	<u>5,636</u>	<u>4,267</u>	<u>--</u>	<u>15,006</u>	<u>10,202</u>	<u>35,244</u>	<u>34,025</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,312)</u>	<u>(4,267)</u>	<u>--</u>	<u>648</u>	<u>(1,441)</u>	<u>(35,244)</u>	<u>1,493,975</u>	<u>34,502</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(2,312)	(4,267)	--	648	(1,441)	(35,244)	1,493,975	34,502
Fund Balance - Beginning of Year	<u>(5,162)</u>	<u>42,396</u>	<u>1,497</u>	<u>--</u>	<u>1,580</u>	<u>41,161</u>	<u>1,095,000</u>	<u>(1,937)</u>
Fund Balance - End of Year	<u>\$ (7,474)</u>	<u>\$ 38,129</u>	<u>\$ 1,497</u>	<u>\$ 648</u>	<u>\$ 139</u>	<u>\$ 5,917</u>	<u>\$ 2,588,975</u>	<u>\$ 32,565</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	TOWN SPECIAL REVENUE FUNDS							
	343	344	345	346	348	349	350	352
	Partnership For Success	RIPTIDE DUI	RI Found Comm Grant	Distracted Driving	RIPTIDE Speed	Child Passenger Safety	Town Clerk Special	Click It or Ticket
Revenues								
Intergovernmental	\$ --	\$ 2,418	\$ --	\$ 1,476	\$ 3,619	\$ 2,347	\$ --	\$ --
Other	--	--	--	--	--	--	50,023	7,875
Total Revenues	<u>--</u>	<u>2,418</u>	<u>--</u>	<u>1,476</u>	<u>3,619</u>	<u>2,347</u>	<u>50,023</u>	<u>7,875</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	32,036	--
Public safety	--	2,067	--	1,447	3,890	2,274	--	7,385
Public works	--	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,165</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>--</u>	<u>2,067</u>	<u>--</u>	<u>1,447</u>	<u>11,055</u>	<u>2,274</u>	<u>32,036</u>	<u>7,385</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>351</u>	<u>--</u>	<u>29</u>	<u>(7,436)</u>	<u>73</u>	<u>17,987</u>	<u>490</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	--	351	--	29	(7,436)	73	17,987	490
Fund Balance - Beginning of Year	<u>(1,847)</u>	<u>18</u>	<u>1,348</u>	<u>(783)</u>	<u>971</u>	<u>596</u>	<u>207,775</u>	<u>714</u>
Fund Balance - End of Year	<u>\$ (1,847)</u>	<u>\$ 369</u>	<u>\$ 1,348</u>	<u>\$ (754)</u>	<u>\$ (6,465)</u>	<u>\$ 669</u>	<u>\$ 225,762</u>	<u>\$ 1,204</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, 2021

	TOWN SPECIAL REVENUE FUNDS									
	355	357	361	367	371	372	380	418	419	
	Historic District	RIEMA Hazard Mitigation	PED Bike	Assistance for Firefighters	RI Found Sign Grant	Ruth E. Carpenter	Outdoor Commerce Grant	CDBG 2018	CDBG 2019	Total Town Special Revenue Funds
Revenues										
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ 10,000	\$ --	\$ 75,000	\$ 218,641	\$ 31,110	\$ 397,508
Other	10,000	--	--	--	--	1,500	--	--	5,069	2,010,107
Total Revenues	<u>10,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>10,000</u>	<u>1,500</u>	<u>75,000</u>	<u>218,641</u>	<u>36,179</u>	<u>2,407,615</u>
Expenditures										
Current										
General government	--	--	--	--	2,700	--	45,748	--	--	189,089
Public safety	--	--	--	--	--	--	--	--	--	99,803
Public works	--	--	--	--	--	--	--	100,606	--	124,092
Parks and recreation	--	--	--	--	--	--	--	--	--	6,900
Education	--	--	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--	--	--
Capital Outlays	--	--	--	--	--	--	--	259,196	--	745,148
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,700</u>	<u>--</u>	<u>45,748</u>	<u>359,802</u>	<u>--</u>	<u>1,165,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,300</u>	<u>1,500</u>	<u>29,252</u>	<u>(141,161)</u>	<u>36,179</u>	<u>1,242,583</u>
Other Financing Sources (Uses)										
Transfers in	--	--	--	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--	--	--	(138,647)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(138,647)</u>
Net Change in Fund Balances	10,000	--	--	--	7,300	1,500	29,252	(141,161)	36,179	1,103,936
Fund Balance - Beginning of Year	<u>(9,500)</u>	<u>3,596</u>	<u>596</u>	<u>(1,123)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(55,778)</u>	<u>(2,487)</u>	<u>1,508,355</u>
Fund Balance - End of Year	<u>\$ 500</u>	<u>\$ 3,596</u>	<u>\$ 596</u>	<u>\$ (1,123)</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 29,252</u>	<u>\$ (196,939)</u>	<u>\$ 33,692</u>	<u>\$ 2,612,291</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, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	21011100	21011200	21021100	21031100	21041100	21051100
