

February 17, 2023

To the Honorable Town Council of
Town of Cumberland

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Cumberland are described in Note 1 to the financial statements. The Town adopted GASB Statement No. 87, *Leases* which did not have a material impact on the Town's financial statements. No additional new accounting policies were adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the Town of Cumberland during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Town's financial statements was:

Management's estimate of the factors leading to the valuation of the private pension liability and OPEB liability is based on the discussions between the Town and the Actuary. We evaluated the key factors and assumptions used to develop the private pension liability and OPEB related accounts in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of net pension liability and OPEB liability in Note 9 and 10, respectively to the financial statements is reliant upon various estimates agreed upon by the Town and the Actuary.

The financial statement disclosures are neutral, consistent, and clear.

Independence

During the year ended 2022, we were engaged to provide nonattest services mainly related to the preparation of financial statements, preparing journal entries other than proposed journal entries and assisting in the preparation of the Data Collection Form submitted to the Federal Audit Clearinghouse. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 17, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Town of Cumberland’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town of Cumberland’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. See findings noted in Marcum’s single audit report.

Other Matters

We applied certain limited procedures to 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 OPEB Liability and Related Ratios, Schedule of Town’s Contributions and accompanying notes, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were engaged to report on other information accompanying the financial statements, which accompany the financial statements but are not RSI. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Restriction on Use

This information is intended solely for the use of Town Council and management of the Town of Cumberland and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Marcum LLP". The script is cursive and fluid, with the letters "M", "L", and "P" being particularly prominent.

Marcum LLP

TOWN OF CUMBERLAND, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

TOWN OF CUMBERLAND, RHODE ISLAND

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island (Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Emphasis of Matter

Adoption of Internal Service Funds

During the year ended June 30, 2022 the Town created internal service funds for both the Town and School Department's health care funds. The impact of the creation of these funds can be found within Note 15 of these financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 5 through 14, and required supplementary information presented on pages 100 through 131, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information on pages 132 through 179, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The supplementary information presented on pages 132 through 179 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 supplementary information presented on pages 132 through 179 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 February 17, 2023, on our consideration of the Town of Cumberland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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

Providence, RI
February 17, 2023

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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, 2022. 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, 2022 by \$57,194,498 for its Governmental Activities and \$26,726,977 for its Business-Type Activities (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town's total net position increased by \$14,354,707 for its Governmental Activities and decreased by \$1,148,368 for its 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 \$26.4 million a decrease of \$6.5 million from the previous year. Approximately 17.8% of this total, \$4.7 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 \$23.6 million, or 24.9% of total general fund expenditures and other net financing uses. Of this amount, the unassigned fund balance for the General Fund was \$13.0 million, which is available for spending at the Town's discretion.
- The remaining balance consisted of:
 - \$4,765,104 non-spendable, of which \$4,540,091 are funds advanced to the Water Fund and \$225,013 are prepaid items.
 - Restricted Funds of \$3,482,330 which consists of School Special Revenue Grant Funds in the amount of \$2,214,500, Capital Projects Funds of \$308,604 and Town Special Revenue Grant Funds of \$959,226.
 - Committed Funds of \$7,656,281 which consists of the School Unrestricted Fund balance of \$4,423,847, Sewer funds of \$391,847, Capital Projects of \$20,487 and Town Special Revenue Funds of \$2,820,100.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

- Assigned Funds of \$5,776,596 which consists of \$2,245,185 of revenue stabilization funds, town capital project funds of \$1,657,471, school capital project funds of \$600,000, debt service funds of \$550,000, community and economic funds of \$441,916, senior center funds of \$11,310, office of children youth and learning funds of \$141,821, library funds of \$33,042 and recreation program funds of \$95,851.

Overview of the Financial Statements:

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

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

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

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

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

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term (current) inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Cumberland maintains one hundred and twelve (112) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, School Unrestricted Fund, Public Safety Bond Fund, Sewer Fund, and School Renovations Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

A Budgetary comparison statement has been provided on pages 116 through 126.

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

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Cumberland's own programs. The Town maintains three types of fiduciary funds: Custodial Funds, Employee Benefit Trust Funds and Private Purpose Trust Funds. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

Notes to the Financial Statements can be found on pages 28-99 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 100-131 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 141-179 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 \$83,921,475 at the end of the fiscal year ended June 30, 2022.

The Town of Cumberland's unrestricted net deficit at June 30, 2022 is \$(45,392,582). 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, 2022

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 \$18.9 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Current & other assets	\$ 112,515,857	\$ 105,675,189	\$ 1,561,309	\$ 4,083,215	\$ 114,077,166	\$ 109,758,404	3.9%
Capital assets	<u>124,631,502</u>	<u>116,730,374</u>	<u>41,843,010</u>	<u>41,532,099</u>	<u>166,474,512</u>	<u>158,262,473</u>	5.2%
Total assets	<u>237,147,359</u>	<u>222,405,563</u>	<u>43,404,319</u>	<u>45,615,314</u>	<u>280,551,678</u>	<u>268,020,877</u>	4.7%
Deferred outflows of resources	<u>21,938,937</u>	<u>20,723,351</u>	<u>--</u>	<u>--</u>	<u>21,938,937</u>	<u>20,723,351</u>	5.9%
Current liabilities	49,181,310	42,281,901	1,635,324	1,689,076	50,816,634	43,970,977	15.6%
Long-term liabilities	<u>119,591,048</u>	<u>142,838,898</u>	<u>15,042,018</u>	<u>16,050,893</u>	<u>134,633,066</u>	<u>158,889,791</u>	-15.3%
Total liabilities	<u>168,772,358</u>	<u>185,120,799</u>	<u>16,677,342</u>	<u>17,739,969</u>	<u>185,449,700</u>	<u>202,860,768</u>	-8.6%
Deferred inflows of resources	<u>33,119,440</u>	<u>15,168,324</u>	<u>--</u>	<u>--</u>	<u>33,119,440</u>	<u>15,168,324</u>	118.3%
Net investment in capital assets	83,001,849	70,360,317	27,382,172	27,012,213	110,384,021	97,372,530	13.4%
Restricted	17,539,096	11,290,054	1,390,940	1,543,939	18,930,036	12,833,993	47.5%
Unrestricted	<u>(43,346,447)</u>	<u>(38,810,580)</u>	<u>(2,046,135)</u>	<u>(680,807)</u>	<u>(45,392,582)</u>	<u>(39,491,387)</u>	14.9%
Total net position	<u>\$ 57,194,498</u>	<u>\$ 42,839,791</u>	<u>\$ 26,726,977</u>	<u>\$ 27,875,345</u>	<u>\$ 83,921,475</u>	<u>\$ 70,715,136</u>	18.7%

On June 30, 2022, the Town has a positive balance in the Water Fund. The Water Fund had a decrease in net position of \$1,148,368.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Governmental Activities

Governmental Activities net position increased by \$14,354,707. Property taxes are the largest revenue source for governmental activities, accounting for 57.2% of total revenues while operating grants and contributions contributed to 31.3% of the revenues. A comparison of FY 2022 and FY 2021 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>		
	2022	2021	2022	2021	2022	2021	Percent Change
Revenues							
Program revenues:							
Charges for services	\$ 7,923,803	\$ 5,788,636	\$ 4,925,739	\$ 6,119,677	\$ 12,849,542	\$ 11,908,313	7.9%
Operating grants	38,830,307	31,018,675	--	--	38,830,307	31,018,675	25.2%
Capital grants	686,595	478,319	--	--	686,595	478,319	43.5%
General revenues:							
Property taxes	72,127,521	66,409,769	--	--	72,127,521	66,409,769	8.6%
State aid town	4,128,226	4,180,499	--	--	4,128,226	4,180,499	-1.3%
State aid to education	1,873,793	1,991,408	--	--	1,873,793	1,991,408	-5.9%
Unrestricted investment earnings	--	221,106	--	--	--	221,106	-100.0%
Other	520,029	295,178	(153,000)	154,613	367,029	449,791	-18.4%
Total Revenue	<u>126,090,274</u>	<u>110,383,590</u>	<u>4,772,739</u>	<u>6,274,290</u>	<u>130,863,013</u>	<u>116,657,880</u>	<u>12.2%</u>
Program Expenses							
General government	1,091,047	2,299,202	--	--	1,091,047	2,299,202	-52.5%
Community development	531,856	1,078,422	--	--	531,856	1,078,422	-50.7%
Public safety	12,474,365	11,961,239	--	--	12,474,365	11,961,239	4.3%
Public works	8,608,832	7,692,505	--	--	8,608,832	7,692,505	11.9%
Public libraries	2,879,121	2,660,727	--	--	2,879,121	2,660,727	8.2%
Education	83,152,347	79,823,107	--	--	83,152,347	79,823,107	4.2%
Parks and recreation	1,385,542	342,946	--	--	1,385,542	342,946	304.0%
Interest on long-term debt	1,697,457	1,171,574	--	--	1,697,457	1,171,574	44.9%
Water	--	--	5,836,107	6,041,405	5,836,107	6,041,405	-3.4%
Total Program Expenses	<u>111,820,567</u>	<u>107,029,722</u>	<u>5,836,107</u>	<u>6,041,405</u>	<u>117,656,674</u>	<u>113,071,127</u>	<u>4.1%</u>
Change in net position prior to transfers	14,269,707	3,353,868	(1,063,368)	232,885	13,206,339	3,586,753	268.2%
Transfers	85,000	75,000	(85,000)	(75,000)	--	--	0.0%
Change in net position	14,354,707	3,428,868	(1,148,368)	157,885	13,206,339	3,586,753	268.2%
Net Position - Beginning, as resated	<u>42,839,791</u>	<u>39,410,923</u>	<u>27,875,345</u>	<u>27,717,460</u>	<u>70,715,136</u>	<u>67,128,383</u>	<u>5.3%</u>
Net Position - Ending	<u>\$ 57,194,498</u>	<u>\$ 42,839,791</u>	<u>\$ 26,726,977</u>	<u>\$ 27,875,345</u>	<u>\$ 83,921,475</u>	<u>\$ 70,715,136</u>	<u>18.7%</u>

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

- Property taxes revenue increased \$5,717,752 or 8.6% for fiscal year 2022 due to the timing of taxes received within 60 days after year end.
- Charges for services increased by \$941,229 or 7.9%. 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 increase of \$8,019,908 or 25.5%. Increases relate primarily to CARES act education grants received in FY2022.
- Education expenses account for approximately 70.6% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 10.6% and 6.8%, respectively, general government makes up 2.0% 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) decreased by \$1,148,368 which is a 4.1% decrease in business-type activities net position.

Charges for services for Water Fund decreased \$4,925,739 or 19.5% while expenses increased \$205,298 or 3.4%.

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 \$26.4 million. Approximately 17.8% of this amount, \$4.7 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 \$13.0 million, which is included in the total fund balance of \$23.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.8% of the 2022 Adopted General Fund Expenditure Budget.

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

The total fund balance of the Town's General Fund increased by \$1,112,510 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 \$1,646,966 thousand during the current fiscal year.

General Fund Budgetary Highlights

The Town finished the 2021-2022 Fiscal Year with budgetary surpluses (deficits) as follows:

- General Fund - \$1,572,689
- School Unrestricted Fund - \$0
- Sewer Fund - \$127,931
- Water Fund – (\$1,223,159)

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 \$2,538,508. Federal and State funds, primarily associated with Covid pandemic increased intergovernmental funds. Fringe benefit expenditures were over budget \$588,698.

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, 2022, amounts to \$166,474,512 (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 \$11,462,362.

	Gross Governmental Capital Assets	
	June 30, 2022	June 30, 2021
Land	\$ 23,431,923	\$ 23,431,923
Work in progress	10,824,128	3,131,786
Land improvements	4,435,691	4,412,241
Infrastructure	37,945,110	35,576,233
Buildings and improvements	102,737,357	102,132,665
Machinery and equipment	6,999,591	6,721,400
Vehicles	6,386,848	5,892,038
	<u>\$ 192,760,648</u>	<u>\$ 181,298,286</u>

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

- School Improvements from bond fund
- Street pavement and road infrastructure improvements
- Senior Center design
- Albion Road Landfill
- Diamond Hill Trailhead facilities

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

Long-term Debt – At the end of the current fiscal year, the Town of Cumberland's governmental activities had \$18,555,000 in bonds outstanding, compared to \$21,045,000 last year, a decrease of \$2,490,000. 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, 2022, the Town had a legal debt limit of \$131,178,995, based on net assessed valuations as of December 31, 2020. As of June 30, 2022, the Town had outstanding debt subject to the 3% debt limit of \$18,555,000.

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

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

General Economic Factors

The October 2022 unemployment rate (not seasonally adjusted) for the Town of Cumberland was 2.8%, which compares favorably to the unemployment rate of the State of Rhode Island at 3.3% and favorably to the national rate of 3.7% from the same period. According to the most recent census data the median family income of the Town was \$104,613, compared to the State average of \$74,489. The median family income in the Town increased from \$63,194 in 2000, an increase of 65.5%. The Town's median family income ranks fifth among Rhode Island cities and towns.

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

TOWN OF CUMBERLAND, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 42,208,787	\$ 2,888,047	\$ 45,096,834
Restricted cash	9,804,518	1,390,940	11,195,458
Investments	212,170	--	212,170
Funds on deposit	444,201	--	444,201
Tax receivable, net	34,921,597	--	34,921,597
Accounts receivable, net	1,161,135	325,989	1,487,124
Sewer use and assessment receivable	740,307	--	740,307
Due from federal and state governments	2,155,146	1,496,424	3,651,570
Prepays and other assets	2,271,139	--	2,271,139
Total Current Assets	<u>93,919,000</u>	<u>6,101,400</u>	<u>100,020,400</u>
Noncurrent Assets			
Internal balances	4,540,091	(4,540,091)	--
Net pension asset	14,056,766	--	14,056,766
Capital assets not being depreciated	34,256,051	1,286,028	35,542,079
Capital assets, net of accumulated depreciation	<u>90,375,451</u>	<u>40,556,982</u>	<u>130,932,433</u>
Total Noncurrent Assets	<u>143,228,359</u>	<u>37,302,919</u>	<u>180,531,278</u>
Total Assets	<u>237,147,359</u>	<u>43,404,319</u>	<u>280,551,678</u>
Deferred Outflows of Resources			
Pension related deferred outflows of resources	20,443,866	--	20,443,866
OPEB related deferred outflows of resources	<u>1,495,071</u>	<u>--</u>	<u>1,495,071</u>
Total Deferred Outflows of Resources	<u>21,938,937</u>	<u>--</u>	<u>21,938,937</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	4,959,639	620,716	5,580,355
Bond anticipation note	33,000,000	--	33,000,000
Unearned revenue	5,380,137	--	5,380,137
Escrow deposits	45,338	--	45,338
Current portion of compensated absences	254,831	9,936	264,767
Current portion of other commitments	17,850	--	17,850
Current portion of deferred salaries	50,448	--	50,448
Current portion of general obligation bonds	4,131,946	899,730	5,031,676
Current portion of capital lease obligations	1,341,121	104,942	1,446,063
Total Current Liabilities	<u>49,181,310</u>	<u>1,635,324</u>	<u>50,816,634</u>
Noncurrent Liabilities			
Compensated absences, net	2,293,477	89,428	2,382,905
Other commitments, net	89,250	--	89,250
Deferred salaries, net	99,822	--	99,822
General obligation bonds, net	30,580,700	14,734,000	45,314,700
Capital lease obligations, net	4,839,633	218,590	5,058,223
Net pension liability	62,669,929	--	62,669,929
Net OPEB liability	19,018,237	--	19,018,237
Total Noncurrent Liabilities	<u>119,591,048</u>	<u>15,042,018</u>	<u>134,633,066</u>
Total Liabilities	<u>168,772,358</u>	<u>16,677,342</u>	<u>185,449,700</u>
Deferred inflows of resources			
Deferred sewer assessment	637,738	--	637,738
Deferred gain on refunding	736,253	--	736,253
Pension related deferred inflows of resources	30,835,688	--	30,835,688
OPEB related deferred inflows of resources	909,761	--	909,761
Total Deferred Inflows of Resources	<u>33,119,440</u>	<u>--</u>	<u>33,119,440</u>
Net Position			
Net investment in capital assets	83,001,849	27,382,172	110,384,021
Restricted:			
Net pension asset	14,056,766	--	14,056,766
School grant funds	2,214,500	--	2,214,500
Town grant funds	959,226	--	959,226
Capital project funds	308,604	--	308,604
Water projects	--	1,390,940	1,390,940
Unrestricted	(43,346,447)	(2,046,135)	(45,392,582)
Total Net Position	<u>\$ 57,194,498</u>	<u>\$ 26,726,977</u>	<u>\$ 83,921,475</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, 2022

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	\$ 1,091,047	\$ 1,903,710	\$ 1,750,660	\$ --	\$ 2,563,323		\$ 2,563,323
Community development	531,856	10,101	--	--	(521,755)		(521,755)
Public safety	12,474,365	1,800,135	206,914	62,250	(10,405,066)		(10,405,066)
Public works	8,608,832	2,874,839	326,646	623,315	(4,784,032)		(4,784,032)
Public libraries	2,879,121	20,026	--	--	(2,859,095)		(2,859,095)
Education	83,152,347	1,059,829	36,544,937	--	(45,547,581)		(45,547,581)
Parks and recreation	1,385,542	255,163	1,150	1,030	(1,128,199)		(1,128,199)
Interest on long-term debt	1,697,457	--	--	--	(1,697,457)		(1,697,457)
Total Governmental Activities	<u>111,820,567</u>	<u>7,923,803</u>	<u>38,830,307</u>	<u>686,595</u>	<u>(64,379,862)</u>		<u>(64,379,862)</u>
Business-Type Activities							
Water	5,836,107	4,925,739	--	--		\$ (910,368)	(910,368)
Total Business-Type Activities	<u>5,836,107</u>	<u>4,925,739</u>	<u>--</u>	<u>--</u>		<u>(910,368)</u>	<u>(910,368)</u>
Total	<u>\$ 117,656,674</u>	<u>\$ 12,849,542</u>	<u>\$ 38,830,307</u>	<u>\$ 686,595</u>	<u>(64,379,862)</u>	<u>(910,368)</u>	<u>(65,290,230)</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
General Revenues			
Property taxes	72,127,521	--	72,127,521
Motor vehicle phase-out taxes	2,641,329	--	2,641,329
Library state aid	341,609	--	341,609
Public service corporation tax	433,343	--	433,343
Hotel, meals, and beverage tax	600,086	--	600,086
Housing aid	1,382,283	--	1,382,283
COVID aid	111,859	--	111,859
Medicaid reimbursement	491,510	--	491,510
Unrestricted investment earnings	--	(153,000)	(153,000)
Other	520,029	--	520,029
Transfers in (out)	<u>85,000</u>	<u>(85,000)</u>	<u>--</u>
Total General Revenues and Transfers	<u>78,734,569</u>	<u>(238,000)</u>	<u>78,496,569</u>
Change in Net Position	14,354,707	(1,148,368)	13,206,339
Net Position - Beginning of Year, As Restated (Note 15)	<u>42,839,791</u>	<u>27,875,345</u>	<u>70,715,136</u>
Net Position - End of Year	<u>\$ 57,194,498</u>	<u>\$ 26,726,977</u>	<u>\$ 83,921,475</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	School Unrestricted	Sewer Fund	School Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 38,047,134	\$ 683,945	\$ 588,586	\$ --	\$ 2,889,122	\$ 42,208,787
Restricted cash	9,804,518	--	--	--	--	9,804,518
Investments	212,170	--	--	--	--	212,170
Taxes receivable, net	34,921,597	--	--	--	--	34,921,597
Other receivables, net	1,008,953	1,500	--	--	150,682	1,161,135
Sewer use and assessment receivable	--	--	740,307	--	--	740,307
Due from federal and state governments	--	115,925	--	--	2,039,221	2,155,146
Prepays	225,013	--	--	--	--	225,013
Advanced to other fund	4,540,091	--	--	--	--	4,540,091
Due from other funds	--	6,257,590	--	25,531,784	9,138,580	40,927,954
Total Assets	<u>\$ 88,759,476</u>	<u>\$ 7,058,960</u>	<u>\$ 1,328,893</u>	<u>\$ 25,531,784</u>	<u>\$ 14,217,605</u>	<u>\$ 136,896,718</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 506,804	\$ 2,635,113	\$ 6,314	\$ --	\$ 818,227	\$ 3,966,458
Bond anticipation note	--	--	--	33,000,000	--	33,000,000
Due to other funds	38,217,222	--	190,425	--	2,520,307	40,927,954
Unearned revenue	--	--	--	--	5,380,137	5,380,137
Escrow deposits	--	--	--	--	45,338	45,338
Total Liabilities	<u>38,724,026</u>	<u>2,635,113</u>	<u>196,739</u>	<u>33,000,000</u>	<u>8,764,009</u>	<u>83,319,887</u>
Deferred Inflows of Resources						
Deferred sewer receivable	--	--	740,307	--	--	740,307
Unavailable tax and EMS revenue	26,464,795	--	--	--	--	26,464,795
Total Deferred Inflows of Resources	<u>26,464,795</u>	<u>--</u>	<u>740,307</u>	<u>--</u>	<u>--</u>	<u>27,205,102</u>
Fund Balances						
Non-spendable	4,765,104	--	--	--	--	4,765,104
Restricted	--	--	--	--	3,482,330	3,482,330
Committed	--	4,423,847	391,847	--	2,840,587	7,656,281
Assigned	5,776,596	--	--	--	--	5,776,596
Unassigned	13,028,955	--	--	(7,468,216)	(869,321)	4,691,418
Total Fund Balances	<u>23,570,655</u>	<u>4,423,847</u>	<u>391,847</u>	<u>(7,468,216)</u>	<u>5,453,596</u>	<u>26,371,729</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 88,759,476</u>	<u>\$ 7,058,960</u>	<u>\$ 1,328,893</u>	<u>\$ 25,531,784</u>	<u>\$ 14,217,605</u>	<u>\$ 136,896,718</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, 2022

