TOWN OF CUMBERLAND, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015
# Table of Contents

*Independent Auditor's Report* ........................................................................................................... 1

*Management's Discussion and Analysis* ............................................................................................. 4

**Basic Financial Statements** ............................................................................................................. 18

  - Government-Wide Financial Statements ....................................................................................... 19
  - Statement of Net Position .................................................................................................................. 19
  - Statement of Net Activities .............................................................................................................. 22

**Fund Financial Statements** .............................................................................................................. 24

  - Balance Sheet - Governmental Funds .............................................................................................. 24
  - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds ....... 25
  - Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .................................................................................................................. 26
  - Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the Fund Balances to Government-Wide Statement of Activities .......................................................... 27
  - Statement of Net Position - Proprietary Funds .............................................................................. 28
  - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .................. 29
  - Statement of Cash Flows - Proprietary Funds ................................................................................ 30
  - Statement of Net Position - Fiduciary Funds .................................................................................... 31
  - Statement of Changes in Fiduciary Net Position - Fiduciary Funds .................................................. 32

**Notes to the Financial Statements** .................................................................................................... 33

*Required Supplementary Information* ................................................................................................. 86

  - Other Post-Employment Benefits – Schedule of Funding Progress (Unaudited) ......................... 87
  - Other Post-Employment Benefits – Schedule of Contributions (Unaudited) ............................... 88
  - Schedule of Changes in the Town’s Net Pension Liability and Related Ratios – General Employee Plan ........................................................................................................................................ 89
  - Schedule of Employer Contributions – General Employee Plan ..................................................... 90
  - Schedule of Changes in the Town’s Net Pension Liability and Related Ratios – Rescue Employee Plan ...................................................................................................................................... 91
  - Schedule of Contributions – Rescue Employee Plan ...................................................................... 92
  - Schedule of Town’s Proportionate Share of the Net Pension Liability – Employee Retirement System ................................................................................................................................... 93
  - Schedule of Town’s Contribution – Employee Retirement System .................................................. 94
  - Schedule of Town’s Proportionate Share of Net Pension Liability – Teacher Survivors’ Benefit Plan .................................................................................................................................. 95
  - Schedule of Contributions – Teachers’ Survivors’ Benefit Plan ...................................................... 96
  - Schedule of Changes in Town’s Net Pension Liability and Related Ratios – Police Pension Plan .... 97
  - Schedule of Contributions – Police Pension Plan .............................................................................. 98
  - Schedule of Investment Returns – Police Pension Plan ..................................................................... 99
  - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund ... 100
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – School Unrestricted Fund .............................................................................................................................. 103
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sewer Fund ...... 109
Notes to Required Supplementary Information .......................................................................................... 110

**Supplementary Information** .............................................................................................................. 113
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Water Fund ..... 114
Combined Balance Sheet - Non-Major Governmental Funds........................................................................ 116
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds........................................................................................................................................ 117
Non-Major Governmental Funds .............................................................................................................. 118
  Combining Balance Sheet – Town Special Revenue Funds .................................................................. 118
  Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Town Special Revenue Funds.......................................................................................................................... 124
  Combining Balance Sheet – School Special Revenue Funds.................................................................... 130
  Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds.................................................................................................................................. 133
  Combining Balance Sheet – Capital Project Funds.................................................................................. 136
  Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Project Funds 137
  Combining Statement of Net Position – Private Purpose Trust Funds .................................................... 138
  Combining Statement of Changes in Net Position – Private Purpose Trust Funds.................................. 139
Fiduciary Funds........................................................................................................................................... 140
  Combining Statement of Assets and Liabilities – Agency Funds ............................................................. 140
  Combining Statement of Additions and Deductions – Agency Funds.................................................... 141
Tax Collector’s Annual Report .................................................................................................................. 142
Schedule of Unrestricted Fund - Fund Balance - Restricted for Education Programs............................... 143
Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island (Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Continued
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Rhode Island, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Adoption of GASB Statement No. 68

As discussed in Note 1 to the financial statements, during fiscal year 2015, the Town adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cumberland, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, and the other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, and the other supplementary information are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, and the other supplementary information 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 November 30, 2015 on our consideration of the Town’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 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 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 of Cumberland, Rhode Island's internal control over financial reporting and compliance.

Fall River, Massachusetts
November 30, 2015
The management of the Town of Cumberland, Rhode Island (herein, the Town), provides this Management Discussion and Analysis of the Town of Cumberland's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of Cumberland is for fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the additional information that is furnished in the Town’s financial statements.

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

This discussion and analysis is intended to serve as an introduction to the Town's annual audit report. The financial section of this report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information that includes combining statements for non-major governmental funds and other fiduciary funds.

**FINANCIAL HIGHLIGHTS**

- At the end of the current fiscal year, total fund balance for the General Fund was $14,356,945 or 20.77% of total 2015 budgeted revenues of $69,134,828. This is an increase of $237,814 from the prior year total fund balance.

- The total unassigned fund balance of the General Fund is $12,911,174 or 18.68% of total 2015 budgeted revenues.

- The total assigned fund balance of the General Fund is $1,455,771. This is an increase of $73,700 from the prior year.

- The Town General Fund ended fiscal year 2015 with a budgetary operating surplus of $660,250 and the School Unrestricted Fund ended with a budgetary operating surplus of $1,030,243.

- The total debt related to bonds, notes, and capital leases of the Town of Cumberland decreased by $3,858,557.

- As reported in the government wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $62,076,395. The Town has chosen conservative fiscal policy whereby it has developed its capital asset base from current operations rather than debt.

- The Town's total net position increased by $6,336,369 for the fiscal year ended June 30, 2015.
Overview of the Financial Statements

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

Government-Wide Financial Statement

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

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

Statement of Net Position - Presents all of the government’s assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference being reported as net position. The amount of net position is widely considered a good measure of the Town's financial health as increases and decreases in the Town's net position serves as a useful indicator of whether the financial position is improving or deteriorating.

Statement of Activities - Presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will not result in cash flows until future fiscal periods, i.e., uncollected taxes or earned but unused sick and vacation time.

Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the Town you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's roads.
Both of the government-wide financial statements distinguish functions and activities of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities).

The government-wide financial statements of the Town are divided into three categories.

- **Governmental activities** - Most of the Town's basic services are included here, such as the police, rescue, library, public works, education and general administration. Property taxes, charges for services and state funding finance most of these activities.

- **Business-Type activities** - The Town charges fees to customers to cover the costs of certain services it provides. The Town's water system is included here.

- **Component units** – The Town does not have any entities that are deemed to be component units.

**Fund Financial Statements**

Traditional users of government financial statements will find the fund financial statement presentation to be most familiar. A fund is a grouping of related accounts that is used to keep control over resources that have been allocated to specific projects or activities. The Town uses fund accounting to ensure and demonstrate compliance with several finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental, proprietary, and fiduciary funds. Fiduciary funds for the Town consist of the private purpose trust funds and the agency funds. The proprietary fund for the Town is the water enterprise fund. All other activities of the Town are included in the governmental fund.

All of the funds of the Town can be divided into three categories as follows:

**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, government fund financial statements focus on *near-term 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 the evaluation of a government’s near term financing requirements.

Most of the basic services provided by the Town are financed through governmental funds. These funds are reported using an accounting method called “modified accrual accounting”, which measures cash, and all other financial assets that can readily be converted to cash. 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 which is considered a major fund and data from all of the other governmental funds, which are considered non-major funds, are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements, which are not required but are supplementary information.
Fund Financial Statements (continued)

Governmental funds (continued):

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 the governmental activities.

The Town adopts an annual budget for its general fund and the school unrestricted fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 24 through 25 of this report. The budgetary statements can be found on pages 100 through 110 of this report.

Proprietary funds: The Town maintains one proprietary fund as described below. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses its enterprise fund to account for its water operations. The accrual basis of accounting is used for the proprietary fund.

- Cumberland Water Department – The Town has a municipally owned water system. It’s one reservoir and well system give the Town adequate water supply for all industrial, commercial and residential consumption.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements for the water enterprise fund which is considered a major fund.

The City adopts an annual budget for its fund. Budgetary comparison statements have been provided to demonstrate compliance with those budgets.

The proprietary fund financial statements can be found on pages 28 through 30 of this report. The budgetary statements can be found on pages 115 and 116 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town is the trustee, or fiduciary, for certain assets that because of a trust arrangement can be used only for the trust beneficiaries and the agency fund. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Town's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the Town's governmental-wide financial statements because the Town cannot use these assets to finance its operations. The accounting used for fiduciary funds is the accrual basis of accounting.

The fiduciary funds financial statements can be found on pages 31 through 32 of this report.

Continued
Notes to the Financial Statements

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

The notes of the financial statements are presented on pages 33 through 85.

Other Required Information

This section includes budgetary comparison schedules, which include reconciling information between the statutory amounts for budgetary purposes and the amounts for the General Fund and School Unrestricted Fund as presented in the governmental fund financial statements.

Budgetary comparison schedules are presented to demonstrate compliance with the budget on pages 100 through 111.

The pension information included represents the state pension for municipal employees excluding police, the police pension and the teachers state pension is presented on pages 90 through 99.

Other Supplementary Information

In addition to the basic financial statements, accompanying notes, and required supplementary information, this report includes a budgetary comparison for the water fund and combining governmental funds.

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

Figure 1

<table>
<thead>
<tr>
<th>Basic Financial Statements &amp; RSI</th>
<th>MD&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Section</td>
<td>Government-wide Statements</td>
</tr>
<tr>
<td></td>
<td>(Major) Fund Financial Statements</td>
</tr>
<tr>
<td></td>
<td>Notes to Financial Statements</td>
</tr>
<tr>
<td></td>
<td>RSI other than MD&amp;A</td>
</tr>
<tr>
<td></td>
<td>Info. on nonmajor funds &amp; other supplementary info. not required</td>
</tr>
</tbody>
</table>

Continued
Other Supplementary Information (Continued)

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

Figure 2

<table>
<thead>
<tr>
<th>Government-Wide Statements</th>
<th>Fund Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td><strong>Governmental Funds</strong></td>
</tr>
<tr>
<td>Entire town government (except fiduciary funds)</td>
<td>The activities of the Town that are not proprietary or fiduciary, such as police, rescue and DPW.</td>
</tr>
<tr>
<td><strong>Accounting basis and measurement focus</strong></td>
<td>Accrual accounting and economic resources focus</td>
</tr>
<tr>
<td><strong>Type of assets/liability information</strong></td>
<td>All assets and liabilities both financial and capital, and short-term and long-term</td>
</tr>
<tr>
<td><strong>Type of inflow/outflow information</strong></td>
<td>All revenue and expenses during the year, regardless of when cash is received or paid.</td>
</tr>
</tbody>
</table>

Government-wide Financial Analysis

Analysis of the Town of Cumberland’s Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Cumberland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $62,076,395 as of June 30, 2015, an increase over the prior year of $6,336,369.