	IDEA	IDEA	Title I	Title II	Title III	Title IV
	Part B	Preschool				
Revenues						
Intergovernmental	\$ 1,278,261	\$ 32,622	\$ 627,821	\$ 197,675	\$ 19,848	\$ 70,073
Other revenue	--	--	--	--	--	--
Total Revenues	<u>1,278,261</u>	<u>32,622</u>	<u>627,821</u>	<u>197,675</u>	<u>19,848</u>	<u>70,073</u>
Expenditures						
Education	1,278,261	32,622	627,821	198,425	19,848	70,073
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>1,278,261</u>	<u>32,622</u>	<u>627,821</u>	<u>198,425</u>	<u>19,848</u>	<u>70,073</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>(750)</u>	<u>--</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>(750)</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (750)</u>	<u>\$ --</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	21091100 Perkins Secondary	21162100 USDA Fruits and Veg	21251100 CARES ESSER	21251300 CARES CRF	21251304 CARES Sub Teach	21422400 CS4RI Pathway
Revenues						
Intergovernmental	\$ 74,737	\$ 30,290	\$ --	\$ 636,001	\$ 84,719	\$ 22,433
Other revenue	--	--	--	--	--	--
Total Revenues	<u>74,737</u>	<u>30,290</u>	<u>--</u>	<u>636,001</u>	<u>84,719</u>	<u>22,433</u>
Expenditures						
Education	74,737	30,020	--	636,001	84,719	22,433
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>74,737</u>	<u>30,020</u>	<u>--</u>	<u>636,001</u>	<u>84,719</u>	<u>22,433</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>270</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>--</u>	<u>270</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>--</u>	<u>2,912</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 3,182</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	22192000 USDA Health School	23021000 Literacy Set Aside	23091000 State Breakfast	23112001 Middle Schl Senate	23112003 Senate BF Norton	23112004 Senate Athletes
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ 3,000	\$ --	\$ 1,000
Other revenue	--	--	--	--	2,000	--
Total Revenues	--	--	--	3,000	2,000	1,000
Expenditures						
Education	--	--	--	568	4,269	1,004
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	--	--	568	4,269	1,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	--	2,432	(2,269)	(4)
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	--	--	2,432	(2,269)	(4)
Fund Balances - Beginning of Year, as restated	254	146,207	380	--	2,269	4
Fund Balances - End of Year	<u>\$ 254</u>	<u>\$ 146,207</u>	<u>\$ 380</u>	<u>\$ 2,432</u>	<u>\$ --</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	23112005 Senate Guidance	23112006 House of Reps Community	23112007 House of Reps Cumb Hill	23112008 Senate NCMS	23112009 Senate CHS	23183000 RICA Ashton
Revenues						
Intergovernmental	\$ --	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ --
Other revenue	10,000	--	--	-	--	--
Total Revenues	<u>10,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>--</u>
Expenditures						
Education	10,222	--	979	982	--	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>10,222</u>	<u>--</u>	<u>979</u>	<u>982</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(222)</u>	<u>1,000</u>	<u>21</u>	<u>18</u>	<u>1,000</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(222)</u>	<u>1,000</u>	<u>21</u>	<u>18</u>	<u>1,000</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>222</u>	<u>1,026</u>	<u>--</u>	<u>1</u>	<u>--</u>	<u>400</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 2,026</u>	<u>\$ 21</u>	<u>\$ 19</u>	<u>\$ 1,000</u>	<u>\$ 400</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	23183001 RI Council Cumb Hill	23473000 US DOH	23581000 Perkins CTE	23671000 EL Categorical	24012004 Feinstein CHS	24012005 Feinstein Ashton
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ 16,812	\$ --	\$ --
Other revenue	--	--	--	--	--	31,000
Total Revenues	--	--	--	16,812	--	31,000
Expenditures						
Education	--	--	11,751	16,812	--	97
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	--	11,751	16,812	--	97
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	(11,751)	--	--	30,903
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	--	(11,751)	--	--	30,903