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

Total Fund Balance reported in Governmental Funds	\$ 26,371,729
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	124,631,502
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	21,938,937
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	(31,745,449)
Deferred gain on refunding of bonds which is amortized over the life of the new bond	(736,253)
Recognition of sewer use receivables that are fully deferred on a modified accrual basis of accounting	102,569
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	13,209,547
Accrual for net pension and net OPEB liabilities	(80,840,947)
Accrual for compensated absences	(2,548,308)
Deferred salaries	(150,270)
Other commitments	(107,100)
Capital lease obligations	(6,180,754)
General obligation bonds	(33,450,475)
Bond premium, net of amortization	(1,262,171)
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	26,464,795
Internal Service Funds are recorded as Proprietary Funds in the Fund Statements but are recorded as Governmental Activities on the Government-Wide Statement of Net Position. This is the fiscal 2022 impact on the Statement of Net Position:	1,957,590
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>(460,444)</u>
Total Net Position reported in Statement of Net Position	<u>\$ 57,194,498</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, 2022

	General Fund	School Unrestricted	Sewer Fund	School Renovations	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 72,772,823	\$ --	\$ --	\$ --	\$ --	\$ 72,772,823
Intergovernmental	5,545,066	21,659,442	--	4,445,992	8,458,602	40,109,102
Licenses, fees, fines, charges, and assessments	4,059,805	--	673,496	--	--	4,733,301
Investment income	--	--	--	--	--	--
State on behalf pension contribution	--	3,668,919	--	--	--	3,668,919
Other miscellaneous	436,720	2,805,860	--	--	982,850	4,225,430
Total Revenues	<u>82,814,414</u>	<u>28,134,221</u>	<u>673,496</u>	<u>4,445,992</u>	<u>9,441,452</u>	<u>125,509,575</u>
Expenditures						
Current						
General government	2,484,130	--	--	--	67,890	2,552,020
Community development	273,899	--	--	--	--	273,899
Public safety	9,553,957	--	--	--	112,920	9,666,877
Public works	6,812,003	--	161,148	--	214,343	7,187,494
Social services	2,290,067	--	--	--	--	2,290,067
Employee benefits	4,807,288	--	--	--	--	4,807,288
Other miscellaneous	427,498	--	--	--	--	427,498
Education	--	77,474,403	--	1,064,689	7,254,770	85,793,862
Parks and recreation	966,615	--	--	--	418,927	1,385,542
Debt Service						
Principal	5,486,320	--	--	--	--	5,486,320
Interest and other costs	1,759,923	--	--	--	2,654	1,762,577
Capital Outlays	361,469	52,830	344,417	9,780,411	923,235	11,462,362
Total Expenditures	<u>35,223,169</u>	<u>77,527,233</u>	<u>505,565</u>	<u>10,845,100</u>	<u>8,994,739</u>	<u>133,095,806</u>
Excess of Revenues Over (Under) Expenditures						
Before Other Financing Sources (Uses)	<u>47,591,245</u>	<u>(49,393,012)</u>	<u>167,931</u>	<u>(6,399,108)</u>	<u>446,713</u>	<u>(7,586,231)</u>
Other Financing Sources (Uses)						
Issuance of bonds, refundings and capital leases	330,857	689,648	--	--	--	1,020,505
Transfers in	280,000	47,056,398	--	--	999,169	48,335,567
Transfers out	(47,089,592)	--	(40,000)	--	(1,120,975)	(48,250,567)
Total Other Financing Sources (Uses)	<u>(46,478,735)</u>	<u>47,746,046</u>	<u>(40,000)</u>	<u>--</u>	<u>(121,806)</u>	<u>1,105,505</u>
Net Change in Fund Balances	1,112,510	(1,646,966)	127,931	(6,399,108)	324,907	(6,480,726)
Fund Balance - Beginning of Year, as restated	<u>22,458,145</u>	<u>6,070,813</u>	<u>263,916</u>	<u>(1,069,108)</u>	<u>5,128,689</u>	<u>32,852,455</u>
Fund Balance - End of Year	<u>\$ 23,570,655</u>	<u>\$ 4,423,847</u>	<u>\$ 391,847</u>	<u>\$ (7,468,216)</u>	<u>\$ 5,453,596</u>	<u>\$ 26,371,729</u>

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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (6,480,726)
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	11,462,362
Depreciation expense, net of disposals	(3,561,234)
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.	(1,020,505)
Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.	5,486,320
Governmental funds do not report other long-term obligations as a liability. This reports the increase in liability for 2022.	68,298
Governmental funds report sewer usage as fully deferred under the modified accrual method of accounting. This reports the decrease in receivable from 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	4,980,169
Decrease in net pension liability	20,477,777
Increase in net OPEB liability	(612,936)
Increase in deferred outflows of resources	1,215,586
Increase in deferred inflows of resources	(18,083,828)
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 2022.	164,815
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. Net unavailable tax and EMS revenue increased from fiscal 2021.	(645,302)
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 2021.	65,120
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 increased from fiscal 2021.	(496,984)
The activity for the current year amortization of loss on bond refundings.	109,774
The activity reported in the Internal Service Funds is presented with the Proprietary Fund Statements. However, this activity is reported as a component of the Governmental Activities in the Statement of Activities. This is the net activity reported for fiscal 2022.	<u>1,314,594</u>
Change in Net Position of Governmental Activities in the Statement of Activities	<u>\$ 14,354,707</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2022

	Business-type Activities Enterprise Funds Water	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,888,047	\$ --
Restricted cash	1,390,940	--
User charges receivable, net	325,989	--
Deposits	--	444,201
Due from federal and state governments	1,496,424	--
Prepaid items	--	2,046,126
Total Current Assets	<u>6,101,400</u>	<u>2,490,327</u>
Noncurrent Assets		
Capital assets not being depreciated	1,286,028	--
Capital assets, net of accumulated depreciation	40,556,982	--
Total Noncurrent Assets	<u>41,843,010</u>	<u>--</u>
Total Assets	<u>47,944,410</u>	<u>2,490,327</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	485,101	532,737
Current portion of compensated absences	9,936	--
Accrued interest	135,615	--
Current portion of general obligation bonds	899,730	--
Current portion of capital lease obligations	104,942	--
Total Current Liabilities	<u>1,635,324</u>	<u>532,737</u>
Noncurrent Liabilities		
Long-term advance from Town	4,540,091	--
General obligation bonds, net	14,734,000	--
Capital lease obligations, net	218,590	--
Compensated absences, net	89,428	--
Total Noncurrent Liabilities	<u>19,582,109</u>	<u>--</u>
Total Liabilities	<u>21,217,433</u>	<u>532,737</u>
Net Position		
Net investment in capital assets	27,382,172	--
Restricted		
Water projects	1,390,940	--
Unrestricted	(2,046,135)	1,957,590
Total Net Position	<u>\$ 26,726,977</u>	<u>\$ 1,957,590</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities Enterprise Funds Water	Internal Service Fund
Operating Revenues		
Charges for usage, service, and assessments	\$ 3,984,112	\$ 14,368,918
Surcharge revenue	941,627	--
Total Operating Revenues	<u>4,925,739</u>	<u>14,368,918</u>
Operating Expenses		
Personnel services	1,587,997	--
Maintenance and servicing	200,868	--
Operating supplies	226,216	--
Purchased water	1,316,109	--
Health care management	--	13,054,324
Fixed and general charges	1,164,924	--
Depreciation and amortization	911,917	--
Total Operating Expenses	<u>5,408,031</u>	<u>13,054,324</u>
Operating Income	<u>(482,292)</u>	<u>1,314,594</u>
Nonoperating Revenue (Expenses)		
Loss on investments	(153,000)	--
Interest expense	(428,076)	--
Net Nonoperating Expenses	<u>(581,076)</u>	<u>--</u>
Income Before Transfers	<u>(1,063,368)</u>	<u>1,314,594</u>
Transfers out	(85,000)	--
Total Transfers	<u>(85,000)</u>	<u>--</u>
Changes in Net Position	(1,148,368)	1,314,594
Total Net Position - Beginning, as restated	<u>27,875,345</u>	<u>642,996</u>
Total Net Position - Ending	<u><u>\$ 26,726,977</u></u>	<u><u>\$ 1,957,590</u></u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities	
	Enterprise Funds	Internal
	Water	Service Fund
Cash Flows from Operating Activities		
Cash received from customers	\$ 5,296,030	\$ 13,129,702
Claims paid	--	(13,129,702)
Cash paid to suppliers for goods and services and other operating payments	(3,101,587)	--
Cash paid for employees and benefits	(1,369,875)	--
Net Cash Provided by Operating Activities	<u>824,568</u>	<u>--</u>
Cash Flows from Noncapital Financing Activities		
Transfers from (to) other funds	(85,000)	--
(Payments to) receipts from other funds	971,316	--
Net Cash Provided by Noncapital Financing Activities	<u>886,316</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(1,222,827)	--
Capital debt drawdown	927,660	--
Principal payments on long-term debt	(1,088,852)	--
Interest and finance charges paid on debt obligations	(426,504)	--
Net Cash Used in Capital and Related Financing Activities	<u>(1,810,523)</u>	<u>--</u>
Cash Flows from Investing Activities		
Investment loss	(153,000)	--
Net Cash Used in Investing Activities	<u>(153,000)</u>	<u>--</u>
Net Decrease in Cash, Cash Equivalents and Restricted Cash	<u>(252,639)</u>	<u>--</u>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>4,531,626</u>	<u>--</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 4,278,987</u>	<u>\$ --</u>
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating income (loss)	\$ (482,292)	\$ 1,314,594
Adjustments to reconcile operating income to		
net cash provided by operating activities:		
Depreciation and amortization expense	911,917	--
(Increase) decrease in assessments and fees receivable	370,291	--
(Increase) decrease in prepaid costs	--	(1,239,216)
Increase (decrease) in accounts payable and accrued expenses	(193,470)	(75,378)
Increase (decrease) in compensated absence	218,122	--
Net Cash Provided by Operating Activities	<u>\$ 824,568</u>	<u>\$ --</u>

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

TOWN OF CUMBERLAND, RHODE ISLAND

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

JUNE 30, 2022

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 1,426,697	\$ 230,214	\$ 345,661
Receivables	13,949	--	--
Investments, at fair value:			
Fixed income securities	9,569,576	--	--
Equities	18,888,961	--	--
Total Assets	<u>29,899,183</u>	<u>230,214</u>	<u>345,661</u>
Liabilities			
Other liabilities	<u>1,644</u>	<u>484</u>	<u>33,789</u>
Total Liabilities	<u>1,644</u>	<u>484</u>	<u>33,789</u>
Net Position			
Held for individuals, organizations, and other governments	--	--	311,872
Restricted for pension benefits	23,975,069	--	--
Restricted for other post-employment benefits	5,922,470	--	--
Held in trust for private purposes per trust agreement	<u>--</u>	<u>229,730</u>	<u>--</u>
Total Net Position	<u>\$ 29,897,539</u>	<u>\$ 229,730</u>	<u>\$ 311,872</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, 2022

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ 3,945,163	\$ --	\$ --
Member contributions	286,138	--	--
Other revenue	--	--	105,840
Total Contributions	<u>4,231,301</u>	<u>--</u>	<u>105,840</u>
Investment earnings:			
Interest and dividends	<u>(4,200,943)</u>	<u>1,008</u>	<u>--</u>
Total Investment Earnings	<u>(4,200,943)</u>	<u>1,008</u>	<u>--</u>
Total Additions	<u>30,358</u>	<u>1,008</u>	<u>105,840</u>
Deductions			
Benefits paid	3,594,074	--	--
Other operating expenses	<u>21,550</u>	<u>--</u>	<u>11,192</u>
Total Deductions	<u>3,615,624</u>	<u>--</u>	<u>11,192</u>
Change in Net Position	(3,585,266)	1,008	94,648
Net Position - Beginning of Year	<u>33,482,805</u>	<u>228,722</u>	<u>217,224</u>
Net Position - End of Year	<u>\$ 29,897,539</u>	<u>\$ 229,730</u>	<u>\$ 311,872</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, 2022

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, 2022

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, 2022

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, 2022

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, 2022 the Town maintained one enterprise fund (Water Fund) as well as two Internal Service funds for Town and School Healthcare management.

Fiduciary Funds (Not Included in Government-Wide Statements)

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

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

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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:

Fund

Brief Description

Major:

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:

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.

Internal Service Funds

Accounts for the Town and School's healthcare management.

Non Major:

Special Revenue Funds

Grant programs including federal grants, state grants, and private grants. The Town currently maintains one hundred and eight (108) 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS (CONTINUED)

Non Major (Continued):

Capital Project Funds	The Town currently maintains five (5) Capital Project Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements.
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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, 2022

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

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

Cash and Cash Equivalents

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

Under Rhode Island General Law, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is 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, 2022

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, 2022 the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$1,884,785.

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 2022, 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, 2022

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, 2022

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 2022.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022 the Town reported \$21,938,937 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, 2022 the Town reported \$31,745,449 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, 2022 the Town also reported \$736,253 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, 2022 the Town also reported in the Government-wide statement of net position \$637,738 of deferred inflows related to deferred sewer assessments.

At June 30, 2022 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 \$26,464,795 and deferred sewer receivables of \$102,569. The unavailable tax revenue at June 30, 2022 represents property taxes receivables which are assessed on December 31, 2020 and prior and are not collected within 60 days of June 30, 2022. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2022 but not recognized as revenue since they are considered unavailable as of June 30, 2022. 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022 the Town adopted GASB Statement No. 87, *Leases*, the impact of which was not material to the Town. There was no significant impact on these financial statements from the implementation of additional accounting standards.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, and liabilities and deferred inflows, and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Significant items subject to such estimates include the pollution remediation obligation and the other postemployment benefit liability. Actual results could differ from those estimates.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

At June 30, 2022, the carrying amount of the Town's cash and cash equivalents was \$58,294,864 (including \$11,195,458 of restricted cash and \$2,002,572 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, 2022

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, 2022:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
Domestic fixed income funds	\$ 9,569,576	\$ --	\$ --	\$ 9,569,576
International equities	4,048,699	--	--	4,048,699
Domestic equities	14,091,036	--	--	14,091,036
Money market mutual funds	961,396	--	--	961,396
Total Investments by Fair Value	<u>\$ 28,670,707</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 28,670,707</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, 2022

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 2022 were based on a net asset value of \$4,553,976,503, and amounted to \$68,563,585.