In regard to the Town's net position, $76,452,058 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets which is still outstanding. The Town uses these capital assets to provide services to its 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 are highly unlikely to be used to liquidate these liabilities.
An additional portion of the Town's net position $7,966,350 represents resources that are subject to external restriction on how they may be used. This leaves a remaining balance for unrestricted net position of $(22,342,013).

Change in Net Position
The total net position of the Town of Cumberland increased by $6,336,369 during fiscal year 2014-2015.
The following analysis provides a summary of the Town's operations for the year ended June 30, 2015. Governmental activities increased the Town's net position by $5,191,773 accounting for 82% of the Town's total increase in net position, while business type activities increased the Town's net position by $1,144,596 accounting for 18% of the Town's total increase in net position.

**TOWN OF CUMBERLAND'S CHANGES IN NET POSITION**

*For the year ended June 30,*

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for service</td>
<td>$3,883,035</td>
<td>$6,144,032</td>
<td>$8,752,953</td>
</tr>
<tr>
<td>Operating grants &amp; contributions</td>
<td>5,742,035</td>
<td>2,925,995</td>
<td>209,014</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>61,688,931</td>
<td>61,548,176</td>
<td>61,688,931</td>
</tr>
<tr>
<td>State aid to town</td>
<td>1,643,119</td>
<td>1,281,608</td>
<td>1,643,119</td>
</tr>
<tr>
<td>State aid to education</td>
<td>19,308,991</td>
<td>19,244,021</td>
<td>19,308,991</td>
</tr>
<tr>
<td>Other revenue</td>
<td>3,257,399</td>
<td>2,227,652</td>
<td>3,257,399</td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>66,782</td>
<td>89,487</td>
<td>66,782</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>95,590,292</td>
<td>93,838,861</td>
<td>101,001,665</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>4,769,602</td>
<td>4,284,515</td>
<td>4,769,602</td>
</tr>
<tr>
<td>Community development</td>
<td>578,668</td>
<td>624,117</td>
<td>578,668</td>
</tr>
<tr>
<td>Public safety</td>
<td>10,085,628</td>
<td>9,996,783</td>
<td>10,085,628</td>
</tr>
<tr>
<td>Public works</td>
<td>9,197,748</td>
<td>7,365,119</td>
<td>9,197,748</td>
</tr>
<tr>
<td>Social services</td>
<td>2,692,490</td>
<td>2,312,506</td>
<td>2,692,490</td>
</tr>
<tr>
<td>Education</td>
<td>60,322,110</td>
<td>60,715,289</td>
<td>60,322,110</td>
</tr>
<tr>
<td>Interest on debt</td>
<td>1,770,598</td>
<td>2,440,673</td>
<td>1,770,598</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td>4,266,777</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>89,416,844</td>
<td>87,739,002</td>
<td>95,454,219</td>
</tr>
<tr>
<td><strong>Increase(decrease) in net assets before transfers</strong></td>
<td>6,173,448</td>
<td>6,099,859</td>
<td>1,144,596</td>
</tr>
<tr>
<td>Proceeds from capital leases</td>
<td>848,607</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from bonds</td>
<td>109,578</td>
<td>-</td>
<td>109,578</td>
</tr>
<tr>
<td><strong>Increase(decrease) in net position</strong></td>
<td>7,131,633</td>
<td>6,099,859</td>
<td>1,144,596</td>
</tr>
<tr>
<td>Net position, July 1, restated</td>
<td>30,371,607</td>
<td>24,271,748</td>
<td>25,368,419</td>
</tr>
<tr>
<td>Net position, June 30</td>
<td>$37,503,240</td>
<td>$30,371,607</td>
<td>$26,513,015</td>
</tr>
</tbody>
</table>

**Notes:**

**These statement are not comparative in the current year due to prior year misgrouping of revenue categories.**
Revenue

Governmental Activities

Total governmental activities revenues for the Town are comprised of general revenues of $86.0 million, charges for services $3.9 million, and operating grants and contributions of $3.8 million.

General Revenues

The majority of general revenues are tax collections from the Town’s taxpayers. This amount represented 66% of the total general revenues or $61.7 million.

Intergovernmental revenue not restricted to a specific program is $21.8 million representing 23% of general revenues.

Program Revenues

Charges for services are $3.9 million and represent a variety of departmental revenues. The public safety portion includes several types of permits revenue, traffic and moving violations revenues.

The operating grants are also a significant source of revenue for the Town. The total operating grants for fiscal year ended June 30, 2015 amounted to $3.8 million of which $3.2 million were received for education.
Expenses

Governmental Activities

For fiscal year ended June 30, 2015, expenses for the governmental activities totaled $89.4 million, which cover a range of services.

Education continues to be one of the Town’s highest priorities and commitments representing $60.3 million or 67.4% of the total governmental activity expenses.

<table>
<thead>
<tr>
<th>Business-Type Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>The water fund had operating income of $1.4 million and interest expense of $225 thousand.</td>
</tr>
</tbody>
</table>

Financial Analysis of the Town of Cumberland's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $21,644,393. The General Fund reported an unassigned fund balance of $12,911,174 representing approximately (59.6%) of total fund balance of all governmental funds.
Financial Analysis of the Town of Cumberland's Funds (continued)

Proprietary Funds – The Town of Cumberland's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective proprietary fund is the Cumberland Water Fund $1,937,439.

The Town of Cumberland's General Fund Budgetary Highlights

The general fund ended the year with revenue recorded in the amount of $47,545 over the budget. The categories are presented on page 100 and include both favorable and unfavorable differences.

The expenditures ended the year with a favorable variance of $612,705. The most significant positive amount includes unspent school debt budget of $330,197 and under spend employee benefits of $135,171.

Note that in 2004, the Town adopted by ordinance a fund balance policy, which requires that the fund balance amount be maintained at a minimum of 10% of operating revenues. Operating revenues, which do not include General and Educational Aid from the State of Rhode Island, total $70,225,569. The fund balance amount of $14,356,945 equals 20.44% of the total operating expenses.

The Town of Cumberland's Capital Assets

The Town of Cumberland's investment in capital assets for its governmental and business-type activities amounts to $129,219,739 net of accumulated depreciation at June 30, 2015. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment, and infrastructure.

Major Capital Events During the Fiscal Year 2014-2015

The major capital projects in 2014-2015 were infrastructure improvements from road paving projects, parking lot resurfacing projects, equipment additions within public works and public safety and finally vehicle additions and building improvements throughout the Town. The water system improvements, which included but was not limited to a water main replacement project is being paid by subsidized low interest lows and master leases. Open space land purchases were made via the Town’s open space fund and recreation upgrades were funded through the Town’s Recreation Bond Fund. Road improvements were funded from the Road Improvement Bond or State Roadway Investment Grant.
The Town of Cumberland's Capital Assets (continued)

TOWN OF CUMBERLAND'S CAPITAL ASSETS
NET OF ACCUMULATED DEPRECIATION

For the year ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-Type Activities</th>
<th></th>
<th>Total</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$19,882,983</td>
<td>$19,882,983</td>
<td>$280,974</td>
<td>$280,974</td>
<td>$20,163,957</td>
<td>$20,163,957</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>41,647</td>
<td>630,119</td>
<td>692,824</td>
<td>767,419</td>
<td>734,471</td>
<td>1,397,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, net</td>
<td>13,877,222</td>
<td>13,688,413</td>
<td>25,208,911</td>
<td>25,761,022</td>
<td>39,086,133</td>
<td>39,449,435</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements, net</td>
<td>2,705,511</td>
<td>2,768,543</td>
<td>-</td>
<td>-</td>
<td>2,705,511</td>
<td>2,768,543</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building &amp; improvements, net</td>
<td>61,179,192</td>
<td>61,525,778</td>
<td>2,348,805</td>
<td>1,627,852</td>
<td>63,527,997</td>
<td>63,153,630</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles, net</td>
<td>1,464,400</td>
<td>1,031,684</td>
<td>83,075</td>
<td>74,041</td>
<td>1,547,475</td>
<td>1,105,725</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment, net</td>
<td>1,454,195</td>
<td>1,951,321</td>
<td>-</td>
<td>-</td>
<td>1,454,195</td>
<td>1,951,321</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$100,605,150</td>
<td>$101,478,841</td>
<td>$28,614,589</td>
<td>$28,511,308</td>
<td>$129,219,739</td>
<td>$129,990,149</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional information on the Town of Cumberland's Capital assets is located in note 2 of the notes to the financial statements.

The Town of Cumberland's Debt Administration

At the end of the current fiscal year, the Town of Cumberland had a total bonded debt of $22,155,000. Of this amount, $240,000 comprised was bonded debt for the Enterprise Funds.

TOWN OF CUMBERLAND'S OUTSTANDING DEBT AT YEAR END BONDS,
NOTES, LOANS AND CAPITALIZED LEASES PAYABLE

For the year ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-Type Activities</th>
<th></th>
<th>Total</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$22,155,000</td>
<td>$25,260,000</td>
<td>$240,000</td>
<td>$350,000</td>
<td>$22,395,000</td>
<td>$25,610,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable</td>
<td>23,576,715</td>
<td>25,124,939</td>
<td>3,744,219</td>
<td>3,917,029</td>
<td>27,320,934</td>
<td>29,041,968</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital leases</td>
<td>1,631,769</td>
<td>554,292</td>
<td>-</td>
<td>-</td>
<td>1,631,769</td>
<td>554,292</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$47,363,484</td>
<td>$50,939,231</td>
<td>$3,984,219</td>
<td>$4,267,029</td>
<td>$51,347,703</td>
<td>$55,206,260</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Continued

15
The Town of Cumberland's Debt Administration (continued)

The Town’s general obligation bond rating was upgraded by Moody’s Investors Services in July of 2014 to Aa3 (Stable). Standard & Poor’s upgraded the Town’s general obligation bond rating in October of 2015 to AA (Positive).

The State of Rhode Island imposes a limit of 3 percent of the fair market value of all taxable town property on the general obligation debt that a municipality can issue. The Town of Cumberland’s limit is $104,706,027 at year-end. The Town’s outstanding general obligation debt subject to this limit is $2,668,500 at year-end, which is $102,037,527 under the State imposed limitation.

Several of the Town's bonds are insured and thus hold a Triple A credit rating from both Moody's and Standard & Poor's.

Additional information on the Town of Cumberland's long-term debt can be found in note 7 of the financial statements.

Subsequent Fiscal Year 2015-2016 Budget and Tax Rates

The Town of Cumberland’s total general budget for fiscal year 2016 is $90,498,462; which reflects an increase of $2,466,006 over the fiscal year 2015 budget. In the Town’s 2016 budget, $60,837,835 or 67.23% is allocated for educational purposes and $29,660,627 or 32.77% is budgeted for other purposes.