Fund Balances - Beginning of Year, as restated	441	379	45,782	--	950	3,814
Fund Balances - End of Year	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 34,031</u>	<u>\$ --</u>	<u>\$ 950</u>	<u>\$ 34,717</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, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012006	24012007	24012008	24012014	24012024	24012025
	Kiducation	Feinstein NCSM	RI Found M. Fournier	RI Found L. Deslauriers	Feinstein Cumb Hill	Feinstein BF Norton
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	2,000	--	--	12,581	27,000
Total Revenues	<u>--</u>	<u>2,000</u>	<u>--</u>	<u>--</u>	<u>12,581</u>	<u>27,000</u>
Expenditures						
Education	--	--	159	--	1,077	2,656
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>159</u>	<u>--</u>	<u>1,077</u>	<u>2,656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>2,000</u>	<u>(159)</u>	<u>--</u>	<u>11,504</u>	<u>24,344</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>--</u>	<u>2,000</u>	<u>(159)</u>	<u>--</u>	<u>11,504</u>	<u>24,344</u>
Fund Balances - Beginning of Year, as restated	<u>1,641</u>	<u>8,402</u>	<u>555</u>	<u>12</u>	<u>8,989</u>	<u>12,913</u>
Fund Balances - End of Year	<u><u>\$ 1,641</u></u>	<u><u>\$ 10,402</u></u>	<u><u>\$ 396</u></u>	<u><u>\$ 12</u></u>	<u><u>\$ 20,493</u></u>	<u><u>\$ 37,257</u></u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012030 Sparks BF Norton	24012043 Verizon Foundation	24012044 Cumb Educ Foundation	24012059 Feinstein Community	24012060 Feinstein Garvin	24012081 Feinstein McCourt
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	7,991	12,000	12,000	8,000
Total Revenues	--	--	7,991	12,000	12,000	8,000
Expenditures						
Education	--	--	7,991	--	906	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	--	7,991	--	906	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	--	12,000	11,094	8,000
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	--	--	12,000	11,094	8,000
Fund Balances - Beginning of Year, as restated	242	8,103	1,300	4,597	5,053	--
Fund Balances - End of Year	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 1,300</u>	<u>\$ 16,597</u>	<u>\$ 16,147</u>	<u>\$ 8,000</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24012082 Feinstein McCourt	24012083 Feinstein NCMS	24012084 Feinstein Preschool Ctr	24012090 Feinstein Preschool	24030009 Feinstein After Schl	24030077 Raytheon Grant
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	2,555	10,000	2,000	2,000	--	--
Total Revenues	<u>2,555</u>	<u>10,000</u>	<u>2,000</u>	<u>2,000</u>	<u>--</u>	<u>--</u>
Expenditures						
Education	--	--	2,071	--	5	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>2,071</u>	<u>--</u>	<u>5</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,555</u>	<u>10,000</u>	<u>(71)</u>	<u>2,000</u>	<u>(5)</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>2,555</u>	<u>10,000</u>	<u>(71)</u>	<u>2,000</u>	<u>(5)</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>9,928</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,275</u>	<u>114</u>
Fund Balances - End of Year	<u>\$ 12,483</u>	<u>\$ 10,000</u>	<u>\$ (71)</u>	<u>\$ 2,000</u>	<u>\$ 2,270</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, 2021

	SCHOOL SPECIAL REVENUE FUNDS					
	24040008 Nature Trails	24040085 Brad Faxon / Andrade	24040168 Goodwill Industries	24040180 Go! Grant	24040209 International Library	24040248 RI Healthy Schools
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,297
Other revenue	--	--	--	--	--	--
Total Revenues	--	--	--	--	--	2,297
Expenditures						
Education	--	--	--	--	--	2,297
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	--	--	--	--	2,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	--	--	--	--
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	--	--	--	--	--
Fund Balances - Beginning of Year, as restated	4,828	--	187	243	3,450	--
Fund Balances - End of Year	<u>\$ 4,828</u>	<u>\$ --</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	SCHOOL SPECIAL REVENUE FUNDS			
	60010000 Food Services	High School Scholarship	Student Activities	Total School Special Revenue
Revenues				