Unpaid property taxes as of June 30, 2022 of \$36,806,382, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$1,884,785. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2022, are recorded as a deferred inflow in fiscal 2022. Property taxes collected within 60 days following June 30, 2022, are recognized as revenue in the governmental fund financial statements and amounted to \$9,549,433. As of June 30, 2022, 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	\$ 4,352,599,341	\$ 181,155,389	\$ 4,171,443,952	\$ 15	\$ 62,531,933
Tangible property	<u>201,377,162</u>	<u>187,946</u>	<u>201,189,216</u>	30	<u>6,031,652</u>
	<u>\$ 4,553,976,503</u>	<u>\$ 181,343,335</u>	<u>\$ 4,372,633,168</u>		<u>\$ 68,563,585</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, was as follows:

	Due From	Due To
General Fund	\$ --	\$ 38,217,222
School Unrestricted	6,257,590	--
Sewer Fund	--	190,425
School Renovations	25,531,784	--
Non-Major Governmental Funds	<u>9,138,580</u>	<u>2,520,307</u>
Total	<u>\$ 40,927,954</u>	<u>\$ 40,927,954</u>

	Advance From	Advance To
General Fund	\$ 4,540,091	\$ --
Water Fund	<u>--</u>	<u>4,540,091</u>
Total	<u>\$ 4,540,091</u>	<u>\$ 4,540,091</u>

The Town had interfund transfers totaling \$48,335,567 during the year ended June 30, 2022. 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	\$ 280,000	\$ 47,089,592
School Unrestricted	47,056,398	--
Sewer Fund	--	40,000
Non-Major Governmental Funds	999,169	1,120,975
Water Fund	<u>--</u>	<u>85,000</u>
Total	<u>\$ 48,335,567</u>	<u>\$ 48,335,567</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

Governmental Activities:

	Beginning Balance 7/1/21	Increases	Decreases	Ending Balance 6/30/2022
Capital Assets Not Being Depreciated				
Land	\$ 23,431,923	\$ --	\$ --	\$ 23,431,923
Construction in progress	<u>3,131,786</u>	<u>10,792,152</u>	<u>(3,099,810)</u>	<u>10,824,128</u>
Total Capital Assets Not Being Depreciated	<u>26,563,709</u>	<u>10,792,152</u>	<u>(3,099,810)</u>	<u>34,256,051</u>
Capital Assets Being Depreciated				
Land improvements	4,412,241	23,450	--	4,435,691
Infrastructure	35,576,233	2,368,877	--	37,945,110
Building and improvements	102,132,665	604,692	--	102,737,357
Machinery and equipment	6,721,400	278,191	--	6,999,591
Vehicles	<u>5,892,038</u>	<u>494,810</u>	<u>--</u>	<u>6,386,848</u>
Total Capital Assets Being Depreciated	<u>154,734,577</u>	<u>3,770,020</u>	<u>--</u>	<u>158,504,597</u>
Less: Accumulated Depreciation For				
Land improvements	(2,176,836)	(179,690)	--	(2,356,526)
Infrastructure	(20,308,153)	(746,774)	--	(21,054,927)
Building and improvements	(32,446,027)	(2,059,410)	--	(34,505,437)
Machinery and equipment	(5,412,926)	(217,865)	--	(5,630,791)
Vehicles	<u>(4,223,970)</u>	<u>(357,495)</u>	<u>--</u>	<u>(4,581,465)</u>
Total Accumulated Depreciation	<u>(64,567,912)</u>	<u>(3,561,234)</u>	<u>--</u>	<u>(68,129,146)</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,730,374</u>	<u>\$ 11,000,938</u>	<u>\$ (3,099,810)</u>	<u>\$ 124,631,502</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General government	\$ 26,780
Public safety	442,719
Public works	1,063,984
Education	1,796,052
Public libraries	<u>231,699</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,561,234</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

	Beginning Balance 7/1/2021	Increases	Decreases	Ending Balance 6/30/2022
Capital assets not being depreciated:				
Land	\$ 1,210,433	\$ --	\$ --	\$ 1,210,433
Construction in progress	<u>7,775,242</u>	<u>52,091</u>	<u>(7,751,738)</u>	<u>75,595</u>
Total Capital Assets Not Being Depreciated	<u>8,985,675</u>	<u>52,091</u>	<u>(7,751,738)</u>	<u>1,286,028</u>
Capital Assets Being Depreciated:				
Buildings	5,090,877	8,403	--	5,099,280
Mains, laterals, standpipes and other	43,963,009	8,903,508	--	52,866,517
Vehicles	<u>538,805</u>	<u>10,564</u>	<u>(125,726)</u>	<u>423,643</u>
Total Capital Assets Being Depreciated	<u>49,592,691</u>	<u>8,922,475</u>	<u>(125,726)</u>	<u>58,389,440</u>
Less: Accumulated Depreciation For				
Buildings	(1,169,804)	(91,928)	--	(1,261,732)
Mains, laterals, standpipes and other	(15,397,588)	(795,450)	--	(16,193,038)
Vehicles	<u>(478,875)</u>	<u>(24,539)</u>	<u>125,726</u>	<u>(377,688)</u>
Total Accumulated Depreciation	<u>(17,046,267)</u>	<u>(911,917)</u>	<u>125,726</u>	<u>(17,832,458)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 41,532,099</u>	<u>\$ 8,062,649</u>	<u>\$ (7,751,738)</u>	<u>\$ 41,843,010</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Water	<u>\$ 911,917</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 911,917</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6 - SHORT-TERM OBLIGATIONS

	Beginning Balance	Issued	Redeemed	Ending Balance
Bond anticipation notes	\$ 33,000,000	\$ --	\$ --	\$ 33,000,000

NOTE 7 - LONG-TERM OBLIGATIONS

GENERAL OBLIGATION BONDS PAYABLE

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities, as well as to refund previously outstanding general obligation bonds. General obligation bonds pledge the full faith and credit of the Town.

The Town's maximum aggregate indebtedness under Rhode Island General Laws 45-12-2 is limited to 3% of total assessed value, with certain exemptions. The assessed value of the Town's properties at December 31, 2020, was \$4,372,633,168, limiting the amount of non-excepted debt outstanding to \$131,178,995. At June 30, 2022, the Town had \$18,555,000 outstanding subject to the limit.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

A summary of long-term obligations as of June 30, 2022, 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	\$ 21,045,000	\$ --	\$ 2,490,000	\$ 18,555,000	\$ 2,215,000
Notes and loans payable	16,744,421	--	1,848,946	14,895,475	1,916,946
Capital leases payable	6,307,623	1,020,505	1,147,374	6,180,754	1,341,121
Plus amortized premium bonds and loans	1,426,986	--	164,815	1,262,171	--
Total bonds, notes, loans, and capital leases payable	45,524,030	1,020,505	5,651,135	40,893,400	5,473,067
Other liabilities:					
Deferred salary	200,718	--	50,448	150,270	50,448
Compensated absences	2,051,324	1,391,151	894,167	2,548,308	254,831
Net OPEB liability	18,405,301	612,936	--	19,018,237	--
Net pension liability	82,300,487	--	19,630,558	62,669,929	--
Other commitments	124,950	--	17,850	107,100	17,850
Governmental Activities Long-Term Liabilities	\$ 148,606,810	\$ 3,024,592	\$ 26,244,158	\$ 125,387,244	\$ 5,796,196
Business-Type Activities:					
Loans payable	\$ 16,518,294	\$ --	\$ 884,564	\$ 15,633,730	\$ 899,730
Capital lease payable	425,676	--	102,144	323,532	104,942
Total bonds and loans payable	16,943,970	--	986,708	15,957,262	1,004,672
Compensated absences	104,035	32,488	37,159	99,364	10,404
Business-Type Activities Long-Term Liabilities	\$ 17,048,005	\$ 32,488	\$ 1,023,867	\$ 16,056,626	\$ 1,015,076

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021	New Issues	Maturities During Year	Outstanding June 30, 2022
Governmental Activities:								
Open Space Bond (Refunding)	11/30/2011	3.00%-3.50%	10/01/2021	\$ 1,000,000	\$ 120,000	\$ --	\$ 120,000	\$ --
Open Space/Recreation Bond	8/28/2013	3.00%-5.00%	2/01/2033	3,500,000	2,500,000	--	165,000	2,335,000
School Bond (Refunding)	11/30/2011	3.00%-3.50%	10/01/2021	2,010,000	225,000	--	225,000	--
School Bond (Refunding)	8/28/2013	3.00%-5.00%	2/01/2023	2,370,000	475,000	--	240,000	235,000
Road Improvements	11/30/2011	3.00%-6.25%	11/01/2031	2,500,000	1,375,000	--	125,000	1,250,000
Road Improvements	10/29/2015	3.00%-5.00%	10/01/2025	2,380,000	1,550,000	--	285,000	1,265,000
Public Safety Complex	3/22/2018	3.00%-5.00%	3/15/2038	12,500,000	11,625,000	--	465,000	11,160,000
School and Town (Refunding)	9/24/2014	2.00%-4.00%	3/15/2026	7,630,000	3,175,000	--	865,000	2,310,000
Total Governmental Activities				<u>33,890,000</u>	<u>21,045,000</u>	<u>--</u>	<u>2,490,000</u>	<u>18,555,000</u>
Total Bonds Payable				<u>\$ 33,890,000</u>	<u>\$ 21,045,000</u>	<u>\$ --</u>	<u>\$ 2,490,000</u>	<u>\$ 18,555,000</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021	New Issues	Maturities During Year	Outstanding June 30, 2022
Governmental Activities:								
Issued Through Public Sale:								
School RIHEBC - Refunding	11/26/2016	2.00 - 5.00%	5/15/2028	\$ 17,230,000	\$ 12,740,000	\$ --	\$ 1,580,000	\$ 11,160,000
Total Governmental Activities - issued through Public Sale				17,230,000	12,740,000	--	1,580,000	11,160,000
Issued Through Direct Borrowing:								
Lambert Property Note	5/01/1997	2.59%	6/01/2023	190,000	102,421	--	4,946	97,475
RI Infrastructure Bank	9/03/2014	.12-2.48%	5/15/2028	518,000	419,000	--	26,000	393,000
RIIB EBF Street Lights	12/05/2017	1.368-2.176%	9/01/2028	1,343,000	1,092,000	--	128,000	964,000
RIIB Road and Bridge	4/22/2020	.83-2.27%	9/01/2039	2,500,000	2,391,000	--	110,000	2,281,000
<i>Total Governmental Activities - Issued through Direct Borrowing</i>				4,551,000	4,004,421	--	268,946	3,735,475
<i>Total Governmental Activities</i>				21,781,000	16,744,421	--	1,848,946	14,895,475
Business-Type Activities								
Issued Through Direct Borrowing:								
RI Clean Water Sewer Loan	3/10/1993	3.56%	9/01/2036	3,000,000	2,446,254	--	125,641	2,320,613
RIIB Safe Drinking Water	6/12/2018	1.0-2.85%	9/01/2037	4,000,000	3,665,000	--	172,000	3,493,000
RI Clean Water Loan	11/19/2009	1.15-4.04%	9/01/2030	5,750,000	2,589,848	--	216,589	2,373,259
RI Infrastructure Bank	12/17/2015	.31-2.90%	9/01/2035	1,750,000	1,318,192	--	72,334	1,245,858
RIIB Safe Drinking Water	6/30/2020	.36-2.49%	9/01/2039	4,000,000	3,999,000	--	187,000	3,812,000
2020 B RIIB Safe Drinking Water	10/01/2020	.49-2.81%	9/01/2040	2,500,000	2,500,000	--	111,000	2,389,000
<i>Total Business-Type Activities</i>				21,000,000	16,518,294	--	884,564	15,633,730
Total Loans Payable				\$ 42,781,000	\$ 33,262,715	\$ --	\$ 2,733,510	\$ 30,529,205

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2022, 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
2023	\$ 4,131,946	\$ 1,381,054
2024	4,066,000	1,199,255
2025	3,486,000	1,020,956
2026	3,625,000	870,019
2027	3,190,000	721,627
2028-2032	8,219,000	1,999,695
2033-2037	5,200,000	750,438
2038-2040	1,532,529	48,760
	\$ 33,450,475	\$ 7,991,804

Fiscal Year Ending June 30,	Business-Type Activities Issued Through Public Sale	
	Principal	Interest
2022	\$ 903,729	\$ 410,053
2023	922,894	390,560
2024	941,875	369,606
2025	963,760	347,155
2026	988,229	323,035
2027-2031	5,028,059	1,195,554
2032-2036	4,298,184	542,640
2037-2041	1,587,000	67,617
	\$ 15,633,730	\$ 3,646,220

At June 30, 2022, scheduled annual debt service requirements to maturity for governmental capital leases are as follows:

Fiscal Year Ended June 30,	Lease Payment Requirements
2023	\$ 1,535,010
2024	1,535,010
2025	1,299,823
2026	1,299,823
2027	536,060
Thereafter	581,616
Total minimum lease payments	6,787,342
Less: Amount representing interest cost	(606,588)
Present value of minimum lease payments	\$ 6,180,754

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - FUND BALANCES

The Town has classified governmental fund balances at June 30, 2022 as follows:

Non-Spendable:

General Fund - Advance to Water Fund	\$ 4,540,091
General Fund - Prepaid Items	225,013

Total Non-Spendable	\$ 4,765,104
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Restricted:

School Special Revenue - grant funds	\$ 2,214,500
Town Special Revenue - grant funds	959,226
Capital Projects	308,604

Total Restricted Fund Balance	\$ 3,482,330
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Committed:

School Unrestricted Funds	\$ 3,123,847
School Unrestricted Funds For Use in FY2022 / FY2023 Budgets	725,000
School Unrestricted Funds - Technology	250,000
School Unrestricted Funds - Curriculum	75,000
School Unrestricted Funds - Capital	250,000
Sewer Funds	391,847
Capital Projects	20,487
Town Special Revenue	2,820,100

Total Committed Fund Balance	\$ 7,656,281
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Assigned:

General Fund Revenue Stabilization	\$ 2,245,185
General Fund Town Capital Projects	1,657,471
General Fund School Capital Projects	600,000
General Fund Debt Service	550,000
General Fund Community and Economic Fund	441,916
General Fund Senior Center	11,310
General Fund Library	33,042
General Fund Office of Children Youth and Learning	141,821
General Fund Recreation Programs	95,851

Total Assigned Fund Balance	\$ 5,776,596
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Unassigned:

General Fund	\$ 13,028,955
School Renovations - deficit fund balance	(7,468,216)
Town Special Revenue - deficit fund balances	(852,184)
School Special Revenue - deficit fund balances	(17,137)

Total Unassigned Fund Balance	\$ 4,691,418
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TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - FUND BALANCES (CONTINUED)

For the year ended June 30, 2022, the following funds recognized an operating deficit:

Governmental Funds:

School Special Revenue Funds:

USDA Fruits and Veg	\$ 14,068
Literacy Set Aside	146,207
House of Reps Community	1,846
House of Reps Cumb Hill	21
EL Categorical	6,251
Feinstein Ashton	1,964
Kiducation	509
Feinstein Cumb Hill	592
Feinstein McCourt	1,136
Feinstein NCMS	3,050
Total School Special Revenue Funds	<u>175,644</u>

Town Special Revenue Funds:

DEM Grant Diamond Hill	243,238
Impact Fees	12,601
EPHETA Park Grant	41,100
Police Forfeiture	803
CTCL Covid-19	103
DPH HL Security EMA	5,917
Special Reserve	965,975
Bulletproof Vest	19,176
RIPTIDE DUI	490
Town Clerk Special	9,678
Historic District	5,000
Outdoor Commerce Grant	6,901
CDBG 2021	23,151
CDBG 2018	15,942
Total Town Special Revenue Funds	<u>1,350,075</u>

Capital Project Funds:

Drainage	31,542
Recreation Bond	296,526
Road Infrastructure	446,273
Total Capital Project Funds	<u>774,341</u>

School Unrestricted Fund	1,646,966
School Renovations	6,399,108

Total Operating Deficits - Governmental Funds \$ 10,346,134

Proprietary Funds:

Water	\$ 1,148,368
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Total Operating Deficits - Proprietary Funds \$ 1,148,368

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8 - FUND BALANCES (CONTINUED)

At June 30, 2022, 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	\$ 420,587 *
Substance Abuse	883 *
Sewer Ferncrest	39,415 *
EPHETA Park Grant	120,106 *
CDBG 2017	21,467 *
Partnership for Success	1,847 *
RIPTIDE DUI	121 *
Distracted Driving	492 *
RIPTIDE Speed	5,611 *
Historic District	4,500 *
Assistance for Firefighters	1,123 *
CDBG 2021	23,151 *
CDBG 2018	212,881 *
Total Town Special Revenue Funds	<u>852,184</u>

School Special Revenue Funds:

Fresh Fruit and Veg	10,886 *
EL Categorical	6,251 *
Total School Special Revenue Funds	<u>17,137</u>

Major Governmental Funds

School Renovations	<u>7,468,216 **</u>
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Total Cumulative Deficits - Governmental Funds

\$ 8,337,537

* Deficit will be covered via future 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2021 valuation date, the following employees were covered by the benefit terms:

	General	EMS
Retirees and beneficiaries	171	10
Inactive, nonretired members	106	7
Active members	261	18
	538	35

Contributions

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Contributions (Continued)

Town contributed \$1,130,915 and \$107,258 for general and EMS, respectively, in the year ended June 30, 2022, which was 10.24% and 8.80% of covered payroll, respectively.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2020, and rolled forward to June 30, 2021, using the following actuarial assumptions applied to all periods included in the measurement:

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5%
Mortality	Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	The known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

The actuarial assumptions used in the June 30, 2020, valuation rolled forward to June 30, 2021, and the calculation of the total pension liability at June 30, 2021, were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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, 2021, 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, 2022

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	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-Total	40.00%	
Private Growth:		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
OPP Private Credit	1.50%	9.47%
Sub-Total	15.00%	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2020	\$ 36,296,650	\$ 8,749,595	\$ 45,046,245
Changes for the year:			
Service cost	791,262	236,951	1,028,213
Interest on the total pension liability	2,500,387	608,652	3,109,039
Difference between expected and actual experience	(1,112,247)	(322,910)	(1,435,157)
Benefit payments	(1,944,931)	(346,076)	(2,291,007)
Balances as of June 30, 2021	<u>36,531,121</u>	<u>8,926,212</u>	<u>45,457,333</u>
Fiduciary Net Position:			
Balances as of July 1, 2020	28,644,395	7,756,868	36,401,263
Employer contributions	1,170,652	138,478	1,309,130
Employee contributions	175,443	118,358	293,801
Pension plan net investment income	7,842,946	2,113,857	9,956,803
Benefit payments	(1,944,931)	(346,076)	(2,291,007)
Pension plan administrative expense	(29,883)	(8,054)	(37,937)
Other changes	403,368	--	403,368
Balances as of June 30, 2021	<u>36,261,990</u>	<u>9,773,431</u>	<u>46,035,421</u>
Net Pension Liability (Asset)	<u>\$ 269,131</u>	<u>\$ (847,219)</u>	<u>\$ (578,088)</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General employee plan	\$ 3,435,586	\$ 269,131	\$ (3,772,058)
EMS employee plan	(84,867)	(847,219)	(1,820,230)
Total	<u>\$ 3,350,719</u>	<u>\$ (578,088)</u>	<u>\$ (5,592,288)</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 (\$1,001,139) and (\$171,082) for their General and EMS Plans, respectively.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 1,130,915	\$ 107,258	\$ 1,238,173
Differences between expected and actual experience	--	278,634	278,634
Changes in assumptions	--	77,749	77,749
Net differences between projected and actual earnings on pension plan investments	591,084	156,208	747,292
	<u>\$ 1,721,999</u>	<u>\$ 619,849</u>	<u>\$ 2,341,848</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 1,159,453	\$ 453,187	\$ 1,612,640
Changes in assumptions	203,542	9,052	212,594
Net differences between projected and actual earnings on pension plan investments	4,728,140	1,274,286	6,002,426
	<u>\$ 6,091,135</u>	<u>\$ 1,736,525</u>	<u>\$ 7,827,660</u>

\$1,238,173 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2022 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, 2022

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
2023	\$ (1,490,580)	\$ (275,739)	\$ (1,766,319)
2024	(1,314,306)	(279,957)	(1,594,263)
2025	(1,274,160)	(250,908)	(1,525,068)
2026	(1,384,243)	(348,690)	(1,732,933)
2027	(36,762)	(50,854)	(87,616)
Thereafter	--	(17,786)	(17,786)
Total	<u>\$ (5,500,051)</u>	<u>\$ (1,223,934)</u>	<u>\$ (6,723,985)</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, 2022

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 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022, for the State and the Town, respectively. The Town contributed \$4,926,063, \$4,833,646, and \$4,714,869 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$3,668,919 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, 2022

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 \$42,713,028 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	\$ 42,713,028
State's proportionate share of the net pension liability	<u>31,675,539</u>
Total Net Pension Liability	<u>\$ 74,388,567</u>

The net pension liability was measured as of June 30, 2021, 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, 2020, rolled forward to June 30, 2021. 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, 2021, the Town's proportion was 1.81%.

For the year ended June 30, 2022, the Town recognized gross pension expense of \$4,441,025 and revenue of \$2,097,346 for support provided by the State.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, 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	\$ 4,926,063
Difference between expected and actual experience	428,725
Changes in assumptions	1,788,635
Net difference between projected and actual earnings on pension plan investments	1,433,228
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>2,215,814</u>

Total	<u><u>\$ 10,792,465</u></u>
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Deferred Inflows of Resources

Difference between expected and actual experience	\$ 1,379,656
Changes in assumptions	939,305
Net difference between projected and actual earnings on pension plan investments	11,430,719
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,017,467</u>

Total	<u><u>\$ 14,767,147</u></u>
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\$4,926,063 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2022 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, 2022

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,	
2023	\$ (1,541,192)
2024	(1,787,866)
2025	(2,260,022)
2026	(2,938,725)
2027	(239,018)
Thereafter	<u>(133,922)</u>
Total	<u>\$ (8,900,745)</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, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021, 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, 2022

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
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Sub-Total	40.00%	
Private Growth:		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
OPP Private Credit	1.50%	9.47%
Sub-Total	15.00%	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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%)
\$ 53,943,283	\$ 42,713,028	\$ 28,380,013

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, 2022

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, 2022

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 \$48,337, \$49,694 and \$51,675 for the fiscal years ended June 30, 2022, 2021 and 2020, 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, 2022 the Town reported an asset of \$13,209,547 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, 2021, 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, 2020 rolled forward to June 30, 2021. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Town's proportion was 6.75%.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 (\$1,531,409).