Of the $60,837,835 budgeted for educational purposes, the State of Rhode Island is budgeted for fiscal year 2016 to contribute $16,685,704 to the Town’s education department and the Town is budgeted to contribute $40,437,082. The budget also appropriates the use of school surplus funds totaling $830,204. The amount contributed by the State is based on the Town being considered an outlying suburban community. The total population of the School District and the average level of wages earned by its citizens are the determining factors for this designation. Within fiscal year 2016, the Town purchased chrome books for three additional secondary education grades, to complete an initiative begun in fiscal year 2015. The Town also partnered with the school department on the financing of necessary health and safety upgrades at various schools throughout the district.

Continued
General Economic Factors

The June 2015 unemployment rate for the Town of Cumberland was 4.5%, which compares favorably to the unemployment rate of both the State of Rhode Island at 5.6% and the national rate of 5.3% from the same period. According to the Rhode Island City & Town Income American Community Survey, 5-year Estimates, 2009 – 2013, the median family income of the Town was $85,127, compared to the State average of $72,717. Median family income in the Town increased from $63,194 in 2000, an increase of 34.71%. The Town’s median family income ranks twentieth among Rhode Island cities and towns.

The per capita income of the Town of Cumberland was $35,378, compared to $30,469 for the State in 2013. Per capita income in the Town increased from $25,592 in 2000, an increase of 41.77%. The Town’s per capita income ranks twenty second among the thirty-nine Rhode Island cities and towns.

Request 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.
Basic Financial Statements
### Primary Government

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$20,776,919</td>
<td>$1,501,598</td>
<td>$22,278,517</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>2,176,878</td>
<td>824,396</td>
<td>3,001,274</td>
</tr>
<tr>
<td>Receivables, net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal property taxes</td>
<td>36,759,244</td>
<td>-</td>
<td>36,759,244</td>
</tr>
<tr>
<td>User charges</td>
<td>1,556,045</td>
<td>2,080,675</td>
<td>3,636,720</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>887,558</td>
<td>-</td>
<td>887,558</td>
</tr>
<tr>
<td>Departmental and other</td>
<td>1,558,063</td>
<td>114,117</td>
<td>1,672,180</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>10,854,320</td>
<td>-</td>
<td>10,854,320</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>304,950</td>
<td>-</td>
<td>304,950</td>
</tr>
<tr>
<td>TSB - net pension asset</td>
<td>8,119,601</td>
<td>-</td>
<td>8,119,601</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>19,882,983</td>
<td>280,974</td>
<td>20,163,957</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>41,647</td>
<td>692,824</td>
<td>734,471</td>
</tr>
<tr>
<td>Depreciable assets, net</td>
<td>80,680,520</td>
<td>27,640,791</td>
<td>108,321,311</td>
</tr>
<tr>
<td>Total capital assets</td>
<td>100,605,150</td>
<td>28,614,589</td>
<td>129,219,739</td>
</tr>
<tr>
<td>Total assets</td>
<td>183,598,728</td>
<td>33,135,375</td>
<td>216,734,103</td>
</tr>
</tbody>
</table>

### DEFERRED OUTFLOWS OF RESOURCES

<table>
<thead>
<tr>
<th></th>
<th>Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Pension - difference between projected and actual earnings on investments</td>
<td>262,878</td>
</tr>
<tr>
<td>TSB - contributions made subsequent to measurement date</td>
<td>39,802</td>
</tr>
<tr>
<td>ERS - contributions made subsequent to measurement date</td>
<td>4,307,537</td>
</tr>
<tr>
<td>MERS - contributions made subsequent to measurement date</td>
<td>754,797</td>
</tr>
<tr>
<td>MERS - change in assumptions</td>
<td>12,305</td>
</tr>
<tr>
<td>Loss on refunding</td>
<td>450,638</td>
</tr>
<tr>
<td>Total assets and deferred outflows of resources</td>
<td>$189,426,685</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the basic financial statements.
TOWN OF CUMBERLAND, RHODE ISLAND

Government Wide Financial Statements
Statement of Net Position

June 30, 2015

The accompanying notes are an integral part of the basic financial statements

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 3,557,403</td>
<td>$ 438,287</td>
<td>$ 3,995,690</td>
</tr>
<tr>
<td>Retainage payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BAN payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>367,578</td>
<td>209,014</td>
<td>576,592</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>469,117</td>
<td>54,794</td>
<td>523,911</td>
</tr>
<tr>
<td>Due to federal and state governments</td>
<td>68,222</td>
<td>68,222</td>
<td></td>
</tr>
<tr>
<td>Deposits held</td>
<td>2,176,878</td>
<td>505,483</td>
<td>2,682,361</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>9,358,278</td>
<td>1,356,510</td>
<td>10,714,788</td>
</tr>
<tr>
<td>Current portion of capital leases</td>
<td>387,443</td>
<td>-</td>
<td>387,443</td>
</tr>
<tr>
<td>Current portion of deferred salary liability</td>
<td>74,767</td>
<td>-</td>
<td>74,767</td>
</tr>
<tr>
<td>Current portion of other commitments</td>
<td>17,850</td>
<td>-</td>
<td>17,850</td>
</tr>
<tr>
<td>Current portion of bonds and notes payable</td>
<td>2,685,000</td>
<td>115,000</td>
<td>2,800,000</td>
</tr>
<tr>
<td>Current portion of loans payable</td>
<td>1,617,050</td>
<td>177,418</td>
<td>1,794,468</td>
</tr>
<tr>
<td>Current portion of bond premium</td>
<td>144,969</td>
<td>-</td>
<td>144,969</td>
</tr>
<tr>
<td>Current portion of compensated absences</td>
<td>66,005</td>
<td>-</td>
<td>66,005</td>
</tr>
<tr>
<td>Portion due or payable in more than one year:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital leases</td>
<td>1,244,326</td>
<td>-</td>
<td>1,244,326</td>
</tr>
<tr>
<td>Deferred salary liability</td>
<td>711,951</td>
<td>-</td>
<td>711,951</td>
</tr>
<tr>
<td>Other commitments</td>
<td>214,200</td>
<td>-</td>
<td>214,200</td>
</tr>
<tr>
<td>Bonds and notes payable</td>
<td>19,470,000</td>
<td>125,000</td>
<td>19,595,000</td>
</tr>
<tr>
<td>Loans payable</td>
<td>21,959,665</td>
<td>3,566,801</td>
<td>25,526,466</td>
</tr>
<tr>
<td>Bond premium</td>
<td>1,201,736</td>
<td>-</td>
<td>1,201,736</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>2,122,088</td>
<td>73,376</td>
<td>2,195,464</td>
</tr>
<tr>
<td>Other post-employment benefit obligation</td>
<td>10,846,327</td>
<td>-</td>
<td>10,846,327</td>
</tr>
<tr>
<td>Police net pension liability</td>
<td>18,917,838</td>
<td>-</td>
<td>18,917,838</td>
</tr>
<tr>
<td>ERS net pension liability</td>
<td>40,693,201</td>
<td>-</td>
<td>40,693,201</td>
</tr>
<tr>
<td>MERS net pension liability</td>
<td>6,263,636</td>
<td>-</td>
<td>6,263,636</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>144,635,528</td>
<td>6,621,683</td>
<td>151,257,211</td>
</tr>
</tbody>
</table>
TOWN OF CUMBERLAND, RHODE ISLAND

Government Wide Financial Statements
Statement of Net Position

June 30, 2015

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSB - Net difference between projected and actual earnings on investments</td>
<td>1,062,625</td>
<td>-</td>
<td>1,062,625</td>
</tr>
<tr>
<td>ERS - change of assumptions</td>
<td>1,441,431</td>
<td>-</td>
<td>1,441,431</td>
</tr>
<tr>
<td>ERS - Net difference between projected and actual earnings on investments</td>
<td>3,504,120</td>
<td>-</td>
<td>3,504,120</td>
</tr>
<tr>
<td>MERS - change of assumptions</td>
<td>49,490</td>
<td>-</td>
<td>49,490</td>
</tr>
<tr>
<td>MERS - Net difference between projected and actual earnings on investments</td>
<td>1,561,211</td>
<td>-</td>
<td>1,561,211</td>
</tr>
<tr>
<td>Other deferred revenue</td>
<td>1,608,900</td>
<td>-</td>
<td>1,608,900</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>5,735</td>
<td>5,735</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>9,227,777</td>
<td>5,735</td>
<td>9,233,512</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET POSITION</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>51,876,482</td>
<td>24,575,576</td>
<td>76,452,058</td>
</tr>
<tr>
<td>Restricted</td>
<td>7,966,350</td>
<td>-</td>
<td>7,966,350</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(24,279,452)</td>
<td>1,937,439</td>
<td>(22,342,013)</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows or resources and net position</td>
<td>$ 189,426,685</td>
<td>$ 33,140,433</td>
<td>$ 222,567,118</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the basic financial statements
TOWN OF CUMBERLAND, RHODE ISLAND

Government Wide Financial Statements

Statement of Net Activities

For the Year Ended June 30, 2015

The accompanying notes are an integral part of the basic financial statements
## TOWN OF CUMBERLAND, RHODE ISLAND

**Government Wide Financial Statements**  
**Statement of Net Activities**  
**For the Year Ended June 30, 2015**

The accompanying notes are an integral part of the basic financial statements.