Intergovernmental	\$ 1,138,902	\$ --	\$ --	\$ 4,240,491
Other revenue	--	--	225,985	367,112
Total Revenues	<u>1,138,902</u>	<u>--</u>	<u>225,985</u>	<u>4,607,603</u>
Expenditures				
Education	910,972	54,774	214,038	4,318,590
Capital outlay	--	--	--	--
Total Expenditures	<u>910,972</u>	<u>54,774</u>	<u>214,038</u>	<u>4,318,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>227,930</u>	<u>(54,774)</u>	<u>11,947</u>	<u>289,013</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>227,930</u>	<u>(54,774)</u>	<u>11,947</u>	<u>289,013</u>
Fund Balances - Beginning of Year, as restated	<u>377,387</u>	<u>65,302</u>	<u>403,391</u>	<u>1,123,953</u>
Fund Balances - End of Year	<u>\$ 605,317</u>	<u>\$ 10,528</u>	<u>\$ 415,338</u>	<u>\$ 1,412,966</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	CAPITAL PROJECT FUNDS							Total NonMajor Governmental Funds
	202	203	204	207	209	210	211	
	Drainage	Recreation Bond	Open Space	Road Infrastructure	Tucker Field Phase II	Street Lights	Master Lease	Total Capital Project Funds
Revenues								
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 4,637,999
Other	--	--	--	28,214	--	37,925	--	2,443,358
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,214</u>	<u>--</u>	<u>37,925</u>	<u>--</u>	<u>2,473,754</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	13,775	202,864
Public safety	--	--	--	--	--	--	--	99,803
Public works	19,550	--	--	41,817	--	--	--	185,459
Parks and recreation	--	735	19,185	--	--	--	--	26,820
Education	--	--	--	--	--	--	--	4,318,590
Debt Service	--	--	5,679	--	--	--	--	5,679
Capital Outlays	--	--	60,768	2,053,727	--	--	--	2,859,643
Total Expenditures	<u>19,550</u>	<u>735</u>	<u>85,632</u>	<u>2,095,544</u>	<u>--</u>	<u>--</u>	<u>13,775</u>	<u>3,380,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,550)</u>	<u>(735)</u>	<u>(85,632)</u>	<u>(2,067,330)</u>	<u>--</u>	<u>37,925</u>	<u>(13,775)</u>	<u>(906,514)</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--	(138,647)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(138,647)</u>
Net Change in Fund Balances	<u>(19,550)</u>	<u>(735)</u>	<u>(85,632)</u>	<u>(2,067,330)</u>	<u>--</u>	<u>37,925</u>	<u>(13,775)</u>	<u>(1,045,161)</u>
Fund Balance - Beginning of Year, as restated	<u>78,996</u>	<u>21,057</u>	<u>642,536</u>	<u>2,521,860</u>	<u>12,230</u>	<u>(37,925)</u>	<u>13,775</u>	<u>5,884,837</u>
Fund Balance - End of Year	<u>\$ 59,446</u>	<u>\$ 20,322</u>	<u>\$ 556,904</u>	<u>\$ 454,530</u>	<u>\$ 12,230</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,839,676</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, 2021

	710 Police Pension Trust	713 Town OPEB Trust	Total
Assets			
Cash and cash equivalents	\$ 809,937	\$ 757,508	\$ 1,567,445
Receivables	--	10,282	10,282
<i>Investments, at fair value</i>			
Fixed income	8,130,463	1,572,170	9,702,633
Equities	18,034,228	4,169,861	22,204,089
Total Assets	<u>\$ 26,974,628</u>	<u>\$ 6,509,821</u>	<u>\$ 33,484,449</u>
Liabilities			
Other liabilities	\$ 1,644	\$ --	\$ 1,644
Total Liabilities	<u>\$ 1,644</u>	<u>\$ --</u>	<u>\$ 1,644</u>
Net Position			
Restricted for Pension benefits	\$ 26,972,984	\$ --	\$ 26,972,984
Restricted for OPEB benefits	--	6,509,821	6,509,821
Total Net Position	<u>\$ 26,972,984</u>	<u>\$ 6,509,821</u>	<u>\$ 33,482,805</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, 2021

	710 Police Pension Trust	713 Town OPEB Trust	Total
Additions			
Employer contributions	\$ 2,508,000	\$ 1,386,878	\$ 3,894,878
Member contributions	290,468	--	290,468
Net investment income	<u>5,114,335</u>	<u>1,228,643</u>	<u>6,342,978</u>
Total Additions	<u>7,912,803</u>	<u>2,615,521</u>	<u>10,528,324</u>
Deductions			
Benefits paid	2,266,811	1,252,909	3,519,720
Administrative expenses	<u>56,538</u>	<u>18,539</u>	<u>75,077</u>
Total Deductions	<u>2,323,349</u>	<u>1,271,448</u>	<u>3,594,797</u>
Change in Net Position	5,589,454	1,344,073	6,933,527
Net Position - Beginning of Year	<u>21,383,530</u>	<u>5,165,748</u>	<u>26,549,278</u>
Net Position - End of Year	<u><u>\$ 26,972,984</u></u>	<u><u>\$ 6,509,821</u></u>	<u><u>\$ 33,482,805</u></u>

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