At June 30, 2022, 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	\$ 48,337
Difference between expected and actual experience	489,534
Changes in assumptions	414,575
Net difference between projected and actual earnings on pension plan investments	472,001
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>272,130</u>

Total	<u><u>\$ 1,696,577</u></u>
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Deferred Inflows of Resources

Difference between expected and actual experience	\$ 1,418,351
Changes in assumptions	475,641
Net difference between projected and actual earnings on pension plan investments	3,737,611
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>312,933</u>

Total	<u><u>\$ 5,944,536</u></u>
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\$48,337 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2022 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, 2022

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,	
2023	\$ (908,458)
2024	(867,684)
2025	(1,002,804)
2026	(1,142,542)
2027	(249,971)
Thereafter	<u>(124,837)</u>
Total	<u>\$ (4,296,296)</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, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021, 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, 2022

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, 2022

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%)
\$ 11,879,306	\$ 13,209,547	\$ 14,907,877

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, 2022

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, 2021:

Inactive employees or beneficiaries currently receiving benefit payments	79
Active employees	44
Total	<u>123</u>

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

Police officers hired on or before July 1, 2013:

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

Police officers hired after July 1, 2013:

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021, was used to determine the Town's annual required contribution for the fiscal year ended June 30, 2022. For the year ended June 30, 2022, the Town contributed \$2,586,000 or 78.8% 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, 2022

NOTE 9 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Rate of return – For the year ended June 30, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (11.0)%. 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, 2022, were as follows:

Pension Liability:	
Balance at July 1, 2021	\$ 42,040,010
Changes for the year:	
Service cost	736,927
Interest	3,014,900
Changes in assumptions	49,781
Differences in experience	205,448
Benefit payments	<u>(2,384,227)</u>
Net changes	<u>1,622,829</u>
Balance at June 30, 2022	<u>\$ 43,662,839</u>
Fiduciary Net Position:	
Balance at July 1, 2021	\$ 26,972,984
Changes for the year:	
Employer contributions	2,586,000
Member contributions	286,138
Net investment income	(3,486,433)
Benefit payments	(2,384,227)
Administrative expense	<u>607</u>
Net changes	<u>(2,997,915)</u>
Balance at June 30, 2022	<u>\$ 23,975,069</u>
Town's Net Pension Liability	<u>\$ 19,687,770</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

Discount rate – The discount rate used to measure the total pension liability was 7.25%. 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, 2022

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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 25,444,917	\$ 19,687,770	\$ 14,985,261

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, the Town recognized pension expense related to the Plan of \$2,320,099. At June 30, 2022, 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	\$ 449,578	\$ 46,875
Differences between expected and actual earnings on investments	4,519,100	49,956
Changes in assumptions	644,298	2,199,514
Total	<u>\$ 5,612,976</u>	<u>\$ 2,296,345</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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:	
2023	\$ 839,966
2024	680,662
2025	653,148
2026	1,142,855
	<u>\$ 3,316,631</u>

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2022.

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	\$ 1,721,999	\$ 619,849	\$ 5,612,976	\$ 10,792,465	\$ 1,696,577	\$ 20,443,866
Deferred inflows	6,091,135	1,736,525	2,296,345	14,767,147	5,944,536	30,835,688
Net pension liability	269,131	--	19,687,770	42,713,028	--	62,669,929
Net pension asset	--	847,219	--	--	13,209,547	14,056,766
Pension expense	(1,001,139)	(171,082)	2,320,099	2,343,679	(1,531,409)	1,960,148

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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 \$897,198 for the fiscal year ended June 30, 2022. The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. The report may be obtained at <https://www.ersi.org>.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town of Cumberland administers a single-employer, defined benefit post-employment health insurance plan. This plan does not include the pension benefits discussed in Note 9. The plan provides medical and dental insurance for eligible retirees and their dependents through the Town's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report. The Town implemented GASB Statement No. 75 in fiscal year 2017 on a retroactive basis. The plan provides the following benefits based on employee group:

- Police -Officers hired prior to July 1, 2013, are eligible for lifetime retiree health insurance (medical and dental) once they attain 20 years of service. Officers hired on/after July 1, 2013 are not eligible for retiree health benefits. Officers with a duty disability pension receive the same benefits as retirees.
- All Other Town Employees -COBRA coverage at retirement.

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021, 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	<u>97</u>

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, 2022, 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, 2022

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

Net OPEB Liability

	Total OPEB Liability
OPEB Liability:	
Balance at July 1, 2021	\$ 24,915,122
Changes for the year:	
Service cost	282,978
Interest	1,783,773
Differences in experience	(831,319)
Benefit payments	<u>(1,209,847)</u>
Net changes	<u>25,585</u>
Balance at June 30, 2022	<u>\$ 24,940,707</u>
Fiduciary Net Position:	
Balance at July 1, 2021	\$ 6,509,821
Changes for the year:	
Employer contributions	1,359,163
Net investment income	(715,117)
Benefit payments	(1,209,847)
Administrative expense	<u>(21,550)</u>
Net changes	<u>(587,351)</u>
Balance at June 30, 2022	<u>\$ 5,922,470</u>
Town's Net OPEB Liability	<u>\$ 19,018,237</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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	\$ 22,262,281	\$ 19,018,237	\$ 16,364,406

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	\$ 16,062,766	\$ 19,018,237	\$ 22,636,179

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$652,226. At June 30, 2022, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 20,933	\$ 415,659
Net difference between projected actual earnings	997,296	494,102
Changes in assumptions	476,842	--
Total	<u>\$ 1,495,071</u>	<u>\$ 909,761</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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:	
2023	\$ 168,894
2024	100,044
2025	78,046
2026	238,326
	<u>\$ 585,310</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, 2022, 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, 2022.

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, 2022

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 2022 and 2021 were as follows:

School

Incurring but not reported claims (IBNR), June 30, 2021	\$ 390,635
Approximate amount of incurred claims	8,825,994
Paid claims including amount in accounts payable at June 30, 2022	<u>(8,868,122)</u>
Estimated IBNR Claims outstanding at June 30, 2022	<u>\$ 348,507</u>
Incurring 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>

Town

Incurring but not reported claims (IBNR), June 30, 2021	\$ 217,480
Approximate amount of incurred claims	4,152,952
Paid claims including amount in accounts payable at June 30, 2022	<u>(4,186,202)</u>
Estimated IBNR Claims outstanding at June 30, 2022	<u>\$ 184,230</u>
Incurring but not reported claims (IBNR), June 30, 2020	\$ 212,103
Approximate amount of incurred claims	4,173,226
Paid claims including amount in accounts payable at June 30, 2021	<u>(4,167,849)</u>
Estimated IBNR Claims outstanding at June 30, 2021	<u>\$ 217,480</u>

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 13 - TOWN SPECIAL RESERVE

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

In addition to the sale of the cell tower leases, in 2020 the Town received a lump sum payment of \$500,000 in connection with a contract it negotiated with a solar energy provider. Those funds are also maintained in this Town Special Reserve Account, which as of June 30, 2022 contains \$1,623,000.

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, 2022

NOTE 15 - RESTATEMENTS

The Town recorded the following restatements at July 1, 2021:

Governmental Activities	
<hr/>	
Net Position as originally stated at July 1, 2021	\$ 42,339,201
Adoption of Internal Service Funds for Town and School	642,996
Restatement for assets and liabilities reclassified to Internal Service Funds	<u>(142,406)</u>
Net Position at July 1, 2021, as restated	<u>\$ 42,839,791</u>
<hr/>	
Internal Service Funds	
<hr/>	
Net Position as originally stated at July 1, 2021	\$ --
Adoption of Internal Service Funds for Town and School	<u>642,996</u>
Net Position at July 1, 2021, as restated	<u>\$ 642,996</u>
<hr/>	
General Fund	
<hr/>	
Fund Balance as originally stated at July 1, 2021	\$ 22,680,245
Restatement for assets reclassified to Internal Service Funds	<u>(222,100)</u>
Fund Balance at July 1, 2021, as restated	<u>\$ 22,458,145</u>
<hr/>	
School Unrestricted Fund	
<hr/>	
Net Position as originally stated at July 1, 2021	\$ 5,991,119
Restatement for assets and liabilities reclassified to Internal Service Funds	<u>79,694</u>
Net Position at July 1, 2021, as restated	<u>\$ 6,070,813</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 SIX FISCAL YEARS

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 282,978	\$ 305,158	\$ 306,987	\$ 426,530	\$ 426,356	\$ 434,661
Interest	1,783,773	1,626,380	1,632,408	1,832,913	1,890,431	1,568,378
Differences between expected and actual experience	(831,319)	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	(1,209,847)	(1,252,909)	(848,310)	(810,268)	(907,780)	(1,778,950)
Net change in total OPEB liability	25,585	2,171,952	117,449	(1,784,393)	(814,956)	3,439,970
Total OPEB Liability - Beginning	<u>24,915,122</u>	<u>22,743,170</u>	<u>22,625,721</u>	<u>24,410,114</u>	<u>25,225,070</u>	<u>21,785,100</u>
Total OPEB Liability - Ending	<u>\$ 24,940,707</u>	<u>\$ 24,915,122</u>	<u>\$ 22,743,170</u>	<u>\$ 22,625,721</u>	<u>\$ 24,410,114</u>	<u>\$ 25,225,070</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 1,359,163	\$ 1,386,878	\$ 1,320,000	\$ 1,575,235	\$ 1,503,461	\$ 1,903,000
Net investment income	(715,117)	1,183,307	234,124	350,683	197,255	297,230
Benefit payments	(1,209,847)	(1,252,909)	(848,310)	(810,268)	(907,780)	(1,778,950)
Administrative expenses	(21,550)	(18,539)	(18,227)	(15,633)	(11,990)	(13,765)
Net change in plan fiduciary net position	(587,351)	1,298,737	687,587	1,100,017	780,946	407,515
Plan Fiduciary Net Position - Beginning	<u>6,509,821</u>	<u>5,211,084</u>	<u>4,523,497</u>	<u>3,423,480</u>	<u>2,642,534</u>	<u>2,235,019</u>
Plan Fiduciary Net Position - Ending	<u>\$ 5,922,470</u>	<u>\$ 6,509,821</u>	<u>\$ 5,211,084</u>	<u>\$ 4,523,497</u>	<u>\$ 3,423,480</u>	<u>\$ 2,642,534</u>
Town's Net OPEB Liability - Ending	<u>\$ 19,018,237</u>	<u>\$ 18,405,301</u>	<u>\$ 17,532,086</u>	<u>\$ 18,102,224</u>	<u>\$ 20,986,634</u>	<u>\$ 22,582,536</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	23.75%	26.13%	22.91%	19.99%	14.02%	10.48%
Covered Payroll	\$ 1,966,858	\$ 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	966.93%	954.49%	795.94%	838.25%	949.47%	1042.10%

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

TOWN OF CUMBERLAND, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S OPEB CONTRIBUTIONS

LAST SIX 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
	2022	\$ 1,363,187	\$ 1,359,163	\$ (4,024)	\$ 1,966,858	69.10%
	2021	\$ 1,309,165	\$ 1,386,878	\$ 77,713	\$ 1,928,292	71.92%
	2020	\$ 1,316,810	\$ 1,320,000	\$ 3,190	\$ 2,202,703	59.93%
	2019	\$ 1,608,912	\$ 1,575,235	\$ (33,677)	\$ 2,159,513	72.94%
	2018	\$ 1,677,202	\$ 1,503,461	\$ (173,741)	\$ 2,210,352	68.02%
	2017	\$ 1,778,950	\$ 1,903,000	\$ 124,050	\$ 2,167,012	87.82%

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

TOWN OF CUMBERLAND, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S OPEB INVESTMENT RETURNS

LAST SIX FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST EIGHT FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST EIGHT FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

LAST NINE 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	2022	\$ 1,130,915	\$ 1,130,915	\$ --	\$ 11,043,361	10.24%
	2021	\$ 1,170,652	\$ 1,170,652	\$ --	\$ 10,721,710	10.92%
	2020	\$ 1,156,696	\$ 1,156,696	\$ --	\$ 10,563,462	10.95%
	2019	\$ 1,138,128	\$ 1,138,128	\$ --	\$ 9,766,244	11.65%
	2018	\$ 1,138,960	\$ 1,138,960	\$ --	\$ 9,556,447	11.92%
	2017	\$ 1,199,279	\$ 1,199,279	\$ --	\$ 9,305,618	12.89%
	2016	\$ 1,194,969	\$ 1,194,969	\$ --	\$ 8,915,758	13.40%
	2015	\$ 1,278,367	\$ 1,278,367	\$ --	\$ 8,914,303	14.34%
	2014	\$ 1,125,835	\$ 1,125,835	\$ --	\$ 8,455,599	13.31%
EMS Employees Plan	2022	\$ 107,258	\$ 107,258	\$ --	\$ 1,219,076	8.80%
	2021	\$ 138,478	\$ 138,478	\$ --	\$ 1,183,569	11.70%
	2020	\$ 100,641	\$ 100,641	\$ --	\$ 1,135,905	8.86%
	2019	\$ 110,734	\$ 110,734	\$ --	\$ 1,190,692	9.30%
	2018	\$ 94,482	\$ 94,482	\$ --	\$ 1,183,985	7.98%
	2017	\$ 101,415	\$ 101,415	\$ --	\$ 1,075,188	9.43%
	2016	\$ 121,820	\$ 121,820	\$ --	\$ 1,132,406	10.76%
	2015	\$ 117,481	\$ 117,481	\$ --	\$ 1,074,854	10.93%
	2014	\$ 65,507	\$ 65,507	\$ --	\$ 1,011,640	6.48%

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST EIGHT FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS – ERS

LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 4,926,063	\$ 4,833,646	\$ 4,714,869	\$ 5,002,374	\$ 4,341,190	\$ 4,217,829	\$ 4,112,549	\$ 3,138,074	\$ 4,307,537
Contributions in relation to the actuarially determined contribution	<u>4,926,063</u>	<u>4,833,646</u>	<u>4,714,869</u>	<u>5,002,374</u>	<u>4,341,190</u>	<u>4,217,829</u>	<u>4,112,549</u>	<u>3,138,074</u>	<u>4,307,537</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 33,295,078</u>	<u>\$ 32,325,319</u>	<u>\$ 31,383,804</u>	<u>\$ 30,469,713</u>	<u>\$ 28,976,524</u>	<u>\$ 27,399,784</u>	<u>\$ 26,896,969</u>	<u>\$ 29,858,499</u>	<u>\$ 26,812,752</u>
Contributions as a percentage of covered payroll	14.80%	14.95%	15.02%	16.42%	14.98%	15.39%	15.29%	10.51%	16.07%

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST EIGHT FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS – TSB

LAST NINE FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 48,337	\$ 49,694	\$ 51,675	\$ 51,718	\$ 50,296	\$ 49,201	\$ 39,954	\$ 43,338	\$ 39,802
Contributions in relation to the actuarially determined contribution	<u>48,337</u>	<u>49,694</u>	<u>51,675</u>	<u>51,718</u>	<u>50,296</u>	<u>49,201</u>	<u>39,954</u>	<u>43,338</u>	<u>39,802</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 33,295,078</u>	<u>\$ 32,325,319</u>	<u>\$ 31,383,804</u>	<u>\$ 30,469,713</u>	<u>\$ 28,976,524</u>	<u>\$ 27,399,784</u>	<u>\$ 26,896,969</u>	<u>\$ 29,858,499</u>	<u>\$ 26,812,752</u>
Contributions as a percentage of covered payroll	0.15%	0.15%	0.16%	0.17%	0.17%	0.18%	0.15%	0.15%	0.15%

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST NINE FISCAL YEARS

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

LAST NINE 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
2022	\$ 2,539,055	\$ 2,586,000	\$ 46,945	\$ 3,282,983	78.77%	-12.93%
2021	\$ 2,495,920	\$ 2,508,000	\$ 12,080	\$ 3,140,657	79.86%	23.86%
2020	\$ 2,417,279	\$ 2,420,000	\$ 2,721	\$ 3,053,587	79.25%	5.52%
2019	\$ 2,256,529	\$ 2,263,350	\$ 6,821	\$ 2,994,240	75.59%	9.47%
2018	\$ 2,168,246	\$ 2,218,887	\$ 50,641	\$ 2,817,547	78.75%	7.45%
2017	\$ 2,138,355	\$ 2,182,000	\$ 43,645	\$ 2,805,661	77.77%	12.97%
2016	\$ 2,110,186	\$ 2,112,000	\$ 1,814	\$ 2,966,003	71.21%	5.38%
2015	\$ 1,997,828	\$ 1,997,828	\$ --	\$ 2,686,120	74.38%	4.98%
2014	\$ 1,980,631	\$ 2,064,871	\$ 84,240	\$ 2,633,451	78.41%	12.54%

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

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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

June 30, 2021 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 measurement date –

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

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

June 30, 2019 measurement date –

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

June 30, 2018 measurement date –

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

June 30, 2017 measurement date –

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

TOWN OF CUMBERLAND, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

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

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

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date.

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

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

- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4-year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

POLICE PLAN

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2021.