---

### General revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate and personal property, net of reserve for abatements</td>
<td>$61,688,931</td>
<td>-</td>
<td>$61,688,931</td>
</tr>
<tr>
<td>Meals and beverage tax</td>
<td>449,395</td>
<td>-</td>
<td>449,395</td>
</tr>
<tr>
<td>Telephone tax</td>
<td>417,215</td>
<td>-</td>
<td>417,215</td>
</tr>
<tr>
<td>Realty transfer tax</td>
<td>337,400</td>
<td>-</td>
<td>337,400</td>
</tr>
<tr>
<td>School housing aid</td>
<td>1,704,737</td>
<td>-</td>
<td>1,704,737</td>
</tr>
<tr>
<td>Earnings on investments</td>
<td>66,782</td>
<td>13</td>
<td>66,795</td>
</tr>
<tr>
<td>State aid to town</td>
<td>405,654</td>
<td>-</td>
<td>405,654</td>
</tr>
<tr>
<td>State aid to education</td>
<td>15,664,394</td>
<td>-</td>
<td>15,664,394</td>
</tr>
<tr>
<td>Library housing</td>
<td>211,377</td>
<td>-</td>
<td>211,377</td>
</tr>
<tr>
<td>Library aid</td>
<td>273,137</td>
<td>-</td>
<td>273,137</td>
</tr>
<tr>
<td>Medicaid</td>
<td>370,855</td>
<td>-</td>
<td>370,855</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,435,485</td>
<td>3,238</td>
<td>2,438,723</td>
</tr>
<tr>
<td>Debt reduction surcharge</td>
<td></td>
<td>329,190</td>
<td>329,190</td>
</tr>
<tr>
<td><strong>Total general revenues</strong></td>
<td>84,025,362</td>
<td>332,441</td>
<td>84,357,803</td>
</tr>
<tr>
<td>Proceeds from capital leases</td>
<td>848,607</td>
<td>-</td>
<td>848,607</td>
</tr>
<tr>
<td>Proceeds from bonds</td>
<td>109,578</td>
<td>-</td>
<td>109,578</td>
</tr>
<tr>
<td><strong>Total general revenues, special items, and transfers</strong></td>
<td>84,983,547</td>
<td>332,441</td>
<td>85,315,988</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>5,191,773</td>
<td>1,144,596</td>
<td>6,336,369</td>
</tr>
<tr>
<td>Net position - July 1, 2014, restated</td>
<td>30,371,607</td>
<td>25,368,419</td>
<td>55,740,026</td>
</tr>
<tr>
<td><strong>Net position - June 30, 2015</strong></td>
<td>$35,563,380</td>
<td>$26,513,015</td>
<td>$62,076,395</td>
</tr>
</tbody>
</table>

---
### TOWN OF CUMBERLAND, RHODE ISLAND

**Governmental Funds**

**Balance Sheet**

**June 30, 2015**

The accompanying notes are an integral part of the basic financial statements.

<table>
<thead>
<tr>
<th>Assets</th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$17,890,283</td>
<td>$(164,410)</td>
<td>-</td>
<td>$3,051,046</td>
<td>$20,776,919</td>
</tr>
<tr>
<td>Restricted cash - debt service</td>
<td>2,176,878</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,176,878</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes, net</td>
<td>36,332,639</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,332,639</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>36,480</td>
<td>-</td>
<td>851,078</td>
<td>887,558</td>
</tr>
<tr>
<td>Sewer use and assessment</td>
<td>-</td>
<td>-</td>
<td>1,305,055</td>
<td>-</td>
<td>1,305,055</td>
</tr>
<tr>
<td>Other</td>
<td>1,269,030</td>
<td>4,948</td>
<td>-</td>
<td>284,085</td>
<td>1,558,063</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>1,335,282</td>
<td>6,526,484</td>
<td>-</td>
<td>2,992,554</td>
<td>10,854,320</td>
</tr>
<tr>
<td>Other assets</td>
<td>170,550</td>
<td>134,400</td>
<td>-</td>
<td>-</td>
<td>304,950</td>
</tr>
<tr>
<td>Total assets</td>
<td>59,174,662</td>
<td>6,537,902</td>
<td>1,305,055</td>
<td>7,178,763</td>
<td>74,196,382</td>
</tr>
</tbody>
</table>

**Deferred outflows of resources**

| None | - | - | - | - | - |
| Total assets and deferred outflows of resources | $59,174,662 | $6,537,902 | $1,305,055 | $7,178,763 | $74,196,382 |

| Liabilities | General Fund | School Unrestricted | Sewer Fund | Non-Major Governmental Funds | Total Governmental Funds |
| Accounts payable and accrued expenses | $1,454,131 | $1,704,112 | $7,043 | $392,117 | $3,557,403 |
| Due to federal and state government | 68,222 | - | - | - | 68,222 |
| Other liabilities | 341,998 | 250 | - | 25,330 | 367,578 |
| Deposits held for debt service | 2,176,878 | - | - | - | 2,176,878 |
| Due to other funds | 5,324,613 | - | 1,299,495 | 2,734,170 | 9,358,278 |
| Total liabilities | 9,365,842 | 1,704,362 | 1,305,055 | 3,151,617 | 15,528,359 |

**Deferred inflows of resources**

| Deferred property taxes | 35,414,730 | - | - | - | 35,414,730 |
| Other deferred revenue | 37,145 | - | 1,305,055 | 266,700 | 1,608,900 |
| Total deferred inflows of resources | 35,451,875 | - | 1,305,055 | 266,700 | 37,023,630 |

**Fund balance**

| Nonspendable | - | 134,400 | - | - | 134,400 |
| Restricted | - | 4,699,140 | - | 3,267,100 | 7,966,340 |
| Committed | - | - | - | 508,516 | 508,516 |
| Assigned | 1,445,771 | - | - | 62,180 | 1,507,951 |
| Unassigned | 12,911,174 | - | (1,306,538) | (77,460) | 11,527,176 |
| Total fund balance | 14,356,945 | 4,833,540 | (1,306,538) | 3,760,446 | 21,644,393 |

Total liabilities, deferred inflows of resources, and fund balance: $59,174,662 $6,537,902 $1,305,055 $7,178,763 $74,196,382
## Statement of Revenues, Expenditures and Changes in Fund Balances

**For the Year Ended June 30, 2015**

The accompanying notes are an integral part of the basic financial statements.

### Revenues

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General property taxes and interest</strong></td>
<td>$62,105,888</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$62,105,888</td>
</tr>
<tr>
<td><strong>Other local and departmental revenue</strong></td>
<td>3,168,284</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,168,284</td>
</tr>
<tr>
<td><strong>Intergovernmental</strong></td>
<td>4,023,826</td>
<td>16,035,249</td>
<td>-</td>
<td>3,392,219</td>
<td>23,451,294</td>
</tr>
<tr>
<td><strong>Charges for services</strong></td>
<td>-</td>
<td>-</td>
<td>903,329</td>
<td>785,496</td>
<td>1,688,825</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>66,769</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>66,782</td>
</tr>
<tr>
<td><strong>State contribution to pension plan</strong></td>
<td>-</td>
<td>2,464,092</td>
<td>-</td>
<td>-</td>
<td>2,464,092</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td>860,802</td>
<td>380,806</td>
<td>-</td>
<td>409,956</td>
<td>1,651,564</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>70,225,569</td>
<td>18,880,147</td>
<td>903,329</td>
<td>4,587,684</td>
<td>94,596,729</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General government</strong></td>
<td>1,559,046</td>
<td>-</td>
<td>-</td>
<td>112,101</td>
<td>1,671,147</td>
</tr>
<tr>
<td><strong>Community development</strong></td>
<td>394,105</td>
<td>-</td>
<td>-</td>
<td>51,255</td>
<td>445,360</td>
</tr>
<tr>
<td><strong>Public safety</strong></td>
<td>6,140,098</td>
<td>-</td>
<td>-</td>
<td>114,641</td>
<td>6,254,739</td>
</tr>
<tr>
<td><strong>Public works</strong></td>
<td>4,996,532</td>
<td>-</td>
<td>286,770</td>
<td>300,901</td>
<td>5,584,203</td>
</tr>
<tr>
<td><strong>Social services</strong></td>
<td>2,197,902</td>
<td>-</td>
<td>-</td>
<td>79,278</td>
<td>2,277,180</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1,999,089</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,999,089</td>
</tr>
<tr>
<td><strong>Employee benefits</strong></td>
<td>6,954,502</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,954,502</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>46,199</td>
<td>55,821,501</td>
<td>-</td>
<td>1,893,636</td>
<td>57,761,336</td>
</tr>
<tr>
<td><strong>Cafeteria</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,030,845</td>
<td>2,030,845</td>
</tr>
<tr>
<td><strong>State contributin to pension plan</strong></td>
<td>-</td>
<td>2,464,092</td>
<td>-</td>
<td>-</td>
<td>2,464,092</td>
</tr>
<tr>
<td><strong>Capital outlay</strong></td>
<td>814,870</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>814,870</td>
</tr>
<tr>
<td><strong>Debt service</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Principal</strong></td>
<td>3,600,000</td>
<td>-</td>
<td>484,087</td>
<td>239,135</td>
<td>4,323,222</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>1,807,908</td>
<td>-</td>
<td>62,582</td>
<td>98,640</td>
<td>1,969,130</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>30,510,251</td>
<td>58,285,593</td>
<td>833,439</td>
<td>4,920,432</td>
<td>94,549,715</td>
</tr>
</tbody>
</table>

### Excess (deficiency) of revenues over expenditures

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td>39,715,318</td>
<td>(39,405,446)</td>
<td>69,890</td>
<td>(332,748)</td>
<td>47,014</td>
</tr>
</tbody>
</table>

### Other financing sources (uses)

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proceeds from capital leases</strong></td>
<td>-</td>
<td>848,607</td>
<td>-</td>
<td>-</td>
<td>848,607</td>
</tr>
<tr>
<td><strong>Bond proceeds</strong></td>
<td>109,578</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>109,578</td>
</tr>
<tr>
<td><strong>Transfers in</strong></td>
<td>-</td>
<td>39,587,082</td>
<td>-</td>
<td>-</td>
<td>39,587,082</td>
</tr>
<tr>
<td><strong>Transfers out</strong></td>
<td>(39,587,082)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(39,587,082)</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td>(39,477,504)</td>
<td>40,435,689</td>
<td>-</td>
<td>-</td>
<td>958,185</td>
</tr>
</tbody>
</table>

### Excess of revenue and other sources over expenditures and other uses

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess of revenue and other sources over expenditures and other uses</strong></td>
<td>237,814</td>
<td>1,030,243</td>
<td>69,890</td>
<td>(332,748)</td>
<td>1,005,199</td>
</tr>
</tbody>
</table>

### Fund balance, July 1, 2014

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund balance, July 1, 2014</strong></td>
<td>14,119,131</td>
<td>3,803,297</td>
<td>(1,376,428)</td>
<td>4,093,194</td>
<td>20,639,194</td>
</tr>
</tbody>
</table>

### Fund balance, June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer Fund</th>
<th>Non-Major Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund balance, June 30, 2015</strong></td>
<td>$14,356,945</td>
<td>$4,833,540</td>
<td>$(1,306,538)</td>
<td>$3,760,446</td>
<td>$21,644,393</td>
</tr>
</tbody>
</table>
TOWN OF CUMBERLAND, RHODE ISLAND

Reconciliation of the Governmental Fund Balances to Government-Wide Net Position

June 30, 2015

Total governmental fund balances $ 21,644,393

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

- Capital assets, net 100,605,150
- Sewer assessment receivable 250,990
- Accrued interest receivable 389,460
- TSB net pension asset 8,119,601

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds. 35,451,875

Other long-term assets related to net pension activity and therefore, are deferred inflows of resources in the funds. (7,618,877)

Other long-term liabilities related to net pension activity and therefore, are deferred outflows of resources in the funds. 5,377,319

Long term liabilities relating to bond premiums amortized over the life of the bond (1,346,705)

In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due. (469,117)