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: PubS-20210 projected generationally with Scale MP-2021

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

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

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Revenues and other financing sources:				
General property taxes and interest	\$ 71,585,670	\$ 70,177,880	\$ 72,716,388	\$ 2,538,508
Investment and interest income	125,000	175,000	204,394	29,394
Payments in lieu of taxes	50,630	50,630	56,419	5,789
Other local and departmental revenue	2,892,025	2,797,857	2,844,608	46,751
Federal and State aid and grants	3,251,911	3,647,927	3,700,657	52,730
Cell tower revenue	135,000	35,000	30,769	(4,231)
Rescue service revenue	1,250,000	1,250,000	1,141,259	(108,741)
School housing capital aid	1,244,281	1,370,450	1,382,283	11,833
Appropriation of general fund surplus	710,576	650,000	--	(650,000)
Revenue stabilization revenue	700,000	700,000	--	(700,000)
Lease proceeds	--	1,211,283	330,857	(880,426)
Other financing sources - police detail	135,000	185,000	185,000	--
Total revenues and other financing sources	82,080,093	82,251,027	82,592,634	341,607
Expenditures and other financing uses:				
General government:				
Mayor's Office	298,799	303,042	286,334	16,708
Town Clerk	336,260	342,468	314,242	28,226
Town Officers	4,521	4,521	4,608	(87)
Town Council	127,000	127,000	89,993	37,007
Legal	263,885	276,604	265,885	10,719
Canvassing	96,258	99,404	101,702	(2,298)
Misc. Boards	6,900	6,900	6,400	500
Courts	105,834	112,088	113,658	(1,570)
	1,239,457	1,272,027	1,182,822	89,205
Community Development:				
Planning	280,566	279,096	273,898	5,198
Inspection	369,453	374,949	365,269	9,680
Zoning	17,500	17,500	16,146	1,354
	667,519	671,545	655,313	16,232

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, 2022

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Financial Administration				
Information technology	107,000	107,000	73,596	33,404
Finance	796,142	825,684	757,538	68,146
Human Resources	122,418	115,225	105,906	9,319
Assessor	327,927	267,425	242,508	24,917
	<u>1,353,487</u>	<u>1,315,334</u>	<u>1,179,548</u>	<u>135,786</u>
Public Safety:				
Police department	6,002,463	6,002,473	5,736,802	265,671
Telecommunication	592,342	546,221	531,471	14,750
EMS service	2,689,954	2,778,106	2,661,628	116,478
Animal control	142,931	138,878	136,872	2,006
	<u>9,427,690</u>	<u>9,465,678</u>	<u>9,066,773</u>	<u>398,905</u>
Public Works:				
Public works	3,223,084	2,986,592	2,985,167	1,425
Highway	3,337,796	3,429,608	3,528,114	(98,506)
Recreation	590,666	609,732	502,733	106,999
Town Hall	284,971	320,257	316,022	4,235
	<u>7,436,517</u>	<u>7,346,189</u>	<u>7,332,036</u>	<u>14,153</u>
Social Services:				
Library	1,771,894	1,771,894	1,695,158	76,736
Children and Learning	262,900	262,581	256,533	6,048
Senior Citizen	339,303	333,170	299,025	34,145
	<u>2,374,097</u>	<u>2,367,645</u>	<u>2,250,716</u>	<u>116,929</u>
Other Expenditures:				
Outside Agencies	85,500	95,000	80,269	14,731
Severances	100,000	100,000	27,093	72,907
Contingencies	100,000	100,000	73,737	26,263
Property & Liability Insur.	500,000	500,000	516,352	(16,352)
	<u>785,500</u>	<u>795,000</u>	<u>697,451</u>	<u>97,549</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, 2022

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variances Favorable (Unfavorable)
	Original	Final		
Debt Service - Town	2,547,224	2,457,724	2,389,929	67,795
Debt service - School	3,286,713	3,286,713	3,286,694	19
Town Master Lease	293,618	293,618	290,614	3,004
Fringe benefits	4,218,590	4,218,590	4,807,288	(588,698)
	<u>10,346,145</u>	<u>10,256,645</u>	<u>10,774,525</u>	<u>(517,880)</u>
School Department				
Town Contribution - Education	47,056,398	48,760,964	47,880,761	880,203
Capital Improvements - Leases	693,283	--	--	--
Other Contributions	--	--	--	--
Healthcare - Education	700,000	--	--	--
	<u>48,449,681</u>	<u>48,760,964</u>	<u>47,880,761</u>	<u>880,203</u>
 Total expenditure and other financing uses	 <u>82,080,093</u>	 <u>82,251,027</u>	 <u>81,019,945</u>	 <u>(1,231,082)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	 <u><u>\$ --</u></u>	 <u><u>\$ --</u></u>	 <u>1,572,689</u>	 <u>\$ 1,572,689</u>
 Adjustment of budgetary basis to US GAAP			(460,179)	
Fund balance, beginning of year (GAAP)			<u>22,680,245</u>	
Fund balance, end of year (GAAP)			<u><u>\$ 23,792,755</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)

SCHOOL UNRESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenue				
Local Appropriation	\$ 47,056,398	\$ 47,056,398	\$ 47,056,398	\$ --
Leasing Proceeds	1,546,533	1,546,533	1,676,672	130,139
State Aid	21,245,315	21,245,315	21,167,932	(77,383)
Medicaid	450,000	450,000	491,510	41,510
Section 125 Co-Pays (1)	1,675,000	1,675,000	--	(1,675,000)
Retiree & COBRA Health, Life Insurance (2)	275,000	275,000	--	(275,000)
Building/Pool Rentals	225,000	225,000	183,994	(41,006)
Tuition From Other Districts	712,000	712,000	726,395	14,395
Preschool Tuitions/Transportation	130,000	130,000	149,440	19,440
Refund of Prior Year Expense	325,287	325,287	54,600	(270,687)
Miscellaneous	14,777	14,777	359	(14,418)
Long Term Debt Proceeds	--	--	689,648	689,648
Rebate of Current Year Expenses	--	--	14,400	14,400
Fund Balance	1,728,081	1,728,081	1,604,838	(123,243)
Total Revenue	75,383,391	75,383,391	73,816,186	(1,567,205)
Expenditures				
<i>Ashton</i>				
Salaries Yr. Round Employees	236,844	236,844	244,880	(8,036)
Salaries-Certified Teachers	2,073,148	2,073,148	2,068,950	4,198
Salaries-Para/Aides	71,840	71,840	61,195	10,645
Services/Postage/Volunteers	7,920	7,920	34,124	(26,204)
Materials & Supplies	39,670	39,670	33,802	5,868
Dues	650	650	595	55
Capital	500	500	--	500
	2,430,572	2,430,572	2,443,546	(12,974)

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, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>Community</i>				
Salaries- Yr. Round Employees	317,443	317,443	310,343	7,100
Salaries-Certified Teachers	3,632,455	3,632,455	3,668,959	(36,504)
Salaries-Para/Aides	273,175	273,175	242,675	30,500
Services/Postage/Volunteers	8,200	8,200	21,216	(13,016)
Materials & Supplies	78,158	78,158	63,937	14,221
Dues	650	650	893	(243)
Capital	1,500	1,500	497	1,003
	<u>4,311,581</u>	<u>4,311,581</u>	<u>4,308,520</u>	<u>3,061</u>
<i>Cumberland Hill</i>				
Salaries- Yr. Round Employees	151,523	151,523	217,246	(65,723)
Salaries-Certified Teachers	2,777,202	2,777,202	2,699,592	77,610
Salaries-Para/Aides	270,627	270,627	250,274	20,353
Services/Postage/Volunteers	7,775	7,775	13,447	(5,672)
Materials & Supplies	44,535	44,535	40,563	3,972
Dues	650	650	595	55
Capital	500	500	485,765	(485,265)
	<u>3,252,812</u>	<u>3,252,812</u>	<u>3,707,482</u>	<u>(454,670)</u>
<i>Garvin</i>				
Salaries- Yr. Round Employees	234,107	234,107	232,146	1,961
Salaries-Certified Teachers	2,521,740	2,521,740	2,595,514	(73,774)
Salaries-Para/Aides	169,983	169,983	125,930	44,053
Services/Postage/Volunteers	8,051	8,051	12,458	(4,407)
Materials & Supplies	46,127	46,127	39,121	7,006
Dues	650	650	595	55
Capital	500	500	2,030	(1,530)
	<u>2,981,158</u>	<u>2,981,158</u>	<u>3,007,794</u>	<u>(26,636)</u>
<i>BF Norton</i>				
Salaries-Yr. Round Employees	318,985	318,985	295,211	23,774
Salaries-Certified Teachers	2,417,390	2,417,390	2,438,926	(21,536)
Salaries-Para/Aides	314,577	314,577	254,379	60,198
Services/Postage/Volunteers	8,673	8,673	11,497	(2,824)
Materials & Supplies	42,516	42,516	32,082	10,434
Dues	650	650	893	(243)
Capital	500	500	--	500
	<u>3,103,291</u>	<u>3,103,291</u>	<u>3,032,988</u>	<u>70,303</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, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>Pre-School</i>				
Salaries- Year Round	91,417	91,417	92,385	(968)
Salaries-Certified Teachers	511,118	511,118	476,340	34,778
Salaries-Para/Aides	178,755	178,755	211,549	(32,794)
Child Outreach Salaries	24,000	24,000	22,189	1,811
Services/Postage	100	100	2,450	(2,350)
Materials & Supplies	5,150	5,150	4,413	737
Capital	1,000	1,000	2,127	(1,127)
	<u>811,540</u>	<u>811,540</u>	<u>811,453</u>	<u>87</u>
<i>McCourt</i>				
Salaries- Year Round	384,057	384,057	362,592	21,465
Salaries-Certified Teachers	3,837,577	3,837,577	3,766,547	71,030
Salaries-Para/Aides	123,789	123,789	109,425	14,364
Services/Postage	35,194	35,194	37,043	(1,849)
Materials & Supplies	58,160	58,160	29,145	29,015
Dues	2,800	2,800	1,190	1,610
Capital	13,300	13,300	41,401	(28,101)
	<u>4,454,877</u>	<u>4,454,877</u>	<u>4,347,343</u>	<u>107,534</u>
<i>NCM School</i>				
Salaries- Year Round	390,639	390,639	377,319	13,320
Salaries-Certified Teachers	3,886,824	3,886,824	4,001,366	(114,542)
Salaries-Para/Aides	220,940	220,940	233,479	(12,539)
Services/Postage	34,100	34,100	42,870	(8,770)
Materials & Supplies	70,875	70,875	38,313	32,562
Student Travel	--	--	9,502	(9,502)
Dues	2,800	2,800	1,190	1,610
Capital	11,300	11,300	61,357	(50,057)
	<u>4,617,478</u>	<u>4,617,478</u>	<u>4,765,396</u>	<u>(147,918)</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, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>Cumberland High School</i>				
Salaries- Yr. Round Employees	905,018	905,018	836,168	68,850
Salaries-Certified Teachers	9,692,364	9,692,364	9,959,772	(267,408)
Salaries-Para/Aides	654,649	654,649	605,233	49,416
Dual Enrollment	67,000	67,000	58,061	8,939
Services/Postage	163,251	163,251	178,723	(15,472)
Maint & Repairs, Rentals	8,600	8,600	5,138	3,462
Graduation	19,000	19,000	13,664	5,336
Student Travel	4,500	4,500	2,060	2,440
Materials & Supplies	122,197	122,197	76,039	46,158
Dues	15,770	15,770	7,275	8,495
Capital	136,440	136,440	142,094	(5,654)
	<u>11,788,789</u>	<u>11,788,789</u>	<u>11,884,227</u>	<u>(95,438)</u>
<i>Summer School (ALL)</i>				
Salaries Remedial	31,000	31,000	17,203	13,797
Salaries-Certified ESY	115,500	115,500	102,145	13,355
Salaries-Para ESY	65,000	65,000	45,979	19,021
Services	500	500	28,947	(28,447)
Supplies, Maint & Repairs	1,000	1,000	631	369
	<u>213,000</u>	<u>213,000</u>	<u>194,905</u>	<u>18,095</u>
<i>Elem Cord/Attrition</i>				
Salaries-Certified Cord	422,626	422,626	309,372	113,254
	<u>422,626</u>	<u>422,626</u>	<u>309,372</u>	<u>113,254</u>
<i>Special Education</i>				
Salaries- Year Round	222,440	222,440	226,119	(3,679)
Salaries-Certified Teachers/Tutors	391,670	391,670	377,612	14,058
Services & Repairs	946,390	946,390	896,143	50,247
Tuitions	1,250,000	1,250,000	1,205,794	44,206
Materials & Supplies	19,300	19,300	22,022	(2,722)
Travel	--	--	2,193	(2,193)
Dues	1,000	1,000	870	130
Capital	17,000	17,000	12,033	4,967
	<u>2,847,800</u>	<u>2,847,800</u>	<u>2,742,786</u>	<u>105,014</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, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>Superintendent & School Committee</i>				
Salaries	277,659	277,659	316,292	(38,633)
School Committee Stipends	2,000	2,000	3,000	(1,000)
Services/Legal/Maint Repairs	120,000	120,000	211,271	(91,271)
Materials & Supplies	1,350	1,350	2,228	(878)
Travel	8,000	8,000	13,135	(5,135)
Dues	15,000	15,000	11,028	3,972
	<u>424,009</u>	<u>424,009</u>	<u>556,954</u>	<u>(132,945)</u>
<i>Asst Superintendent</i>				
Salaries	200,694	200,694	204,035	(3,341)
Prof Development Staff Training	36,270	36,270	18,047	18,223
Purchased Services	54,048	54,048	94,417	(40,369)
Travel	5,000	5,000	977	4,023
Materials & Supplies	16,750	16,750	3,457	13,293
Dues	2,400	2,400	2,020	380
Capital	--	--	14,580	(14,580)
	<u>315,162</u>	<u>315,162</u>	<u>337,533</u>	<u>(22,371)</u>
<i>Human Resources</i>				
Salaries	322,182	322,182	231,900	90,282
Services	36,500	36,500	21,081	15,419
Materials & Supplies	1,000	1,000	987	13
Auto Allowance	--	--	1,700	(1,700)
Dues	500	500	--	500
	<u>360,182</u>	<u>360,182</u>	<u>255,668</u>	<u>104,514</u>
<i>Technology</i>				
Salaries	475,950	475,950	487,633	(11,683)
Travel	6,000	6,000	4,367	1,633
Maint & Repairs	363,082	363,082	231,167	131,915
Materials & Supplies	20,300	20,300	(4,356)	24,656
Dues & Training	399	399	25	374
Capital	343,044	343,044	298,976	44,068
	<u>1,208,775</u>	<u>1,208,775</u>	<u>1,017,812</u>	<u>190,963</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, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>Business Office</i>				
Salaries	355,842	355,842	342,708	13,134
Services/Postage	76,800	76,800	83,734	(6,934)
Lease Payments	773,283	773,283	757,486	15,797
Travel	1,800	1,800	--	1,800
Postage/Supplies	11,000	11,000	8,685	2,315
Dues	500	500	1,625	(1,125)
	<u>1,219,225</u>	<u>1,219,225</u>	<u>1,194,238</u>	<u>24,987</u>
<i>Facilities</i>				
Salaries	341,099	341,099	342,350	(1,251)
Dues	--	--	27	(27)
Services	668,064	668,064	864,616	(196,552)
Utilities	1,025,000	1,025,000	1,313,960	(288,960)
Insurance (Property & Liability)	307,763	307,763	310,607	(2,844)
Supplies	254,000	254,000	221,145	32,855
Capital	838,709	838,709	2,523,480	(1,684,771)
	<u>3,434,635</u>	<u>3,434,635</u>	<u>5,576,185</u>	<u>(2,141,550)</u>
<i>Athletics & Pool</i>				
Salaries - Athletics Director	76,089	76,089	69,909	6,180
Stipends - Coaches	168,700	168,700	167,200	1,500
Services /Rentals	35,000	35,000	27,297	7,703
Materials & Supplies	19,000	19,000	9,631	9,369
Transportation	89,024	89,024	51,811	37,213
Dues	53,560	53,560	39,129	14,431
Capital	--	--	1,265	(1,265)
	<u>441,373</u>	<u>441,373</u>	<u>366,242</u>	<u>75,131</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, 2022

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<i>Health Services</i>				
Stipends	7,000	7,000	9,000	(2,000)
Services	15,000	15,000	10,672	4,328
	<u>22,000</u>	<u>22,000</u>	<u>19,672</u>	<u>2,328</u>
<i>School Safety</i>				
Salaries Truant Officer	34,918	34,918	35,442	(524)
Travel/Supplies	2,000	2,000	732	1,268
Salaries Bus Monitors	9,900	9,900	13,245	(3,345)
	<u>46,818</u>	<u>46,818</u>	<u>49,419</u>	<u>(2,601)</u>
<i>Transportation/Travel</i>				
Services State	900,000	900,000	708,168	191,832
Summer School State & Durham	175,000	175,000	121,836	53,164
Services Durham	2,958,980	2,958,980	2,983,953	(24,973)
	<u>4,033,980</u>	<u>4,033,980</u>	<u>3,813,957</u>	<u>220,023</u>
<i>Advertising Services</i>				
	10,000	10,000	8,483	1,517
	<u>10,000</u>	<u>10,000</u>	<u>8,483</u>	<u>1,517</u>
<i>Other Tuitions - Charter Schools</i>				
Services	4,045,168	4,045,168	3,951,526	93,642
	<u>4,045,168</u>	<u>4,045,168</u>	<u>3,951,526</u>	<u>93,642</u>
<i>Area Voc Tuitions & Met School</i>				
Services	376,716	376,716	407,012	(30,296)
	<u>376,716</u>	<u>376,716</u>	<u>407,012</u>	<u>(30,296)</u>
<i>Non-Public School Textbooks</i>				
Materials & Supplies	10,000	10,000	818	9,182
	<u>10,000</u>	<u>10,000</u>	<u>818</u>	<u>9,182</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, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<i>Benefits</i>				
CTA 3% All Empl. Severance	132,989	132,989	80,898	52,091
Tuitions/Travel	20,000	20,000	2,863	17,137
ICSE Longevity	57,000	57,000	48,309	8,691
Healthcare Buyback	135,000	135,000	143,520	(8,520)
Health Insurance Admin & Claims (1)	8,899,567	8,899,567	6,401,656	2,497,911
Dental (2)	530,450	530,450	348,667	181,783
Social Security	465,182	465,182	365,458	99,724
Medicare	634,040	634,040	561,379	72,661
Life Insurance	325,000	325,000	254,591	70,409
Workers Compensation	165,000	165,000	118,203	46,797
Unemployment Compensation	100,000	100,000	18,813	81,187
Survivors Benefits	51,000	51,000	48,327	2,673
Certified Retirement	6,061,610	6,061,610	5,751,837	309,773
Non-Certified Retirement	622,986	622,986	560,334	62,652
	<u>18,199,824</u>	<u>18,199,824</u>	<u>14,704,855</u>	<u>3,494,969</u>
 Total expenditures	 <u>75,383,391</u>	 <u>75,383,391</u>	 <u>73,816,186</u>	 <u>1,567,205</u>
 Net Changes in Fund Balance, Budgetary basis	 <u>\$ --</u>	 <u>\$ --</u>	 <u> --</u>	 <u>\$ --</u>
 Fund balance - beginning of the year			 <u>5,991,119</u>	
 Fund balance - end of the year			 <u>\$ 5,991,119</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, 2022

	Budgeted Amounts			Favorable
	Original	Final	Actual	(Unfavorable)
Revenue				
Charges for services	\$ 406,523	\$ 406,523	\$ 503,850	\$ 97,327
Sewer assessments	139,836	139,836	134,047	(5,789)
Miscellaneous and other	51,200	51,200	35,600	(15,600)
Total revenues	<u>597,559</u>	<u>597,559</u>	<u>673,496</u>	<u>75,937</u>
Expenditures				
Personnel services	177,709	177,709	129,247	48,462
Supplies and materials	69,800	69,800	41,279	28,521
Repairs and maintenance	180,050	180,050	159,029	21,021
Capital improvements	170,000	170,000	216,009	(46,009)
Total expenditures	<u>597,559</u>	<u>597,559</u>	<u>545,565</u>	<u>51,994</u>
Excess (deficiency) of revenue over expenditures before other financing sources	<u>--</u>	<u>--</u>	<u>127,931</u>	<u>23,944</u>
Other Financing Sources (Uses)				
Deficit reduction	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)				
Excess(deficiency) of revenue over expenditure	<u>\$ --</u>	<u>\$ --</u>	<u>127,931</u>	<u>\$ 23,944</u>
Adjustments of budgetary basis for US GAAP basis			<u>--</u>	
Excess of revenue and other sources over expenditures and other financing uses US GAAP basis			<u>127,931</u>	
Fund balance, beginning of year			<u>263,916</u>	
Fund balance, end of year			<u>\$ 391,847</u>	

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

TOWN OF CUMBERLAND, RHODE ISLAND

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

WATER FUND

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget As Adopted	Actual	Variance Favorable (Unfavorable)
Revenue				
Charges for services	\$ 6,325,006	\$ 6,325,006	\$ 4,925,739	\$ (1,399,267)
Miscellaneous	125,000	125,000	--	(125,000)
Total revenues	<u>6,450,006</u>	<u>6,450,006</u>	<u>4,925,739</u>	<u>(1,524,267)</u>
Expenditures:				
Personnel services	1,653,430	1,653,430	1,587,995	65,435
Supplies and materials	236,200	236,200	226,216	9,984
Repairs and maintenance	174,500	174,500	200,868	(26,368)
Other charges and expenditures	3,159,407	3,159,407	3,062,111	97,296
Indirect cost	75,000	75,000	85,000	(10,000)
Debt service	1,151,469	1,151,469	986,708	164,761
Total expenditures	<u>6,450,006</u>	<u>6,450,006</u>	<u>6,148,898</u>	<u>301,108</u>
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ --</u>	<u>\$ --</u>	<u>(1,223,159)</u>	<u>\$ (1,223,159)</u>
Adjustments of budgetary basis for US GAAP basis			<u>74,791</u>	
Excess of revenue and other source over expenditures and other financing uses, US GAAP basis			<u>(1,148,368)</u>	
Fund balance, beginning of year			<u>27,875,345</u>	
Fund balance, end of year			<u>\$ 26,726,977</u>	

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

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022 for the General Fund:

Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 1,572,689
Unbudgeted activity in Fund #305 (Senior Center)	(82,375)
Unbudgeted activity in Fund #307 (Public Fund)	(35,316)
Unbudgeted activity in Fund #315 (Police Detail)	41,302
Unbudgeted activity in Fund #324 (OC & YL)	9,319
Unbudgeted activity in Fund #342 (Recreation)	(207,349)
Unbudgeted activity in Fund #396 (Town Projects)	(142,608)
Unbudgeted activity in Fund #399 (Comm Dev)	<u>(43,152)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u><u>\$ 1,112,510</u></u>

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2022 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	3,668,919
ERSRI on behalf pension expenditures	(3,668,919)
Budgeted use of fund balance	<u>(1,646,966)</u>
Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources - GAAP Basis	<u><u>\$ (1,646,966)</u></u>

TOWN OF CUMBERLAND, RHODE ISLAND
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 for the Water Fund:

Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ (1,223,159)
Unbudgeted depreciation expense	(911,917)
Principal payments which are budgeted for net netted against long-term liabilities for GAAP purposes	986,708
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u><u>\$ (1,148,368)</u></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, 2022

Real estate and personal property taxes receivable:

									FY 2022 Collections Summary			
Fiscal Year	July 1, 2021	Current Year Assessment	Additions	Abatements	Refunds / Adjustments	Amount to be Collected	FY 2022 Collections	June 30, 2022	July - August 2021 (FY21) Collections Subject to 60-day FY21 Accrual	September - June 2022 Collections	Total FY 2022 Collections	July - August 2022 (FY 22) Collections Subject to 60-day FY22 Accrual
2022	\$ --	\$ 68,563,585	\$ 57,845	\$ (214,978)	\$ (427,441)	\$ 67,979,011	\$ 33,955,603	\$ 34,023,408	\$ --	\$ 33,955,603	\$ 33,955,603	\$ 9,347,309
2021	33,499,413	--	193,138	(158,010)	123,578	33,658,119	32,839,109	819,010	8,203,506	24,635,603	32,839,109	167,141
2020	949,496	--	136,339	(249)	(33,185)	1,052,401	854,731	197,670	134,094	720,637	854,731	17,511
2019	433,522	--	1,108	--	(11,157)	423,473	261,808	161,665	97,132	164,676	261,808	9,566
2018	32,587	--	1,045	--	276,804	310,436	28,216	282,220	3,292	24,924	28,216	1,179
2017	149,742	--	131	--	195	150,068	9,255	140,813	330	8,925	9,255	1,219
2016	140,284	--	172	--	(337)	140,119	7,944	132,175	791	7,153	7,944	1,184
2015	92,109	--	175	--	(186)	92,098	4,358	87,740	1,158	3,200	4,358	502
2014	130,128	--	178	--	669	130,975	5,534	125,441	1,259	4,275	5,534	615
2013	119,978	--	306	--	2	120,286	751	119,535	45	706	751	682
2012 and prior	716,719	--	2,150	--	1,253	720,122	3,417	716,705	142	3,275	3,417	2,525
	<u>\$ 36,263,978</u>	<u>\$ 68,563,585</u>	<u>\$ 392,587</u>	<u>\$ (373,237)</u>	<u>\$ (69,805)</u>	<u>\$ 104,777,108</u>	<u>\$ 67,970,726</u>	<u>\$ 36,806,382</u>	<u>\$ 8,441,749</u>	<u>\$ 59,528,977</u>	<u>\$ 67,970,726</u>	<u>\$ 9,549,433</u>
Allowance for Uncollectible Accounts	(1,840,438)							(1,884,785)				
Net Property Tax Receivable	<u>\$ 34,423,540</u>							<u>\$ 34,921,597</u>				

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

FOR THE YEAR ENDED JUNE 30, 2022

Schedule of Net Assessed Property, Value by Category			Reconciliation of Current Year Property Tax Revenue	
Valuations				
Description of Property	December 31, 2021	Levy		
Real Property	\$ 4,352,599,341	\$ 62,531,932	Current Year Collections	\$ 67,970,726
Tangible	<u>201,377,162</u>	<u>6,031,653</u>	July - August 2022 Collections	
Total	4,553,976,503	68,563,585	Subject to 60-day FY 22 Accrual	<u>9,549,433</u>
				77,520,159
Exemptions	<u>(181,343,335)</u>	<u>--</u>	July - August 2021 Collections	
			Subject to 60-day FY21 Accrual	<u>(8,441,749)</u>
Net Assessed Value	<u>\$ 4,372,633,168</u>	<u>\$ 68,563,585</u>	Current Year Property Tax Revenue	69,078,410
			Motorvehicle Phase Out	3,296,695
			Interest and penalties	341,299
			Current Year Payment in Lieu of Taxes	<u>56,419</u>
			Current year general fund tax revenue	<u>\$ 72,772,823</u>

TOWN OF CUMBERLAND, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 46,348,363	\$ -
Last Year's Levy Tax Collection	24,802,744	-
Prior Years Property Tax Collection	972,754	-
Interest & Penalty	341,299	-
PILOT & Tax Treaty (excluded from levy) Collection	56,419	-
Other Local Property Taxes	-	-
Licenses and Permits	559,902	-
Fines and Forfeitures	-	-
Investment Income	204,394	-
Departmental	1,699,718	-
Rescue Run Revenue	1,326,259	-
Police & Fire Detail	473,876	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	875,835
Impact Aid	-	-
Medicaid	-	491,510
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	2,852,882
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,387,448
COVID - ESSER	-	1,875,239
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	25,899	-
COVID - Other	-	-
COVID - ARPA	-	226,948
MV Excise Tax Reimbursement	251,244	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	311,765	-
Library Construction Aid	29,844	-
Public Service Corporation Tax	415,003	-
Meals & Beverage Tax / Hotel Tax	626,037	-
LEA Aid	-	21,167,932
Group Home	-	-
Housing Aid Capital Projects	1,182,710	-
Housing Aid Bonded Debt	199,573	-
State Food Service Revenue	-	16,857
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	34,557	115,344
Motor Vehicle Phase Out	2,641,329	-
Other Revenue	310,725	817,802
Local Appropriation for Education	-	47,056,398
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 82,814,414	\$ 77,884,195
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	280,000	-
Financing Sources: Debt Proceeds	-	2,366,320
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 280,000	\$ 2,366,320

TOWN OF CUMBERLAND, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2022

<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	\$ 1,015,069	\$ 416,153	\$ 330,875	\$ -	\$ 413,195	\$ 996,954	\$ 1,878,576	\$ 161,068	\$ 3,638,426
Compensation - Group B	-	-	-	-	-	-	-	-	192,624
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	353	-	-	-	20,667	136,178	-	22,346
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	553,850
Active Medical Insurance - Group A	210,387	92,983	72,266	-	118,908	119,753	660,686	1,955	970,991
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	39,435
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	4,150	3,491	4,143	-	5,109	8,814	35,753	-	41,413
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	2,192
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	74,561	30,783	25,543	-	31,189	75,598	146,841	12,257	301,166
Life Insurance	10,464	5,066	2,310	-	4,398	4,880	19,482	2,235	25,896
State Defined Contribution- Group A	21,607	2,877	3,173	-	3,316	6,496	16,247	851	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	42,789
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	4,450	1,148	172,441
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	2,586,000
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	62,933	44,945	29,743	-	44,462	67,673	203,022	12,295	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	30,660
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	8,535	-	-	-	-	-	-	-	-
Purchased Services	122,052	134,823	222,660	-	12,035	570	3,700	315,963	48,871
Materials/Supplies	88,059	8,074	24,082	-	6,046	176,471	60,420	6,242	33,812
Software Licenses	66,682	16,253	-	-	10,857	69,558	73	-	-
Capital Outlays	75,939	5,462	3,033	-	320	47,717	2,884	-	-
Insurance	684,813	-	-	-	-	-	-	-	-
Maintenance	1,629	-	8,727	-	-	28,154	152,830	20,236	16,262
Vehicle Operations	-	-	4,242	-	4,789	-	247,613	1,954	184,495
Utilities	182,337	-	-	-	-	85,557	-	-	69,909
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	299,739	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	287,980	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,801,746	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	82,450	17,927	107,230	-	17,733	7,642	146,260	81	54,559
Tipping Fees	-	-	-	-	-	-	529,899	-	-
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	\$ 2,711,667	\$ 779,190	\$ 838,027	\$ -	\$ 672,357	\$ 1,716,504	\$ 6,634,379	\$ 536,285	\$ 9,028,137

TOWN OF CUMBERLAND, RHODE ISLAND

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 323,316	\$ 1,351,761	\$ -	\$ -	\$ -	\$ 10,525,393	\$ 33,694,817
Compensation - Group B	-	-	64,560	-	-	-	257,184	3,984,508
Compensation - Group C	-	-	-	-	-	-	-	5,154,473
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	64,196	179,154	-	-	-	422,894	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	65,985
Police & Fire Detail	-	-	-	-	-	-	553,850	-
Active Medical Insurance - Group A	-	88,053	477,033	-	-	-	2,813,015	4,873,703
Active Medical Insurance- Group B	-	-	21,206	-	-	-	60,641	487,962
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,607,560
Active Dental Insurance- Group A	-	3,553	18,687	-	-	-	125,113	260,589
Active Dental Insurance- Group B	-	-	946	-	-	-	3,138	23,651
Active Dental Insurance- Group C	-	-	-	-	-	-	-	89,114
Payroll Taxes	-	30,423	129,417	-	-	-	857,778	1,002,370
Life Insurance	-	2,496	18,029	-	-	-	95,256	262,913
State Defined Contribution- Group A	-	3,715	398	-	-	-	58,680	807,794
State Defined Contribution - Group B	-	-	-	-	-	-	42,789	87,726
State Defined Contribution - Group C	-	-	-	-	-	-	-	46,292
Other Benefits- Group A	-	1,820	45,628	-	-	-	225,487	88,423
Other Benefits- Group B	-	-	817	-	-	-	817	60,346
Other Benefits- Group C	-	-	-	-	-	-	-	40,481
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	2,586,000	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	34,403	145,155	-	-	-	644,631	4,952,658
State Defined Benefit Pension - Group B	-	-	6,537	-	-	-	37,197	572,613
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	480,766
Other Defined Benefit / Contribution	-	-	4,157	-	-	-	12,692	-
Purchased Services	-	-	25,833	-	-	-	886,507	13,882,614
Materials/Supplies	-	-	38,459	-	-	-	441,665	1,117,523
Software Licenses	-	-	2,785	-	-	-	166,208	3,519
Capital Outlays	-	-	42,073	-	-	-	177,428	3,858,654
Insurance	-	-	-	-	-	-	684,813	310,607
Maintenance	-	-	62,025	-	-	-	289,863	576,123
Vehicle Operations	-	-	65,907	-	-	-	509,000	11,609
Utilities	-	-	48,049	-	-	-	385,852	1,534,494
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	299,739	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	287,980	-
Trash Removal & Recycling	-	-	-	-	-	-	1,801,746	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	69,932	-	-	-	503,814	411,661
Tipping Fees	-	-	-	-	-	-	529,899	-
Local Appropriation for Education	-	-	-	47,056,398	-	-	47,056,398	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,867,165	-	1,867,165	-
Municipal Debt- Interest	-	-	-	-	860,363	-	860,363	-
School Debt- Principal	-	-	-	-	3,619,155	-	3,619,155	693,283
School Debt- Interest	-	-	-	-	899,560	-	899,560	64,203
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	4,050
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,359,000	1,359,000	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 551,975	\$ 2,818,548	\$ 47,056,398	\$ 7,246,243	\$ 1,359,000	\$ 81,948,710	\$ 81,113,084

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	33,194	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 33,194	\$ -
Net Change in Fund Balance¹	1,112,510	(862,569)
Fund Balance¹- beginning of year	\$22,680,245	\$7,404,085
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	(222,100)	79,694
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	22,458,145	7,483,779
Rounding	-	-
Fund Balance¹ - end of year	\$ 23,570,655	\$ 6,621,210

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, 2022

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, 2021						\$ 22,680,245	\$ (222,100)	\$ 22,458,145	
No funds removed from RGS for Fiscal 2021						-	-	-	
No funds added to RGS for Fiscal 2021						-	-	-	
No misc. adjustments made for Fiscal 2021						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted						\$ 22,680,245	\$ (222,100)	\$ 22,458,145	
General Fund	\$ 82,814,414	\$ 610,857	\$ 35,223,169	\$ 47,089,592	\$ 1,112,510	\$ 22,680,245	\$ (222,100)	\$ 22,458,145	\$ 23,570,655
Totals per audited financial statements	\$ 82,814,414	\$ 610,857	\$ 35,223,169	\$ 47,089,592	\$ 1,112,510	\$ 22,680,245	\$ (222,100)	\$ 22,458,145	\$ 23,570,655
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 47,056,398	\$ (47,056,398)	\$ -	\$ -	\$ -	\$ -	\$ -
Reduction to sources and expense for capital debt	-	(330,857)	(330,857)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 82,814,414	\$ 280,000	\$ 81,948,710	\$ 33,194	\$ 1,112,510	\$ 22,680,245	\$ (222,100)	\$ 22,458,145	\$ 23,570,655

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

EDUCATION DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2022

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, 2021						\$ 7,404,085	\$ 79,694	\$ 7,483,779	
No misc. adjustments made for fiscal 2021						-	-	-	
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted						7,404,085	79,694	7,483,779	
School Unrestricted Fund	\$ 28,134,221	\$ 47,746,046	\$ 77,527,233	\$ -	\$ (1,646,966)	\$ 5,991,119	\$ 79,694	\$ 6,070,813	\$ 4,423,847
School Special Revenue Funds	8,039,167	-	7,254,770	-	784,397	1,412,966	-	1,412,966	2,197,363
Totals per audited financial statements	\$ 36,173,388	\$ 47,746,046	\$ 84,782,003	\$ -	\$ (862,569)	\$ 7,404,085	\$ 79,694	\$ 7,483,779	\$ 6,621,210
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 47,056,398	\$ (47,056,398)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,668,919)	-	(3,668,919)	-	-	-	-	-	-
Lease proceeds represented as revenue in audit but reclassified as debt proceeds for purposes of UCOA and MTP	(1,676,672)	1,676,672	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 77,884,195	\$ 2,366,320	\$ 81,113,084	\$ -	\$ (862,569)	\$ 7,404,085	\$ 79,694	\$ 7,483,779	\$ 6,621,210
Reconciliation from MTP2 to UCOA									
Reclass of MTP source to revenue in UCOA	\$ 1,676,672	\$ (1,676,672)	\$ -						
Reclass of MTP source to revenue in UCOA	689,648	(689,648)	-						
Totals per UCOA Validated Totals Report 1/28/23	\$ 80,250,515	\$ -	\$ 81,113,084						