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

- Bonds and notes payable (45,281,077)
- Capital leases (1,631,769)
- Compensated absences (2,188,093)
- Other postemployment benefits (10,846,327)
- Police net pension liability (18,917,838)
- ERS net pension liability (40,693,201)
- MERS net pension liability (6,263,636)
- Other commitments (232,050)
- Deferred salary liability (786,718)

Net position of governmental activities $ 35,563,380

The accompanying notes are an integral part of the basic financial statements
### Reconciliation of the Governmental Statement of Revenues, Expenditures and Changes in Fund Balances to Government-Wide Statement of Activities

**For the Year Ended June 30, 2015**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net change in fund balances - total governmental funds</td>
<td>$1,005,199</td>
</tr>
<tr>
<td>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. This is the amount by which capital outlays exceeded depreciation in the current period.</td>
<td>(873,691)</td>
</tr>
<tr>
<td>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</td>
<td>(422,065)</td>
</tr>
<tr>
<td>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</td>
<td>3,775,365</td>
</tr>
<tr>
<td>Bond premiums for long term debt are amortized over the course of the payable but are not reported as an expenditure on governmental fund statements</td>
<td>(574,156)</td>
</tr>
<tr>
<td>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.</td>
<td>198,532</td>
</tr>
<tr>
<td>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.</td>
<td>(188,109)</td>
</tr>
<tr>
<td>The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds</td>
<td>(115,895)</td>
</tr>
<tr>
<td>The net pension liability expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds</td>
<td>2,289,090</td>
</tr>
<tr>
<td>The deferred salary and other commitments expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds</td>
<td>97,503</td>
</tr>
<tr>
<td>Change in net position of governmental activities</td>
<td>$5,191,773</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the basic financial statements*
TOWN OF CUMBERLAND, RHODE ISLAND

Proprietary Funds
Statement of Net Position

June 30, 2015

The accompanying notes are an integral part of the basic financial statements
## TOWN OF CUMBERLAND, RHODE ISLAND

### Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2015

The accompanying notes are an integral part of the basic financial statements

<table>
<thead>
<tr>
<th>Water Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
</tr>
<tr>
<td>User fees and charges</td>
</tr>
<tr>
<td>Other revenues</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
</tr>
<tr>
<td>Personnel services</td>
</tr>
<tr>
<td>Maintenance and servicing</td>
</tr>
<tr>
<td>Operating supplies</td>
</tr>
<tr>
<td>Fixed and general charges</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses)</strong></td>
</tr>
<tr>
<td>Interest expense</td>
</tr>
<tr>
<td><strong>Income (loss) before transfers</strong></td>
</tr>
<tr>
<td><strong>Transfers</strong></td>
</tr>
<tr>
<td>Transfers in - operating</td>
</tr>
<tr>
<td>Transfers out - operating</td>
</tr>
<tr>
<td><strong>Total Transfers</strong></td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
</tr>
<tr>
<td><strong>Net position, July 1, 2014</strong></td>
</tr>
<tr>
<td><strong>Net position, June 30, 2015</strong></td>
</tr>
</tbody>
</table>
TOWN OF CUMBERLAND, RHODE ISLAND

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2015

The accompanying notes are an integral part of the basic financial statements
TOWN OF CUMBERLAND, RHODE ISLAND

Fiduciary Funds
Statement of Net Position

June 30, 2015

The accompanying notes are an integral part of the basic financial statements

<table>
<thead>
<tr>
<th></th>
<th>Police Pension Trust</th>
<th>OPEB Trust</th>
<th>Private Purpose Trust Funds</th>
<th>Agency Funds</th>
<th>Total Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 310,995</td>
<td>$ 365,489</td>
<td>$ 276,212</td>
<td>$ 555,039</td>
<td>$ 1,507,735</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. government obligations</td>
<td>294,733</td>
<td>49,638</td>
<td>-</td>
<td>-</td>
<td>344,371</td>
</tr>
<tr>
<td>Municipal obligations</td>
<td>781,064</td>
<td>51,249</td>
<td>-</td>
<td>-</td>
<td>832,313</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2,973,337</td>
<td>49,203</td>
<td>-</td>
<td>-</td>
<td>3,022,540</td>
</tr>
<tr>
<td>Common stock</td>
<td>6,941,056</td>
<td>574,355</td>
<td>-</td>
<td>-</td>
<td>7,515,411</td>
</tr>
<tr>
<td>Certificates of deposit</td>
<td>395,964</td>
<td>173,760</td>
<td>-</td>
<td>-</td>
<td>569,724</td>
</tr>
<tr>
<td>Foreign domiciled common stock</td>
<td>142,596</td>
<td>15,552</td>
<td>-</td>
<td>-</td>
<td>158,148</td>
</tr>
<tr>
<td>Mutual funds - fixed income</td>
<td>468,089</td>
<td>355,959</td>
<td>-</td>
<td>-</td>
<td>824,048</td>
</tr>
<tr>
<td>Mutual funds - equity</td>
<td>970,992</td>
<td>121,920</td>
<td>-</td>
<td>-</td>
<td>1,092,912</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>45,062</td>
<td>4,906</td>
<td>-</td>
<td>-</td>
<td>49,968</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>13,323,888</td>
<td>1,762,031</td>
<td>276,212</td>
<td>555,039</td>
<td>15,917,170</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$ 13,323,888</td>
<td>$ 1,762,031</td>
<td>$ 276,212</td>
<td>$ 555,039</td>
<td>$ 15,917,170</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 7,087</td>
<td>-</td>
<td>-</td>
<td>$ 3,474</td>
<td>$ 10,561</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>42,274</td>
<td>10,182</td>
<td>-</td>
<td>87,076</td>
<td>139,532</td>
</tr>
<tr>
<td>Deposits held</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>464,489</td>
<td>464,489</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>49,361</td>
<td>10,182</td>
<td>-</td>
<td>555,039</td>
<td>614,582</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>13,274,527</td>
<td>1,751,849</td>
<td>276,212</td>
<td>-</td>
<td>15,302,588</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>13,274,527</td>
<td>1,751,849</td>
<td>276,212</td>
<td>-</td>
<td>15,302,588</td>
</tr>
<tr>
<td><strong>Total liabilities and net position</strong></td>
<td>$ 13,323,888</td>
<td>$ 1,762,031</td>
<td>$ 276,212</td>
<td>$ 555,039</td>
<td>$ 15,917,170</td>
</tr>
</tbody>
</table>
TOWN OF CUMBERLAND, RHODE ISLAND

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2015

The accompanying notes are an integral part of the basic financial statements

<table>
<thead>
<tr>
<th>Additions</th>
<th>Police Pension Trust</th>
<th>OPEB Trust</th>
<th>Private Purpose Trust Funds</th>
<th>Total Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer contributions</td>
<td>$1,997,828</td>
<td>$1,420,875</td>
<td>$</td>
<td>$3,418,703</td>
</tr>
<tr>
<td>Plan member contributions</td>
<td>260,793</td>
<td>-</td>
<td>-</td>
<td>260,793</td>
</tr>
<tr>
<td>Investment income (net of related fees)</td>
<td>673,317</td>
<td>43,106</td>
<td>888</td>
<td>717,311</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>23,308</td>
<td>23,308</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>2,931,938</td>
<td>1,463,981</td>
<td>24,196</td>
<td>4,420,115</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits paid</td>
<td>1,765,110</td>
<td>280,659</td>
<td>-</td>
<td>2,045,769</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>106,733</td>
<td>12,673</td>
<td>-</td>
<td>119,406</td>
</tr>
<tr>
<td>Scholarships</td>
<td>-</td>
<td>-</td>
<td>59,820</td>
<td>59,820</td>
</tr>
<tr>
<td>Social services</td>
<td>-</td>
<td>-</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total deductions</strong></td>
<td>1,871,843</td>
<td>293,332</td>
<td>59,838</td>
<td>2,225,013</td>
</tr>
</tbody>
</table>

Changes in fund equity held in trust for individuals, organizations, and other governments

<table>
<thead>
<tr>
<th></th>
<th>Police Pension Trust</th>
<th>OPEB Trust</th>
<th>Private Purpose Trust Funds</th>
<th>Total Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,060,095</td>
<td>1,170,649</td>
<td>(35,642)</td>
<td>2,195,102</td>
<td></td>
</tr>
</tbody>
</table>

Net position, July 1, 2014

<table>
<thead>
<tr>
<th></th>
<th>Police Pension Trust</th>
<th>OPEB Trust</th>
<th>Private Purpose Trust Funds</th>
<th>Total Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,214,432</td>
<td>581,200</td>
<td>311,854</td>
<td>13,107,486</td>
<td></td>
</tr>
</tbody>
</table>

Net position, June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Police Pension Trust</th>
<th>OPEB Trust</th>
<th>Private Purpose Trust Funds</th>
<th>Total Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$13,274,527</td>
<td>$1,751,849</td>
<td>$276,212</td>
<td>$15,302,588</td>
<td></td>
</tr>
</tbody>
</table>
TOWN OF CUMBERLAND, RHODE ISLAND

Notes to the Financial Statements
June 30, 2015

Note 1. Summary of Significant Accounting Policies:

The financial statements of the Town of Cumberland, Rhode Island, have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town's financial statements.

A. Financial 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 entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61 "Financial Reporting Entity-Omnibus." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or based on the nature and significance of the organization's relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The Town of Cumberland does not have any component units.

B. Government-Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, 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 rendered.

Continued
Note 1. Summary of Significant Accounting Policies (Continued):

B. Government-Wide Financial Statements (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenue for the business-type activities and 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 operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes and general state aid, are presented as general revenues.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column.

Fund Financial Statements

The Fund Financial Statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Town functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the Fund Financial Statements.
Note 1. Summary of Significant Accounting Policies (Continued):

Fund Financial Statements (Continued)

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the Town are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.

1. Governmental Funds

   General Fund - The General Fund is used to account for resources devoted to financing the general services that the Town performs for its citizens and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted or reported in another fund.

   School Unrestricted Fund – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the School Department.

   Sewer Fund - The Sewer Fund is used to account for sewer use and sewer assessment fees and the expenses associated with providing sewer service to Town residents.

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

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

Continued
Note 1. Summary of Significant Accounting Policies (Continued):

2. Proprietary Fund Financial Statements


Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town has one Enterprise Fund, which is a major fund as follows:

Water Fund - The Water Fund is used to account for the water use fees and the expenses associated with providing water service to Town residents.

3. Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Fiduciary Changes in Net Position. The Town's Fiduciary Funds include a Pension Trust Fund, an Other Post-Employment Benefits Trust Fund, Private Purpose Trust Funds, and Agency Funds. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting. Agency funds are purely custodial and do not involve measurement of results of operations.

Pension Trust Fund - This fund accounts for resources held in trust for members and beneficiaries of the Town administered defined benefit pension plan.

Other Post-Employment Benefits Trust Fund - This fund accounts for resources held in trust to finance other post-employment benefits paid by the Town and the payment of these benefits as they come due.