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, 2022

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, 2022

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, 2022

	TOWN SPECIAL REVENUE FUNDS						
	300	302	303	304	306	319	313
	DEM						
	Grant	Substance	Animal	Impact	Sewer	Police Grants	Historical
	Diamond Hill	Abuse	Control	Fees	Ferncrest	Byrne Jag	Records
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 89,980	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	--	4,277	13,334	--	--	--	23,784
Other receivables, net	--	--	--	--	109,210	--	--
Total Assets	<u>\$ --</u>	<u>\$ 4,277</u>	<u>\$ 13,334</u>	<u>\$ 89,980</u>	<u>\$ 109,210</u>	<u>\$ --</u>	<u>\$ 23,784</u>
Liabilities							
Accounts payable and accrued liabilities	\$ --	\$ 5,160	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--
Due to other funds	420,587	--	--	16,039	39,415	--	--
Unearned revenue	--	--	--	--	109,210	--	--
Total Liabilities	<u>420,587</u>	<u>5,160</u>	<u>--</u>	<u>16,039</u>	<u>148,625</u>	<u>--</u>	<u>--</u>
Fund Balances							
Restricted	--	--	13,334	--	--	--	23,784
Committed	--	--	--	73,941	--	--	--
Unassigned	(420,587)	(883)	--	--	(39,415)	--	--
Total Fund Balances	<u>(420,587)</u>	<u>(883)</u>	<u>13,334</u>	<u>73,941</u>	<u>(39,415)</u>	<u>--</u>	<u>23,784</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 4,277</u>	<u>\$ 13,334</u>	<u>\$ 89,980</u>	<u>\$ 109,210</u>	<u>\$ --</u>	<u>\$ 23,784</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS							
	314 EPHETA Park Grant	316 CDBG 2017	318 EMS Grants / Donations	321 Animal Husbandry	325 Library Legislative	326 OCYL Donation Fund	327 OCYL BT Fund	323 Diamond Hill Park Improvement
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 9,701	\$ --	\$ 4,636	\$ 7,353	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	--	51,533	15,722	1,000	--	5,680	965,975
Other receivables, net	--	--	--	--	--	--	925	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 51,533</u>	<u>\$ 25,423</u>	<u>\$ 1,000</u>	<u>\$ 4,636</u>	<u>\$ 13,958</u>	<u>\$ 965,975</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 173	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	120,106	21,467	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	751	--
Total Liabilities	<u>120,106</u>	<u>21,467</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>924</u>	<u>--</u>
Fund Balances								
Restricted	--	--	51,533	25,423	1,000	4,636	13,034	--
Committed	--	--	--	--	--	--	--	965,975
Unassigned	(120,106)	(21,467)	--	--	--	--	--	--
Total Fund Balances	<u>(120,106)</u>	<u>(21,467)</u>	<u>51,533</u>	<u>25,423</u>	<u>1,000</u>	<u>4,636</u>	<u>13,034</u>	<u>965,975</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 51,533</u>	<u>\$ 25,423</u>	<u>\$ 1,000</u>	<u>\$ 4,636</u>	<u>\$ 13,958</u>	<u>\$ 965,975</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	119,140	37,326	1,497	--	25,947	--	1,623,000	13,001
Other receivables, net	4,850	--	--	--	--	--	--	388
Total Assets	<u>\$ 123,990</u>	<u>\$ 37,326</u>	<u>\$ 1,497</u>	<u>\$ 4,180</u>	<u>\$ 25,947</u>	<u>\$ --</u>	<u>\$ 1,623,000</u>	<u>\$ 13,389</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	3,635	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,635</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances								
Restricted	--	37,326	1,497	545	25,947	--	--	13,389
Committed	123,990	--	--	--	--	--	1,623,000	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balances	<u>123,990</u>	<u>37,326</u>	<u>1,497</u>	<u>545</u>	<u>25,947</u>	<u>--</u>	<u>1,623,000</u>	<u>13,389</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 123,990</u>	<u>\$ 37,326</u>	<u>\$ 1,497</u>	<u>\$ 4,180</u>	<u>\$ 25,947</u>	<u>\$ --</u>	<u>\$ 1,623,000</u>	<u>\$ 13,389</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 16,997	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	--	1,348	187	--	1,004	208,933	1,512
Other receivables, net	--	122	--	444	222	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 122</u>	<u>\$ 1,348</u>	<u>\$ 631</u>	<u>\$ 222</u>	<u>\$ 1,004</u>	<u>\$ 225,930</u>	<u>\$ 1,512</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 751	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	1,847	243	--	1,123	5,833	--	9,095	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>1,847</u>	<u>243</u>	<u>--</u>	<u>1,123</u>	<u>5,833</u>	<u>--</u>	<u>9,846</u>	<u>--</u>
Fund Balances								
Restricted	--	--	1,348	--	--	1,004	216,084	1,512
Committed	--	--	--	--	--	--	--	--
Unassigned	(1,847)	(121)	--	(492)	(5,611)	--	--	--
Total Fund Balances	<u>(1,847)</u>	<u>(121)</u>	<u>1,348</u>	<u>(492)</u>	<u>(5,611)</u>	<u>1,004</u>	<u>216,084</u>	<u>1,512</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ --</u>	<u>\$ 122</u>	<u>\$ 1,348</u>	<u>\$ 631</u>	<u>\$ 222</u>	<u>\$ 1,004</u>	<u>\$ 225,930</u>	<u>\$ 1,512</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS							
	355	357	361	367	371	372	380	329
	Historic District	RIEMA Hazard Mitigation	PED Bike	Assistance for Firefighters	RI Found Sign Grant	Ruth E. Carpenter	Outdoor Commerce Grant	Probate Deposits
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ 7,300	\$ 1,500	\$ --	\$ 79,660
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	3,596	619	--	--	--	22,351	--
Other receivables, net	1,000	--	--	--	--	--	--	--
Total Assets	<u>\$ 1,000</u>	<u>\$ 3,596</u>	<u>\$ 619</u>	<u>\$ --</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 22,351</u>	<u>\$ 79,660</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	5,500	--	--	1,123	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--	--
Total Liabilities	<u>5,500</u>	<u>--</u>	<u>--</u>	<u>1,123</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances								
Restricted	--	3,596	619	--	7,300	1,500	22,351	79,660
Committed	--	--	--	--	--	--	--	--
Unassigned	(4,500)	--	--	(1,123)	--	--	--	--
Total Fund Balances	<u>(4,500)</u>	<u>3,596</u>	<u>619</u>	<u>(1,123)</u>	<u>7,300</u>	<u>1,500</u>	<u>22,351</u>	<u>79,660</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 1,000</u>	<u>\$ 3,596</u>	<u>\$ 619</u>	<u>\$ --</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 22,351</u>	<u>\$ 79,660</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS							
	332	341	390	424	418	419	205	Total
	Opioid Settlement	ARPA	CDBG Program Income	CDBG 2021	CDBG 2018	CDBG 2019	Public Safety Bond	Town Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 160,231	\$ --	\$ 3,400	\$ --	\$ --	\$ --	\$ --	\$ 384,938
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	5,270,176	--	--	35,313	249,173	33,194	8,728,622
Other receivables, net	--	--	--	--	--	--	--	117,161
Total Assets	<u>\$ 160,231</u>	<u>\$ 5,270,176</u>	<u>\$ 3,400</u>	<u>\$ --</u>	<u>\$ 35,313</u>	<u>\$ 249,173</u>	<u>\$ 33,194</u>	<u>\$ 9,230,721</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,084
Deposits held	--	--	--	--	--	--	--	--
Due to other funds	--	--	--	23,151	248,194	--	--	917,358
Unearned revenue	--	5,270,176	--	--	--	--	--	5,380,137
Total Liabilities	<u>--</u>	<u>5,270,176</u>	<u>--</u>	<u>23,151</u>	<u>248,194</u>	<u>--</u>	<u>--</u>	<u>6,303,579</u>
Fund Balances								
Restricted	160,231	--	3,400	--	--	249,173	--	959,226
Committed	--	--	--	--	--	--	33,194	2,820,100
Unassigned	--	--	--	(23,151)	(212,881)	--	--	(852,184)
Total Fund Balances	<u>160,231</u>	<u>--</u>	<u>3,400</u>	<u>(23,151)</u>	<u>(212,881)</u>	<u>249,173</u>	<u>33,194</u>	<u>2,927,142</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 160,231</u>	<u>\$ 5,270,176</u>	<u>\$ 3,400</u>	<u>\$ --</u>	<u>\$ 35,313</u>	<u>\$ 249,173</u>	<u>\$ 33,194</u>	<u>\$ 9,230,721</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	454,635	18,162	248,593	117,290	19,817	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 454,635</u>	<u>\$ 18,162</u>	<u>\$ 248,593</u>	<u>\$ 117,290</u>	<u>\$ 19,817</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 8,013	\$ --	\$ 946	\$ 10,260	\$ --	\$ --
Due to other funds	446,622	18,162	247,647	107,030	19,817	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>454,635</u>	<u>18,162</u>	<u>248,593</u>	<u>117,290</u>	<u>19,817</u>	<u>--</u>
Fund Balances						
Restricted	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 454,635</u>	<u>\$ 18,162</u>	<u>\$ 248,593</u>	<u>\$ 117,290</u>	<u>\$ 19,817</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	21091100 Perkins Secondary	21162100 USDA Fruits and Veg	21251702 ESSER II Funds	21251802 ESSER III Funds	21251820 ELC Covid	23911005 Opioid Fund
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	33,380	11,629	509,484	292,403	115,744	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 33,380</u>	<u>\$ 11,629</u>	<u>\$ 509,484</u>	<u>\$ 292,403</u>	<u>\$ 115,744</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 1,988	\$ 4,476	\$ 11,395	\$ 220,243	\$ --	\$ --
Due to other funds	31,392	18,039	498,089	72,160	115,744	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>33,380</u>	<u>22,515</u>	<u>509,484</u>	<u>292,403</u>	<u>115,744</u>	<u>--</u>
Fund Balances						
Restricted	--	--	--	--	--	--
Unassigned	--	(10,886)	--	--	--	--
Total Fund Balances	<u>--</u>	<u>(10,886)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 33,380</u>	<u>\$ 11,629</u>	<u>\$ 509,484</u>	<u>\$ 292,403</u>	<u>\$ 115,744</u>	<u>\$ --</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	\$ --	\$ --	\$ --	\$ 2,000	\$ 1,000
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	380	2,432	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u><u>\$ 254</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 380</u></u>	<u><u>\$ 2,432</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ 1,000</u></u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,000
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	1,816	--
Total Liabilities	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>1,816</u></u>	<u><u>1,000</u></u>
Fund Balances						
Restricted	254	--	380	2,432	184	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u><u>254</u></u>	<u><u>--</u></u>	<u><u>380</u></u>	<u><u>2,432</u></u>	<u><u>184</u></u>	<u><u>--</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 254</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 380</u></u>	<u><u>\$ 2,432</u></u>	<u><u>\$ 2,000</u></u>	<u><u>\$ 1,000</u></u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	23112005 Senate Guidance	23112006 House of Reps Community	23112007 House of Reps Cumb Hill	23112008 Senate NCMS	23112010 House of Rep CHS	23183000 RICA Ashton
Assets						
Cash and cash equivalents	\$ 10,000	\$ 1,210	\$ 1,521	\$ 19	\$ 2,500	\$ 400
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 10,000</u>	<u>\$ 1,210</u>	<u>\$ 1,521</u>	<u>\$ 19</u>	<u>\$ 2,500</u>	<u>\$ 400</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ 1,030	\$ 1,521	\$ --	\$ --	\$ --
Due to other funds	10,000	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>10,000</u>	<u>1,030</u>	<u>1,521</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	--	180	--	19	2,500	400
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>180</u>	<u>--</u>	<u>19</u>	<u>2,500</u>	<u>400</u>
Total Liabilities and Fund Balances	<u>\$ 10,000</u>	<u>\$ 1,210</u>	<u>\$ 1,521</u>	<u>\$ 19</u>	<u>\$ 2,500</u>	<u>\$ 400</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	\$ 33,003
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	82,692	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 82,692</u>	<u>\$ --</u>	<u>\$ 950</u>	<u>\$ 33,003</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 761	\$ --	\$ --
Due to other funds	--	--	--	5,490	--	250
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,251</u>	<u>--</u>	<u>250</u>
Fund Balances						
Restricted	441	379	82,692	--	950	32,753
Unassigned	--	--	--	(6,251)	--	--
Total Fund Balances	<u>441</u>	<u>379</u>	<u>82,692</u>	<u>(6,251)</u>	<u>950</u>	<u>32,753</u>
Total Liabilities and Fund Balances	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 82,692</u>	<u>\$ --</u>	<u>\$ 950</u>	<u>\$ 33,003</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	\$ 1,132	\$ 21,902	\$ 396	\$ 12	\$ 19,901	\$ 42,510
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 1,132</u>	<u>\$ 21,902</u>	<u>\$ 396</u>	<u>\$ 12</u>	<u>\$ 19,901</u>	<u>\$ 42,510</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	1,132	21,902	396	12	19,901	42,510
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>1,132</u>	<u>21,902</u>	<u>396</u>	<u>12</u>	<u>19,901</u>	<u>42,510</u>
Total Liabilities and Fund Balances	<u>\$ 1,132</u>	<u>\$ 21,902</u>	<u>\$ 396</u>	<u>\$ 12</u>	<u>\$ 19,901</u>	<u>\$ 42,510</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	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	\$ 1,300	\$ 17,694	\$ 16,831	\$ 6,864
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 1,300</u>	<u>\$ 17,694</u>	<u>\$ 16,831</u>	<u>\$ 6,864</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	242	8,103	1,300	17,694	16,831	6,864
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>242</u>	<u>8,103</u>	<u>1,300</u>	<u>17,694</u>	<u>16,831</u>	<u>6,864</u>
Total Liabilities and Fund Balances	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 1,300</u>	<u>\$ 17,694</u>	<u>\$ 16,831</u>	<u>\$ 6,864</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	24012082 Feinstein McCourt	24012083 Feinstein NCMS	24012084 Feinstein Preschool Ctr	24012010 Center for Ed Improvement	24030009 Feinstein After Schl	24030077 Raytheon Grant
Assets						
Cash and cash equivalents	\$ 13,483	\$ 11,000	\$ 7,929	\$ 11	\$ 2,270	\$ 114
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 13,483</u>	<u>\$ 11,000</u>	<u>\$ 7,929</u>	<u>\$ 11</u>	<u>\$ 2,270</u>	<u>\$ 114</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ 4,050	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>4,050</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	13,483	6,950	7,929	11	2,270	114
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>13,483</u>	<u>6,950</u>	<u>7,929</u>	<u>11</u>	<u>2,270</u>	<u>114</u>
Total Liabilities and Fund Balances	<u>\$ 13,483</u>	<u>\$ 11,000</u>	<u>\$ 7,929</u>	<u>\$ 11</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	24040008 Nature Trails	23911020 RIDE / STEM	24040168 Goodwill Industries	24040180 Go! Grant	24040209 International Library	24012003 EdResearch Recovery
Assets						
Cash and cash equivalents	\$ 4,828	\$ --	\$ 187	\$ 243	\$ 3,450	\$ 800
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	--	3,036	--	--	--	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 4,828</u>	<u>\$ 3,036</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ 800</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ 3,036	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Deposits held	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>3,036</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	4,828	--	187	243	3,450	800
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>4,828</u>	<u>--</u>	<u>187</u>	<u>243</u>	<u>3,450</u>	<u>800</u>
Total Liabilities and Fund Balances	<u>\$ 4,828</u>	<u>\$ 3,036</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ 800</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	SCHOOL SPECIAL REVENUE FUNDS			
	60010000			Total
	Food	High School	Student	School
	Services	Scholarship	Activities	Special
				Revenue
Assets				
Cash and cash equivalents	\$ 1,773,090	\$ 10,530	\$ 485,685	\$ 2,504,184
Due from federal & state governments	218,084	--	--	2,039,221
Due from other funds	--	--	--	88,540
Other receivables	25,264	--	--	25,264
Total Assets	<u>\$ 2,016,438</u>	<u>\$ 10,530</u>	<u>\$ 485,685</u>	<u>\$ 4,657,209</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 542,272	\$ --	\$ 568	\$ 811,559
Due to other funds	12,435	--	72	1,602,949
Deposits held	43,522	--	--	45,338
Total Liabilities	<u>598,229</u>	<u>--</u>	<u>640</u>	<u>2,459,846</u>
Fund Balances				
Restricted	1,418,209	10,530	485,045	2,214,500
Unassigned	--	--	--	(17,137)
Total Fund Balances	<u>1,418,209</u>	<u>10,530</u>	<u>485,045</u>	<u>2,197,363</u>
Total Liabilities and Fund Balances	<u>\$ 2,016,438</u>	<u>\$ 10,530</u>	<u>\$ 485,685</u>	<u>\$ 4,657,209</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	CAPITAL PROJECT FUNDS						
	202	203	204	207	209	Total	Total
	Drainage	Recreation Bond	Open Space	Road Infrastructure	Tucker Field Phase II	Capital Project Funds	NonMajor Governmental Funds
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,889,122
Due from federal & state governments	--	--	--	--	--	--	2,039,221
Due from other funds	28,488	20,322	260,378	--	12,230	321,418	9,138,580
Other receivables, net	--	--	--	8,257	--	8,257	150,682
Total Assets	<u>\$ 28,488</u>	<u>\$ 20,322</u>	<u>\$ 260,378</u>	<u>\$ 8,257</u>	<u>\$ 12,230</u>	<u>\$ 329,675</u>	<u>\$ 9,560,396</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 584	\$ --	\$ --	\$ --	\$ --	\$ 584	\$ 818,227
Deposits held	--	--	--	--	--	--	45,338
Due to other funds	--	--	--	--	--	--	2,520,307
Unearned revenue	--	--	--	--	--	--	5,380,137
Total Liabilities	<u>584</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>584</u>	<u>6,304,163</u>
Fund Balances							
Restricted	27,904	20,322	260,378	--	--	308,604	3,482,330
Committed	--	--	--	8,257	12,230	20,487	2,840,587
Unassigned	--	--	--	--	--	--	(869,321)
Total Fund Balances	<u>27,904</u>	<u>20,322</u>	<u>260,378</u>	<u>8,257</u>	<u>12,230</u>	<u>329,091</u>	<u>3,256,233</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 28,488</u>	<u>\$ 20,322</u>	<u>\$ 260,378</u>	<u>\$ 8,257</u>	<u>\$ 12,230</u>	<u>\$ 329,675</u>	<u>\$ 9,560,396</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, 2022

	TOWN SPECIAL REVENUE FUNDS						
	300	302	303	304	306	319	313
	DEM						
	Grant	Substance	Animal	Impact	Sewer	Police Grants	Historical
	Diamond Hill	Abuse	Control	Fees	Ferncrest	Byrne Jag	Records
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 14,290	\$ --
Other	--	--	11,212	142,399	24,569	--	6,805
Total Revenues	--	--	11,212	142,399	24,569	14,290	6,805
Expenditures							
Current							
General government	--	--	--	--	--	--	4,833
Public safety	--	--	6,390	--	--	14,290	--
Public works	104,030	--	--	--	17,850	--	--
Parks and recreation	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--
Capital Outlays	139,208	--	--	--	--	--	--
Total Expenditures	243,238	--	6,390	--	17,850	14,290	4,833
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,238)	--	4,822	142,399	6,719	--	1,972
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	(155,000)	--	--	--
Total Other Financing Sources (Uses)	--	--	--	(155,000)	--	--	--
Net Change in Fund Balances	(243,238)	--	4,822	(12,601)	6,719	--	1,972
Fund Balance - Beginning of Year	(177,349)	(883)	8,512	86,542	(46,134)	--	21,812
Fund Balance - End of Year	\$ (420,587)	\$ (883)	\$ 13,334	\$ 73,941	\$ (39,415)	\$ --	\$ 23,784

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, 2022

	TOWN SPECIAL REVENUE FUNDS							
	314 EPHETA Park Grant	316 CDBG 2017	318 EMS Grants / Donations	321 Animal Husbandry	325 Library Legislative	326 OCYL Donation Fund	327 OCYL BT Fund	323 Diamond Hill Park Improvement
Revenues								
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other	--	--	62,250	1,006	--	1,030	16,192	--
Total Revenues	<u>--</u>	<u>--</u>	<u>62,250</u>	<u>1,006</u>	<u>--</u>	<u>1,030</u>	<u>16,192</u>	<u>--</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	--	--
Public safety	--	--	36,226	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Parks and recreation	41,100	--	--	--	--	--	9,834	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	--	--	--	--	--	--	--	--
Total Expenditures	<u>41,100</u>	<u>--</u>	<u>36,226</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,834</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,100)</u>	<u>--</u>	<u>26,024</u>	<u>1,006</u>	<u>--</u>	<u>1,030</u>	<u>6,358</u>	<u>--</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	965,975
Transfers out	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>965,975</u>
Net Change in Fund Balances	<u>(41,100)</u>	<u>--</u>	<u>26,024</u>	<u>1,006</u>	<u>--</u>	<u>1,030</u>	<u>6,358</u>	<u>965,975</u>
Fund Balance - Beginning 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>
Fund Balance - End of Year	<u>\$ (120,106)</u>	<u>\$ (21,467)</u>	<u>\$ 51,533</u>	<u>\$ 25,423</u>	<u>\$ 1,000</u>	<u>\$ 4,636</u>	<u>\$ 13,034</u>	<u>\$ 965,975</u>

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, 2022

	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	\$ --	\$ --	\$ --	\$ --	\$ 25,808	\$ --	\$ --	\$ --
Other	131,464	--	--	--	--	--	--	10,299
Total Revenues	<u>131,464</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,808</u>	<u>--</u>	<u>--</u>	<u>10,299</u>
Expenditures								
Current								
General government	--	--	--	103	--	--	--	--
Public safety	--	803	--	--	--	5,917	--	29,475
Public works	--	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	--	--	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>803</u>	<u>--</u>	<u>103</u>	<u>--</u>	<u>5,917</u>	<u>--</u>	<u>29,475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>131,464</u>	<u>(803)</u>	<u>--</u>	<u>(103)</u>	<u>25,808</u>	<u>(5,917)</u>	<u>--</u>	<u>(19,176)</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	(965,975)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(965,975)</u>	<u>--</u>
Net Change in Fund Balances	131,464	(803)	--	(103)	25,808	(5,917)	(965,975)	(19,176)
Fund Balance - Beginning 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>
Fund Balance - End of Year	<u>\$ 123,990</u>	<u>\$ 37,326</u>	<u>\$ 1,497</u>	<u>\$ 545</u>	<u>\$ 25,947</u>	<u>\$ --</u>	<u>\$ 1,623,000</u>	<u>\$ 13,389</u>