Private Purpose Trust Funds - These funds account for assets held by the Town under various trust arrangements for the benefit of certain individuals.

Agency Funds - These funds account for assets held by the Town as agent for individuals, student groups and private organizations.

Continued
Note 1. Summary of Significant Accounting Policies (Continued):

C. Recently Issued Accounting Standards

For the year ending June 30, 2015, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27
- GASB Statement No. 69, Government Combinations and Disposals of Government Operations
- GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68

The implementation GASB Statements No. 68 and 71 represented a significant change in the accounting and reporting of pension expense and the related liability. For the first time, the Authority recognized its long-term obligation for pension benefits as a liability to more comprehensively measure the annual costs of pension benefits. The implementation of this Statement also expanded pension related note disclosures and required supplementary information. As a result of this change in accounting principle, the Authority has restated its beginning net position within the business-type activities. See “Note 14 Restatement” for more information.

The implementation of GASB Statement No. 69 had no material reporting impact for the Town.

C. Cash Equivalents

The Town considers cash and cash equivalents in the Proprietary Funds to include cash on hand, time and demand deposits, and short-term investments maturing within three months from the date of acquisition.

D. Investments

Investments are recorded at fair value. Unrealized gains and losses from changes in fair value are recognized as investment income.

E. Accounts Receivable and Taxes Receivable

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated from the age of the individual receivables.

Property taxes which were levied in April 2014 and other delinquent balances are recorded as receivables.

F. Unbilled Services Receivable

Water Fund revenue is recorded when earned. Residential customers and commercial customers are billed quarterly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.
Note 1. Summary of Significant Accounting Policies (Continued):

**G. Capital Assets and Depreciation**

In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital 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 Financial Statements.

All capital assets are capitalized at cost (or estimated historical cost). Donated capital assets are recorded at estimated fair market value as of the date received. The Town follows the policy of not capitalizing assets with a cost of less than $5,000 and a useful life of less than 1 year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Useful Lives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>20 - 50 years</td>
</tr>
<tr>
<td>Mains, valves and laterals</td>
<td>50 -100 years</td>
</tr>
<tr>
<td>Standpipes and wells</td>
<td>10 - 50 years</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>5 - 25 years</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>30 - 50 years</td>
</tr>
<tr>
<td>Land improvements</td>
<td>15 - 30 years</td>
</tr>
</tbody>
</table>

**H. Debt Premiums**

In the Governmental Fund Financial Statements, debt premiums are reported as an "other financing source". In the Government-Wide Statements, debt premiums are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable.

**J. Deferred Inflows of Resources**

In the Governmental Fund Financial Statements, deferred inflows of resources is reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements, deferred inflows of resources is reported for amounts received before the period for which property taxes are levied.

**K. Property Taxes**

The Town is permitted by State Law to levy property taxes. The Town's fiscal 2014-2015 property taxes were levied in April 2015 on assessed valuation as of December 31, 2014. Upon levy these taxes are payable quarterly and are due in May, August, November and February. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Assessed values are established by Tax Assessor's Office.

Continued
Note 1. Summary of Significant Accounting Policies (Continued):

**L. Compensated Absences**

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2015.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. For the Governmental Fund Financial Statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are due to employees that have resigned or retired.

**M. Accrued Liabilities and Long-Term Debt**

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the Governmental Fund Financial Statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the Governmental Fund Financial Statements until due.

**N. Pensions**

*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.

*Continued*
N. Pensions (continued)

Employees’ Retirement System plan (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.

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

Basis of Accounting - 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.

Plan Expenses - Certain expenses are paid from the assets of the Plan and are recorded as administrative expenses on the financial statements. These expenses include actuarial fees, auditing expenses, benefit payment processing fees, legal fees and other miscellaneous expenses. Additionally, investment manager fees and investment consulting expenses are recorded as investment expenses.

Fair Value of Investments - Plan investments are reported at fair value. The Plan’s custodian provides pricing for all Plan investments. Plan investments in market-traded securities, including U.S. government and agency securities, municipal and corporate bonds and debentures, and common stock are reported at last quoted sales/bid prices provided by independent pricing vendors. These holdings are valued by investment managers in accordance with the authoritative guidance on fair value measurements and disclosures. Valuation policies and procedures are generally described in the investment managers’ financial statements. Cash equivalents are valued at cost, which approximates fair value.
N. Pensions (continued)

Police Pension (Continued)

Income Taxes - Pursuant to a determination letter received from the Internal Revenue Service (IRS), the Plan is exempt from federal income taxes. Although the Plan has been subsequently amended, management of the Board is of the opinion that the Plan, as amended, meets the IRS requirements and, therefore, continues to be tax exempt.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan’s management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial values at the date of the financial statements. Actual results could differ from these estimates.

Investments

Investment Policy - The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The primary objective of the Board’s investment policy is to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. The Board recognizes that the investment objective is long term in nature, and that actual year-to-year returns achieved may be above or below the actuarially assumed rate of return.

The following was the Board’s adopted asset allocation policy as of June 30, 2015:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic fixed income</td>
<td>38%</td>
</tr>
<tr>
<td>Domestic equity</td>
<td>50%</td>
</tr>
<tr>
<td>International equity</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.
N. Pensions (continued)

Police Pension (Continued)

Concentrations - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2015, the Plan had no investments in any one organization that represented 5% or more of the Plan’s net position restricted for pension.

Money-Weighted Rate of Return - For the year ended June 30, 2015 the annual money-weighted rate of return on Plan investments was not provided by the independent actuary. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Custody and Management of Assets - During 2015 Washington Trust Wealth Management served as asset custodian for all Plan assets. The Board has elected to hire professional investment managers to invest the assets of the Plan on a fully discretionary basis, subject to the investment policy of the Board. The Plan is evaluated periodically against the appropriate benchmark for his/her asset class and style. Failure to achieve the desired result does not necessitate, nor does achievement of the desired result preclude, termination of investment managers.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty’s trust department or agent but not in the Plan’s name.

At June 30, 2015, there were no deposits subject to custodial credit risk.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. At June 30, 2015, there were no deposits subject to interest rate risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2015, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.
N. Pensions (continued)

*Police Pension (Continued)*

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations to the Plan. There are no Plan-wide policy limitations for credit risk exposures within the portfolio. Each portfolio is managed in accordance with an investment contract that is specific as to permissible credit quality ranges, the average credit quality of the overall portfolios, and issuer concentration.

**Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. At June 30, 2015, there were no deposits subject to foreign currency risk.

**Derivatives** - Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, indexes or currencies. Derivatives may be used both for hedging and to enhance returns. Derivatives may be traded on organized exchanges, or individually negotiated transactions with other parties, known as over-the-counter derivatives. Derivatives involve special risks and costs and may result in losses to the Plan. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the Plan will depend on the investment managers and their advisors to analyze and manage derivatives transactions.

Certain commingled funds held by the Plan at the year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The plan did not directly own any derivatives as of June 30, 2015.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.
Note 2. Capital Assets

Capital asset activity for the fiscal year ended June, 30, 2015 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondepreciable assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>19,882,983</td>
<td>$</td>
<td>-</td>
<td>$ 19,882,983</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>630,119</td>
<td>-</td>
<td>588,472</td>
<td>41,647</td>
</tr>
<tr>
<td></td>
<td>20,513,102</td>
<td>-</td>
<td>588,472</td>
<td>19,924,630</td>
</tr>
<tr>
<td>Depreciable assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements</td>
<td>3,746,156</td>
<td>110,075</td>
<td>-</td>
<td>3,856,231</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>28,961,879</td>
<td>911,802</td>
<td>44,280</td>
<td>29,829,401</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>84,851,043</td>
<td>1,374,228</td>
<td>-</td>
<td>86,225,271</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>5,522,531</td>
<td>164,256</td>
<td>-</td>
<td>5,686,787</td>
</tr>
<tr>
<td>Vehicles</td>
<td>4,072,217</td>
<td>865,607</td>
<td>318,710</td>
<td>4,619,114</td>
</tr>
<tr>
<td></td>
<td>127,153,826</td>
<td>3,425,968</td>
<td>362,990</td>
<td>130,216,804</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td>147,666,928</td>
<td>3,425,968</td>
<td>951,462</td>
<td>150,141,434</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land improvements</td>
<td>977,613</td>
<td>173,107</td>
<td>-</td>
<td>1,150,720</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>15,273,466</td>
<td>678,713</td>
<td>-</td>
<td>15,952,179</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>23,325,265</td>
<td>1,720,814</td>
<td>-</td>
<td>25,046,079</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>3,571,210</td>
<td>661,382</td>
<td>-</td>
<td>4,232,592</td>
</tr>
<tr>
<td>Vehicles</td>
<td>3,040,533</td>
<td>402,454</td>
<td>288,273</td>
<td>3,154,714</td>
</tr>
<tr>
<td><strong>Total Accumulated Depreciation</strong></td>
<td>46,188,087</td>
<td>3,636,470</td>
<td>288,273</td>
<td>49,536,284</td>
</tr>
<tr>
<td><strong>Governmental Activities Capital Assets, Net</strong></td>
<td>101,478,841</td>
<td>$ (210,502)</td>
<td>$ 663,189</td>
<td>$ 100,605,150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondepreciable assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>280,974</td>
<td>$</td>
<td>-</td>
<td>$ 280,974</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>767,419</td>
<td>567,865</td>
<td>642,460</td>
<td>692,824</td>
</tr>
<tr>
<td></td>
<td>1,048,393</td>
<td>567,865</td>
<td>642,460</td>
<td>973,798</td>
</tr>
<tr>
<td>Depreciable assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>2,451,934</td>
<td>761,383</td>
<td>-</td>
<td>3,213,317</td>
</tr>
<tr>
<td>Mains, laterals, standpipes and other</td>
<td>38,166,247</td>
<td>37,800</td>
<td>-</td>
<td>38,204,047</td>
</tr>
<tr>
<td>Vehicles</td>
<td>436,371</td>
<td>35,394</td>
<td>-</td>
<td>471,765</td>
</tr>
<tr>
<td></td>
<td>41,054,552</td>
<td>834,577</td>
<td>-</td>
<td>41,889,129</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td>42,102,945</td>
<td>1,402,442</td>
<td>642,460</td>
<td>42,862,927</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>824,082</td>
<td>40,430</td>
<td>-</td>
<td>864,512</td>
</tr>
<tr>
<td>Mains, laterals, standpipes and other</td>
<td>12,405,225</td>
<td>589,911</td>
<td>-</td>
<td>12,995,136</td>
</tr>
<tr>
<td>Vehicles</td>
<td>362,330</td>
<td>26,359</td>
<td>-</td>
<td>388,689</td>
</tr>
<tr>
<td><strong>Total Accumulated Depreciation</strong></td>
<td>13,591,637</td>
<td>656,700</td>
<td>-</td>
<td>14,248,337</td>
</tr>
<tr>
<td><strong>Business-Type Activities Capital Assets, Net</strong></td>
<td>28,511,308</td>
<td>$ 745,742</td>
<td>$ 642,460</td>
<td>$ 28,614,590</td>
</tr>
</tbody>
</table>
Note 2. Capital Assets (Continued)

Depreciation expense was charged to functions as follows:

<table>
<thead>
<tr>
<th>Function</th>
<th>Depreciation Expense ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>26,379</td>
</tr>
<tr>
<td>Public safety</td>
<td>370,396</td>
</tr>
<tr>
<td>Public works</td>
<td>958,068</td>
</tr>
<tr>
<td>Social services</td>
<td>179,060</td>
</tr>
<tr>
<td>Education</td>
<td>2,102,567</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,636,470</strong></td>
</tr>
</tbody>
</table>

Note 3. Stewardship, Compliance and Accountability

A. Legal Debt Margin - The Town's legal debt margin as set forth by State Statute is limited to three percent of the total taxable assessed value which approximates $103,728,828. As of June 30, 2015, the Town's debt subject to the debt limit is $2,668,500 and the Town is under the debt limit by $101,060,328. The debt subject to the debt limitation is based on the type of debt issued.

B. Deficit Fund Balance in Fund Financial Statements – The following individual funds reported deficits in fund balance in the fund financial statements at June 30, 2015:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Deficit Balance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Major Funds</strong></td>
<td></td>
</tr>
<tr>
<td>Sewer fund</td>
<td>(1,306,538)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,383,998)</td>
</tr>
<tr>
<td><strong>Town Special Revenue Funds</strong></td>
<td></td>
</tr>
<tr>
<td>Sewer ferncrest willow</td>
<td>(77,460)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,383,998)</td>
</tr>
</tbody>
</table>

* Per inquiry, an administrative plan will be developed to fully fund each deficit.
Note 4. Cash Deposits

*Deposits* - are in various financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and Government-Wide Statement of Net Position as "Cash and Cash Equivalents".

Water Fund cash and cash equivalents of $824,396 are restricted for a debt service reserve in accordance with a trust indenture.

*Custodial Credit Risk* - custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below.

As of June 30, 2015, $26,787,526 of the Town's bank balance of $24,860,449 was exposed to custodial credit risk as follows:

<table>
<thead>
<tr>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Deposits</td>
</tr>
<tr>
<td>Add: Investments classified as cash equivalents</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents Reported in the Financial Statements</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured (Federal depository insurance funds)</td>
</tr>
<tr>
<td>Collaterized with securities held by pledging financial institution or its agent in the Town's name</td>
</tr>
<tr>
<td>Uninsured and uncollateralized</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2015 the Town's uncollateralized deposits with an institution was $12,899,003.
Note 5. Investments

As of June 30, 2015, the Town had the following investments:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Maturity</th>
<th>Fair Value</th>
<th>Moody's Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Government Obligation - FFCB</td>
<td>6/17/2024</td>
<td>$124,976</td>
<td>Aaa</td>
</tr>
<tr>
<td>US Government Obligation - FFCB CONS</td>
<td>11/21/2024</td>
<td>96,871</td>
<td>Aaa</td>
</tr>
<tr>
<td>US Government Obligation - FHLB</td>
<td>9/6/2022</td>
<td>24,643</td>
<td>Aaa</td>
</tr>
<tr>
<td>US Government Obligation - FHLMC</td>
<td>6/12/2023</td>
<td>97,881</td>
<td>Aaa</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>9/1/2019</td>
<td>54,861</td>
<td>Aa1</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>4/1/2023</td>
<td>56,572</td>
<td>Aa3</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>8/1/2023</td>
<td>114,727</td>
<td>Aaa</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>10/1/2023</td>
<td>101,666</td>
<td>Aa2</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>5/1/2024</td>
<td>103,500</td>
<td>A1</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>2/1/2026</td>
<td>24,255</td>
<td>Aa1</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>6/1/2030</td>
<td>55,006</td>
<td>Aa2</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>10/1/2034</td>
<td>26,994</td>
<td>Aa2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>1/15/2016</td>
<td>102,596</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>9/30/2016</td>
<td>105,686</td>
<td>A3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>5/15/2017</td>
<td>215,346</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>12/6/2017</td>
<td>217,858</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>12/15/2017</td>
<td>109,837</td>
<td>A3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>4/1/2018</td>
<td>250,173</td>
<td>A3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>6/1/2018</td>
<td>329,031</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>7/15/2018</td>
<td>77,779</td>
<td>Aaa</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>9/10/2018</td>
<td>51,167</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>10/15/2018</td>
<td>101,525</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>1/15/2020</td>
<td>109,339</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>1/23/2020</td>
<td>24,567</td>
<td>A3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>5/20/2020</td>
<td>82,954</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>5/27/2020</td>
<td>76,009</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>6/1/2020</td>
<td>101,025</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>7/8/2020</td>
<td>106,442</td>
<td>Aa2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>8/9/2020</td>
<td>111,802</td>
<td>Baa1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>9/17/2020</td>
<td>66,510</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>11/1/2020</td>
<td>48,384</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>4/1/2021</td>
<td>53,730</td>
<td>Baa1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>5/19/2021</td>
<td>53,570</td>
<td>Aa2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>3/8/2022</td>
<td>102,721</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>9/23/2022</td>
<td>99,351</td>
<td>A3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>11/30/2022</td>
<td>49,424</td>
<td>A2</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>12/15/2022</td>
<td>48,886</td>
<td>A1</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>1/10/2023</td>
<td>123,181</td>
<td>Aa3</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>12/15/2023</td>
<td>104,057</td>
<td>Aaa</td>
</tr>
<tr>
<td>Corporate Bond</td>
<td>12/15/2024</td>
<td>99,590</td>
<td>A2</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>7/1/2020-5/28/2025</td>
<td>569,724</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Mutual Funds - Fixed Income</td>
<td>N/A</td>
<td>824,048</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Common Stock</td>
<td>N/A</td>
<td>7,515,411</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Foreign Stock</td>
<td>N/A</td>
<td>158,148</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Mutual Funds - Balanced</td>
<td>N/A</td>
<td>143,775</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Mutual Funds - Equity</td>
<td>N/A</td>
<td>949,136</td>
<td>Not Rated</td>
</tr>
</tbody>
</table>

Total Investments Reported in the Financial Statements
$14,064,734
Note 5. Investments (Continued)

The Town has established an investment policy for the Town's Police Pension Plan. The asset allocation guidelines include an allocation of both equities (40% - 65%) and fixed income investments (20% - 60%).

Interest Rate Risk – The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Town has limited its investments in equities in the Police Pension Plan to common stock and convertible securities. Mutual equity funds and foreign investments are also allowable with Pension Board approval. The fixed income portfolio for the Police Pension Plan is limited to U.S. Treasury and Agency securities and dollar denominated corporate bonds of U.S. companies. Mutual bond funds and foreign investments are also allowable with Pension Board approval. The minimum average portfolio rating shall be 3.0 in regard to the following listed table:

<table>
<thead>
<tr>
<th>Moody's</th>
<th>S&amp;P</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>AAA</td>
<td>4</td>
</tr>
<tr>
<td>Aa</td>
<td>AA</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td>A</td>
<td>2</td>
</tr>
</tbody>
</table>

U.S. Treasury and Agency shall equal 4.0. The investment manager may not purchase fixed income securities rated lower than "A". The Town does not have a formal policy that limits investment choices in the other funds.

Concentration of Credit Risk - The Town has established limits on the amount the Town may invest in the Police Pension Plan in any one issuer. No individual security in the equity portfolio shall represent more than 5% of the portfolio market value and the aggregate value of all foreign investments is limited to a value of 7% of the value of total investment fund. No individual security in the fixed income portfolio shall represent more than 7% of the portfolio market value and the aggregate value of all foreign investments is limited to a value of 5% of the total investment fund value. The Town does not have a formal policy that limits the amount the Town may invest in any one issuer for the other funds. The Town had no investments in issuers that represent more than 5% of total investments.

Custodial Credit Risk - Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in corporate bonds, U.S. government obligations, municipal bonds, and common stock are held by the investment counterparty in the counterparty's name. The Town does not have a formal policy relative to custodial credit risk.

Foreign Currency Risk – The Town has policies related to foreign investments for its Police Pension Plan as described above. The Town does not have a formal policy related to foreign investments in the other funds. The Town's exposure to foreign currency risk was made up of common stock with a fair value of $158,148 at June 30, 2015. The currency that the foreign common stock is denominated in is the European euro.

Continued
Note 6. Short Term Debt

The Town issued general obligation tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund.

Short-term debt activity for the year ended June 30, 2015, was as follows:

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Issued</th>
<th>Redeemed</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation tax anticipation notes</td>
<td>-</td>
<td>$8,500,000</td>
<td>$8,500,000</td>
</tr>
</tbody>
</table>

Note 7. Long-Term Liabilities

A. Long-term liability activity for the year ended June 30, 2015 was as follows:

<table>
<thead>
<tr>
<th>Governmental Activities: Bonds, notes, loans, and capital leases payable:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds payable</td>
<td>$25,260,000</td>
<td>$7,630,000</td>
<td>$10,735,000</td>
<td>$22,155,000</td>
</tr>
<tr>
<td>Notes and loans payable</td>
<td>25,124,939</td>
<td>-</td>
<td>1,548,224</td>
<td>23,576,715</td>
</tr>
<tr>
<td>Capital lease payable</td>
<td>554,292</td>
<td>1,322,527</td>
<td>245,050</td>
<td>1,631,769</td>
</tr>
<tr>
<td>Plus amortized premium bonds and loans</td>
<td>772,549</td>
<td>722,467</td>
<td>148,311</td>
<td>1,346,705</td>
</tr>
<tr>
<td><strong>Total bonds, notes, loans, and capital leases payable</strong></td>
<td>51,711,780</td>
<td>9,674,994</td>
<td>12,676,585</td>
<td>48,710,189</td>
</tr>
</tbody>
</table>

| Other liabilities: | | | | |
|-----------------|-----------------|-----------|-----------|
| Deferred salary | 866,371 | - | 79,653 | 786,718 |
| Compensated absences | 1,999,984 | 254,579 | 66,470 | 2,188,093 |
| Net OPEB obligation | 10,730,432 | 115,895 | - | 10,846,327 |
| Net pension liability | 73,200,244 | - | 7,325,569 | 65,874,675 |
| Other commitments | 249,900 | - | 17,850 | 232,050 |
| **Governmental activities** | **138,758,711** | **10,045,468** | **20,166,127** | **128,638,052** |

<table>
<thead>
<tr>
<th>Business-Type Activities: Bonds payable</th>
<th>$350,000</th>
<th>-</th>
<th>$110,000</th>
<th>$240,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan payable</td>
<td>3,917,029</td>
<td>-</td>
<td>172,810</td>
<td>3,744,219</td>
</tr>
<tr>
<td>Plus amortized premium bonds</td>
<td>8,602</td>
<td>-</td>
<td>2,868</td>
<td>5,734</td>
</tr>
<tr>
<td><strong>Total bonds and loans payable</strong></td>
<td>4,275,631</td>
<td>-</td>
<td>285,678</td>
<td>3,989,953</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>75,537</td>
<td>10,676</td>
<td>-</td>
<td>86,213</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td><strong>4,351,168</strong></td>
<td><strong>10,676</strong></td>
<td><strong>285,678</strong></td>
<td><strong>4,076,166</strong></td>
</tr>
</tbody>
</table>

**Total long-term liabilities**

Continued
Note 7.  Long-Term Liabilities (Continued)

The payments on the governmental activities capital leases are paid from the General Fund and School Unrestricted Fund. The governmental activities bonds, notes and loans are paid from the General Fund and Sewer Fund. The compensated absences from governmental activities are paid from the General Fund and School Unrestricted Fund. The deferred salary is paid from the School Unrestricted Fund. The other commitments are paid from the Sewer – Ferncrest & Willow Fund.