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, 2022

	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	\$ --	\$ 1,756	\$ --	\$ 2,415	\$ 7,715	\$ 3,604	\$ --	\$ --
Other	--	--	--	--	--	--	41,375	5,598
Total Revenues	<u>--</u>	<u>1,756</u>	<u>--</u>	<u>2,415</u>	<u>7,715</u>	<u>3,604</u>	<u>41,375</u>	<u>5,598</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	51,053	--
Public safety	--	2,246	--	2,153	6,861	3,269	--	5,290
Public works	--	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>--</u>	<u>2,246</u>	<u>--</u>	<u>2,153</u>	<u>6,861</u>	<u>3,269</u>	<u>51,053</u>	<u>5,290</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(490)</u>	<u>--</u>	<u>262</u>	<u>854</u>	<u>335</u>	<u>(9,678)</u>	<u>308</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	--	(490)	--	262	854	335	(9,678)	308
Fund Balance - Beginning 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>
Fund Balance - End of Year	<u><u>\$ (1,847)</u></u>	<u><u>\$ (121)</u></u>	<u><u>\$ 1,348</u></u>	<u><u>\$ (492)</u></u>	<u><u>\$ (5,611)</u></u>	<u><u>\$ 1,004</u></u>	<u><u>\$ 216,084</u></u>	<u><u>\$ 1,512</u></u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS							
	355	357	361	367	371	372	380	329
	Historic District	RIEMA Hazard Mitigation	PED Bike	Assistance for Firefighters	RI Found Sign Grant	Ruth E. Carpenter	Outdoor Commerce Grant	Probate Deposits
Revenues								
Intergovernmental	\$ --	\$ --	\$ 1,078	\$ --	\$ --	\$ --	\$ --	\$ --
Other	--	--	--	--	--	--	--	79,660
Total Revenues	<u>--</u>	<u>--</u>	<u>1,078</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>79,660</u>
Expenditures								
Current								
General government	5,000	--	--	--	--	--	6,901	--
Public safety	--	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Parks and recreation	--	--	1,055	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>5,000</u>	<u>--</u>	<u>1,055</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,901</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>--</u>	<u>23</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(6,901)</u>	<u>79,660</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	<u>(5,000)</u>	<u>--</u>	<u>23</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(6,901)</u>	<u>79,660</u>
Fund Balance - Beginning 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>--</u>
Fund Balance - End of Year	<u>\$ (4,500)</u>	<u>\$ 3,596</u>	<u>\$ 619</u>	<u>\$ (1,123)</u>	<u>\$ 7,300</u>	<u>\$ 1,500</u>	<u>\$ 22,351</u>	<u>\$ 79,660</u>

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, 2022

	TOWN SPECIAL REVENUE FUNDS							
	332	341	390	424	418	419	205	Total
	Opioid Settlement	ARPA	CDBG Program Income	CDBG 2021	CDBG 2018	CDBG 2019	Public Safety Bond	Town Special Revenue Funds
Revenues								
Intergovernmental	\$ 160,231	\$ --	\$ --	\$ --	\$ 310,617	\$ 306,798	\$ --	\$ 834,312
Other	--	--	5,900	--	--	--	--	539,759
Total Revenues	<u>160,231</u>	<u>--</u>	<u>5,900</u>	<u>--</u>	<u>310,617</u>	<u>306,798</u>	<u>--</u>	<u>1,374,071</u>
Expenditures								
Current								
General government	--	--	--	--	--	--	--	67,890
Public safety	--	--	--	--	--	--	--	112,920
Public works	--	--	2,500	--	3,066	55,355	--	182,801
Parks and recreation	--	--	--	--	--	--	--	51,989
Education	--	--	--	--	--	--	--	--
Debt Service	--	--	--	--	--	--	--	--
Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>23,151</u>	<u>323,493</u>	<u>35,962</u>	<u>--</u>	<u>521,814</u>
Total Expenditures	<u>--</u>	<u>--</u>	<u>2,500</u>	<u>23,151</u>	<u>326,559</u>	<u>91,317</u>	<u>--</u>	<u>937,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>160,231</u>	<u>--</u>	<u>3,400</u>	<u>(23,151)</u>	<u>(15,942)</u>	<u>215,481</u>	<u>--</u>	<u>436,657</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	33,194	999,169
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,120,975)</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>33,194</u>	<u>(121,806)</u>
Net Change in Fund Balances	160,231	--	3,400	(23,151)	(15,942)	215,481	33,194	314,851
Fund Balance - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(196,939)</u>	<u>33,692</u>	<u>--</u>	<u>2,612,291</u>
Fund Balance - End of Year	<u>\$ 160,231</u>	<u>\$ --</u>	<u>\$ 3,400</u>	<u>\$ (23,151)</u>	<u>\$ (212,881)</u>	<u>\$ 249,173</u>	<u>\$ 33,194</u>	<u>\$ 2,927,142</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	21011100	21011200	21021100	21031100	21041100	21051100
	IDEA	IDEA				
	Part B	Preschool	Title I	Title II	Title III	Title IV
Revenues						
Intergovernmental	\$ 1,313,859	\$ 51,022	\$ 600,303	\$ 179,354	\$ 19,939	\$ 97,392
Other revenue	--	--	--	--	--	--
Total Revenues	<u>1,313,859</u>	<u>51,022</u>	<u>600,303</u>	<u>179,354</u>	<u>19,939</u>	<u>97,392</u>
Expenditures						
Education	1,313,859	51,022	600,303	178,604	19,939	97,392
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>1,313,859</u>	<u>51,022</u>	<u>600,303</u>	<u>178,604</u>	<u>19,939</u>	<u>97,392</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	<u>--</u>	<u>--</u>	<u>--</u>	<u>(750)</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	21091100 Perkins Secondary	21162100 USDA Fruits and Veg	21251702 ESSER II Funds	21251802 ESSER III Funds	21251820 ELC Covid	23911005 Opioid Fund
Revenues						
Intergovernmental	\$ 88,316	\$ 37,263	\$ 1,554,624	\$ 320,615	\$ 226,948	\$ 19,000
Other revenue	--	--	--	--	--	--
Total Revenues	<u>88,316</u>	<u>37,263</u>	<u>1,554,624</u>	<u>320,615</u>	<u>226,948</u>	<u>19,000</u>
Expenditures						
Education	88,316	51,331	1,554,624	320,615	226,948	19,000
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>88,316</u>	<u>51,331</u>	<u>1,554,624</u>	<u>320,615</u>	<u>226,948</u>	<u>19,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(14,068)</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>(14,068)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year	<u>--</u>	<u>3,182</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ (10,886)</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, 2022

	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	--	146,207	--	3,000	1,816	1,000
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	146,207	--	3,000	1,816	1,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(146,207)	--	--	184	--
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	(146,207)	--	--	184	--
Fund Balances - Beginning of Year	254	146,207	380	2,432	--	--
Fund Balances - End of Year	<u>\$ 254</u>	<u>\$ --</u>	<u>\$ 380</u>	<u>\$ 2,432</u>	<u>\$ 184</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	23112005 Senate Guidance	23112006 House of Reps Community	23112007 House of Reps Cumb Hill	23112008 Senate NCMS	23112010 House of Rep CHS	23183000 RICA Ashton
Revenues						
Intergovernmental	\$ --	\$ --	\$ 1,500	\$ --	\$ 1,500	\$ --
Other revenue	10,000	--	--	--	--	--
Total Revenues	<u>10,000</u>	<u>--</u>	<u>1,500</u>	<u>--</u>	<u>1,500</u>	<u>--</u>
Expenditures						
Education	10,000	1,846	1,521	--	--	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>10,000</u>	<u>1,846</u>	<u>1,521</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(1,846)</u>	<u>(21)</u>	<u>--</u>	<u>1,500</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>(1,846)</u>	<u>(21)</u>	<u>--</u>	<u>1,500</u>	<u>--</u>
Fund Balances - Beginning of Year	<u>--</u>	<u>2,026</u>	<u>21</u>	<u>19</u>	<u>1,000</u>	<u>400</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 180</u>	<u>\$ --</u>	<u>\$ 19</u>	<u>\$ 2,500</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, 2022

	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	\$ --	\$ --	\$ 65,594	\$ 8,713	\$ --	\$ --
Other revenue	--	--	--	--	--	1,000
Total Revenues	<u>--</u>	<u>--</u>	<u>65,594</u>	<u>8,713</u>	<u>--</u>	<u>1,000</u>
Expenditures						
Education	--	--	16,933	14,964	--	2,964
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>16,933</u>	<u>14,964</u>	<u>--</u>	<u>2,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>48,661</u>	<u>(6,251)</u>	<u>--</u>	<u>(1,964)</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>48,661</u>	<u>(6,251)</u>	<u>--</u>	<u>(1,964)</u>
Fund Balances - Beginning of Year	<u>441</u>	<u>379</u>	<u>34,031</u>	<u>--</u>	<u>950</u>	<u>34,717</u>
Fund Balances - End of Year	<u>\$ 441</u>	<u>\$ 379</u>	<u>\$ 82,692</u>	<u>\$ (6,251)</u>	<u>\$ 950</u>	<u>\$ 32,753</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, 2022

	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	--	11,500	--	--	1,500	9,552
Total Revenues	<u>--</u>	<u>11,500</u>	<u>--</u>	<u>--</u>	<u>1,500</u>	<u>9,552</u>
Expenditures						
Education	509	--	--	--	2,092	4,299
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>509</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,092</u>	<u>4,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(509)</u>	<u>11,500</u>	<u>--</u>	<u>--</u>	<u>(592)</u>	<u>5,253</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>(509)</u>	<u>11,500</u>	<u>--</u>	<u>--</u>	<u>(592)</u>	<u>5,253</u>
Fund Balances - Beginning of Year	<u>1,641</u>	<u>10,402</u>	<u>396</u>	<u>12</u>	<u>20,493</u>	<u>37,257</u>
Fund Balances - End of Year	<u>\$ 1,132</u>	<u>\$ 21,902</u>	<u>\$ 396</u>	<u>\$ 12</u>	<u>\$ 19,901</u>	<u>\$ 42,510</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, 2022

	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	--	--	--	3,500	4,500	--
Total Revenues	--	--	--	3,500	4,500	--
Expenditures						
Education	--	--	--	2,403	3,816	1,136
Capital outlay	--	--	--	--	--	--
Total Expenditures	--	--	--	2,403	3,816	1,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	--	1,097	684	(1,136)
Other Financing Sources (Uses)						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change in Fund Balances	--	--	--	1,097	684	(1,136)
Fund Balances - Beginning of Year	242	8,103	1,300	16,597	16,147	8,000
Fund Balances - End of Year	<u>\$ 242</u>	<u>\$ 8,103</u>	<u>\$ 1,300</u>	<u>\$ 17,694</u>	<u>\$ 16,831</u>	<u>\$ 6,864</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	24012082 Feinstein McCourt	24012083 Feinstein NCMS	24012084 Feinstein Preschool Ctr	24012010 Center for Ed Improvement	24030009 Feinstein After Schl	24030077 Raytheon Grant
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	1,000	1,000	6,000	500	--	--
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>6,000</u>	<u>500</u>	<u>--</u>	<u>--</u>
Expenditures						
Education	--	4,050	--	489	--	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>4,050</u>	<u>--</u>	<u>489</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,000</u>	<u>(3,050)</u>	<u>6,000</u>	<u>11</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>1,000</u>	<u>(3,050)</u>	<u>6,000</u>	<u>11</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year	<u>12,483</u>	<u>10,000</u>	<u>1,929</u>	<u>--</u>	<u>2,270</u>	<u>114</u>
Fund Balances - End of Year	<u>\$ 13,483</u>	<u>\$ 6,950</u>	<u>\$ 7,929</u>	<u>\$ 11</u>	<u>\$ 2,270</u>	<u>\$ 114</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS					
	24040008 Nature Trails	23911020 RIDE / STEM	24040168 Goodwill Industries	24040180 Go! Grant	24040209 International Library	24012003 EdResearch Recovery
Revenues						
Intergovernmental	\$ --	\$ 3,036	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	9,997
Total Revenues	<u>--</u>	<u>3,036</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,997</u>
Expenditures						
Education	--	3,036	--	--	--	9,197
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>3,036</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>9,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>800</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>--</u>	<u>--</u>	<u>800</u>
Fund Balances - Beginning of Year	<u>4,828</u>	<u>--</u>	<u>187</u>	<u>243</u>	<u>3,450</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 4,828</u>	<u>\$ --</u>	<u>\$ 187</u>	<u>\$ 243</u>	<u>\$ 3,450</u>	<u>\$ 800</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, 2022

	SCHOOL SPECIAL REVENUE FUNDS			
	60010000 Food Services	High School Scholarship	Student Activities	Total School Special Revenue
Revenues				
Intergovernmental	\$ 3,031,312	\$ --	\$ --	\$ 7,624,290
Other revenue	--	2	352,826	414,877
Total Revenues	<u>3,031,312</u>	<u>2</u>	<u>352,826</u>	<u>8,039,167</u>
Expenditures				
Education	2,218,420	--	283,119	7,254,770
Capital outlay	--	--	--	--
Total Expenditures	<u>2,218,420</u>	<u>--</u>	<u>283,119</u>	<u>7,254,770</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>812,892</u>	<u>2</u>	<u>69,707</u>	<u>784,397</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>812,892</u>	<u>2</u>	<u>69,707</u>	<u>784,397</u>
Fund Balances - Beginning of Year	<u>605,317</u>	<u>10,528</u>	<u>415,338</u>	<u>1,412,966</u>
Fund Balances - End of Year	<u>\$ 1,418,209</u>	<u>\$ 10,530</u>	<u>\$ 485,045</u>	<u>\$ 2,197,363</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, 2022

	CAPITAL PROJECT FUNDS						Total NonMajor Governmental Funds
	202	203	204	207	209 Tucker Field Phase II	Total Capital Project Funds	
	Drainage	Recreation Bond	Open Space	Road Infrastructure			
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 8,458,602
Other	--	--	--	28,214	--	28,214	982,850
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,214</u>	<u>--</u>	<u>28,214</u>	<u>9,441,452</u>
Expenditures							
Current							
General government	--	--	--	--	--	--	67,890
Public safety	--	--	--	--	--	--	112,920
Public works	31,542	--	--	--	--	31,542	214,343
Parks and recreation	--	--	293,872	73,066	--	366,938	418,927
Education	--	--	--	--	--	--	7,254,770
Debt Service	--	--	2,654	--	--	2,654	2,654
Capital Outlays	<u>--</u>	<u>--</u>	<u>--</u>	<u>401,421</u>	<u>--</u>	<u>401,421</u>	<u>923,235</u>
Total Expenditures	<u>31,542</u>	<u>--</u>	<u>296,526</u>	<u>474,487</u>	<u>--</u>	<u>802,555</u>	<u>8,994,739</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,542)</u>	<u>--</u>	<u>(296,526)</u>	<u>(446,273)</u>	<u>--</u>	<u>(774,341)</u>	<u>446,713</u>
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	--	--	999,169
Transfers out	--	--	--	--	--	--	(1,120,975)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(121,806)</u>
Net Change in Fund Balances	(31,542)	--	(296,526)	(446,273)	--	(774,341)	324,907
Fund Balance - Beginning of Year	<u>59,446</u>	<u>20,322</u>	<u>556,904</u>	<u>454,530</u>	<u>12,230</u>	<u>1,103,432</u>	<u>5,128,689</u>
Fund Balance - End of Year	<u>\$ 27,904</u>	<u>\$ 20,322</u>	<u>\$ 260,378</u>	<u>\$ 8,257</u>	<u>\$ 12,230</u>	<u>\$ 329,091</u>	<u>\$ 5,453,596</u>

See independent auditors' report on supplementary information.

TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS JUNE 30, 2022

	Town Healthcare	School Healthcare	Total Enterprise Funds
Assets			
Current Assets			
Deposits	\$ 133,260	\$ 310,941	\$ 444,201
Prepaid costs	<u>596,577</u>	<u>1,449,549</u>	<u>2,046,126</u>
Total Current Assets	<u>729,837</u>	<u>1,760,490</u>	<u>2,490,327</u>
Total Assets	<u>729,837</u>	<u>1,760,490</u>	<u>2,490,327</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	<u>184,230</u>	<u>348,507</u>	<u>532,737</u>
Total Current Liabilities	<u>184,230</u>	<u>348,507</u>	<u>532,737</u>
Total Liabilities	<u>184,230</u>	<u>348,507</u>	<u>532,737</u>
Net Position			
Unrestricted	<u>545,607</u>	<u>1,411,983</u>	<u>1,957,590</u>
Total Net Position	<u>\$ 545,607</u>	<u>\$ 1,411,983</u>	<u>\$ 1,957,590</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF CHANGES IN NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Town Healthcare	School Healthcare	Total Enterprise Funds
Operating Revenues			
Charges for services	\$ 4,612,658	\$ 9,756,260	\$ 14,368,918
Total Operating Revenues	<u>4,612,658</u>	<u>9,756,260</u>	<u>14,368,918</u>
Operating Expenses			
Health care management	4,186,202	8,868,122	13,054,324
Total Operating Expenses	<u>4,186,202</u>	<u>8,868,122</u>	<u>13,054,324</u>
Change in Net Position	<u>426,456</u>	<u>888,138</u>	<u>1,314,594</u>
Total Net Position - Beginning, as restated	<u>119,151</u>	<u>523,845</u>	<u>642,996</u>
Total Net Position - Ending	<u><u>\$ 545,607</u></u>	<u><u>\$ 1,411,983</u></u>	<u><u>\$ 1,957,590</u></u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Town Healthcare	School Healthcare	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 4,219,452	\$ 8,910,250	\$ 13,129,702
Claims paid	<u>(4,219,452)</u>	<u>(8,910,250)</u>	<u>(13,129,702)</u>
Net Cash (Used in) Provided by Operating Activities	<u> -- </u>	<u> -- </u>	<u> -- </u>
Net Increase in Cash and Cash Equivalents	--	--	--
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u> -- </u>	<u> -- </u>	<u> -- </u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ 426,456	\$ 888,138	\$ 1,314,594
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in prepaid costs	(393,206)	(846,010)	(1,239,216)
Increase (decrease) in accounts payable and accrued expenses	<u>(33,250)</u>	<u>(42,128)</u>	<u>(75,378)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF FIDUCIARY NET POSITION EMPLOYEE BENEFIT TRUST FUNDS

JUNE 30, 2022

	710 Police Pension Trust	713 Town OPEB Trust	Total
Assets			
Cash and cash equivalents	\$ 1,057,325	\$ 369,372	\$ 1,426,697
Receivables	--	13,949	13,949
<i>Investments, at fair value</i>			
Fixed income	7,975,159	1,594,417	9,569,576
Equities	14,944,229	3,944,732	18,888,961
Total Assets	<u>\$ 23,976,713</u>	<u>\$ 5,922,470</u>	<u>\$ 29,899,183</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	\$ 23,975,069	\$ --	\$ 23,975,069
Restricted for OPEB benefits	--	5,922,470	5,922,470
Total Net Position	<u>\$ 23,975,069</u>	<u>\$ 5,922,470</u>	<u>\$ 29,897,539</u>

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TOWN OF CUMBERLAND, RHODE ISLAND

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION EMPLOYEE BENEFIT TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	710 Police Pension Trust	713 Town OPEB Trust	Total
Additions			
Employer contributions	\$ 2,586,000	\$ 1,359,163	\$ 3,945,163
Member contributions	286,138	--	286,138
Net investment income (loss)	(3,485,826)	(715,117)	(4,200,943)
Total Additions	<u>(613,688)</u>	<u>644,046</u>	<u>30,358</u>
Deductions			
Benefits paid	2,384,227	1,209,847	3,594,074
Administrative expenses	--	21,550	21,550
Total Deductions	<u>2,384,227</u>	<u>1,231,397</u>	<u>3,615,624</u>
Change in Net Position	(2,997,915)	(587,351)	(3,585,266)
Net Position - Beginning of Year	<u>26,972,984</u>	<u>6,509,821</u>	<u>33,482,805</u>
Net Position - End of Year	<u><u>\$ 23,975,069</u></u>	<u><u>\$ 5,922,470</u></u>	<u><u>\$ 29,897,539</u></u>

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