B. Capital Lease Commitments

Obligations under capital leases at June 30, 2015 were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Lease Payment Requirements</th>
<th>Town General Fund</th>
<th>School General Fund</th>
<th>Water Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$562,173</td>
<td>$221,703</td>
<td>$226,431</td>
<td>$114,039</td>
<td>$562,173</td>
</tr>
<tr>
<td>2017</td>
<td>553,500</td>
<td>221,703</td>
<td>217,758</td>
<td>114,039</td>
<td>553,500</td>
</tr>
<tr>
<td>2018</td>
<td>553,500</td>
<td>221,703</td>
<td>217,758</td>
<td>114,039</td>
<td>553,500</td>
</tr>
<tr>
<td>2019</td>
<td>553,500</td>
<td>221,703</td>
<td>217,758</td>
<td>114,039</td>
<td>553,500</td>
</tr>
<tr>
<td>2020</td>
<td>163,321</td>
<td>49,282</td>
<td>-</td>
<td>114,039</td>
<td>163,321</td>
</tr>
<tr>
<td>Thereafter</td>
<td>570,193</td>
<td>-</td>
<td>-</td>
<td>570,193</td>
<td>570,193</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>2,956,187</td>
<td>936,094</td>
<td>879,705</td>
<td>1,140,388</td>
<td>2,956,187</td>
</tr>
</tbody>
</table>

Funds not drawn down at June 30, 2015 (762,666)
Less: Amount representing interest cost (263,864)

Present value of minimum lease payments $1,929,657

C. General Obligation Bonds Debt Service Requirements

The debt service requirements at June 30, 2015, were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th>Governmental Activities General Obligation Bonds</th>
<th>Business Type Activities General Obligation Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal Interest</td>
<td>Principal Interest</td>
</tr>
<tr>
<td>2016</td>
<td>$2,685,000 $862,041</td>
<td>$115,000 $8,600</td>
</tr>
<tr>
<td>2017</td>
<td>2,745,000 758,020</td>
<td>125,000 2,938</td>
</tr>
<tr>
<td>2018</td>
<td>2,780,000 650,314</td>
<td>- -</td>
</tr>
<tr>
<td>2019</td>
<td>2,780,000 539,506</td>
<td>- -</td>
</tr>
<tr>
<td>2020</td>
<td>1,625,000 456,125</td>
<td>- -</td>
</tr>
<tr>
<td>2021-2025</td>
<td>6,625,000 1,324,503</td>
<td>- -</td>
</tr>
<tr>
<td>2026-2030</td>
<td>1,910,000 470,106</td>
<td>- -</td>
</tr>
<tr>
<td>2031-2033</td>
<td>1,005,000 84,475</td>
<td>- -</td>
</tr>
<tr>
<td></td>
<td>$22,155,000 $5,145,090</td>
<td>$240,000 $11,538</td>
</tr>
</tbody>
</table>

Continued
Note 7. Long-Term Liabilities (Continued)

### D. Schedule of Bonds Payable

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Date Issued</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Authorized and Issued</th>
<th>Outstanding 30-Jun-14</th>
<th>New Issues</th>
<th>Maturities During Year</th>
<th>Outstanding June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Bond (Refunding)</td>
<td>06/10/08</td>
<td>2.00%-3.45%</td>
<td>08/01/14</td>
<td>$3,570,000</td>
<td>$570,000</td>
<td>-</td>
<td>$570,000</td>
<td>$-</td>
</tr>
<tr>
<td>Library Bond (Refunding)</td>
<td>06/10/08</td>
<td>2.00%-4.76%</td>
<td>08/01/18</td>
<td>2,850,000</td>
<td>1,470,000</td>
<td>-</td>
<td>265,000</td>
<td>1,205,000</td>
</tr>
<tr>
<td>School Bond (Refunding)</td>
<td>06/10/08</td>
<td>2.00%-4.75%</td>
<td>08/01/18</td>
<td>5,740,000</td>
<td>2,960,000</td>
<td>-</td>
<td>545,000</td>
<td>2,415,000</td>
</tr>
<tr>
<td>Open Space Bond (Refunding)</td>
<td>11/30/11</td>
<td>3.00%-3.50%</td>
<td>10/01/21</td>
<td>1,000,000</td>
<td>830,000</td>
<td>-</td>
<td>90,000</td>
<td>740,000</td>
</tr>
<tr>
<td>Open Space/Recreation Bond</td>
<td>08/28/13</td>
<td>3.00%-5.00%</td>
<td>02/01/33</td>
<td>3,500,000</td>
<td>3,450,000</td>
<td>-</td>
<td>120,000</td>
<td>3,330,000</td>
</tr>
<tr>
<td>School Bond (Refunding)</td>
<td>11/30/11</td>
<td>3.00%-3.50%</td>
<td>10/01/21</td>
<td>2,010,000</td>
<td>1,645,000</td>
<td>-</td>
<td>190,000</td>
<td>1,455,000</td>
</tr>
<tr>
<td>School Bond (Refunding)</td>
<td>08/28/13</td>
<td>3.00%-5.00%</td>
<td>02/01/23</td>
<td>2,370,000</td>
<td>2,115,000</td>
<td>-</td>
<td>235,000</td>
<td>1,880,000</td>
</tr>
<tr>
<td>Judgment Bond (Refunding)</td>
<td>11/30/11</td>
<td>3.00%</td>
<td>10/01/16</td>
<td>205,000</td>
<td>130,000</td>
<td>-</td>
<td>40,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Judgment Bond</td>
<td>06/10/08</td>
<td>5.14%</td>
<td>06/01/18</td>
<td>1,130,000</td>
<td>440,000</td>
<td>-</td>
<td>110,000</td>
<td>330,000</td>
</tr>
<tr>
<td>High School Improvements</td>
<td>03/15/04</td>
<td>3.50%-5.00%</td>
<td>03/15/24</td>
<td>5,500,000</td>
<td>3,955,000</td>
<td>-</td>
<td>3,955,000</td>
<td>-</td>
</tr>
<tr>
<td>Road Improvements</td>
<td>03/15/04</td>
<td>3.50%-5.00%</td>
<td>03/15/24</td>
<td>2,000,000</td>
<td>1,435,000</td>
<td>-</td>
<td>1,435,000</td>
<td>-</td>
</tr>
<tr>
<td>Road Improvements</td>
<td>11/30/11</td>
<td>3.00%-6.25%</td>
<td>11/01/31</td>
<td>2,500,000</td>
<td>2,250,000</td>
<td>-</td>
<td>125,000</td>
<td>2,125,000</td>
</tr>
<tr>
<td>Library Bond</td>
<td>03/15/04</td>
<td>3.50%-5.00%</td>
<td>03/15/24</td>
<td>400,000</td>
<td>285,000</td>
<td>-</td>
<td>285,000</td>
<td>-</td>
</tr>
<tr>
<td>School Bond</td>
<td>03/15/04</td>
<td>3.50%-5.00%</td>
<td>03/15/24</td>
<td>500,000</td>
<td>365,000</td>
<td>-</td>
<td>365,000</td>
<td>-</td>
</tr>
<tr>
<td>School Bond</td>
<td>05/01/06</td>
<td>4.00%-5.00%</td>
<td>05/01/16</td>
<td>1,000,000</td>
<td>285,000</td>
<td>-</td>
<td>140,000</td>
<td>145,000</td>
</tr>
<tr>
<td>School Bond</td>
<td>05/01/06</td>
<td>4.00%-5.00%</td>
<td>05/01/26</td>
<td>2,000,000</td>
<td>1,920,000</td>
<td>-</td>
<td>1,920,000</td>
<td>-</td>
</tr>
<tr>
<td>Sewer Bond (Refunding)</td>
<td>06/10/08</td>
<td>2.00%-4.77%</td>
<td>08/01/18</td>
<td>2,015,000</td>
<td>1,040,000</td>
<td>-</td>
<td>190,000</td>
<td>850,000</td>
</tr>
<tr>
<td>Sewer Bond (Refunding)</td>
<td>06/10/08</td>
<td>2.00%-4.81%</td>
<td>08/01/16</td>
<td>285,000</td>
<td>115,000</td>
<td>-</td>
<td>35,000</td>
<td>80,000</td>
</tr>
<tr>
<td>School and Town (Refunding)</td>
<td>09/24/14</td>
<td>2.00%-4.00%</td>
<td>03/15/26</td>
<td>7,630,000</td>
<td></td>
<td></td>
<td></td>
<td>7,510,000</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td>46,205,000</td>
<td>25,260,000</td>
<td>7,630,000</td>
<td>10,735,000</td>
<td>22,155,000</td>
</tr>
</tbody>
</table>

| Business Type Activities                    |             |               |               |                       |                        |            |                        |                           |
| Water Bond (Refunding)                      | 06/10/08    | 2.00%-4.74%   | 08/01/16      | 915,000               | 350,000                | -          | 110,000                | 240,000                   |
| **Total Business Type Activities**          | 915,000     | 350,000       | -             | 110,000               | 240,000                |            |                        |                           |
| **Total Bonds Payable**                     | $47,120,000 | $25,610,000   | $7,630,000    | $10,845,000           | $22,395,000           |            |                        |                           |

Continued
Note 7. Long-Term Liabilities (Continued)

E. Notes and Loans Payable

The Town of Cumberland has entered into five note agreements as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Note Date</th>
<th>Original Amount</th>
<th>Interest Rate</th>
<th>Matures</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIHBEC School Loan</td>
<td>05/01/08</td>
<td>$30,000,000</td>
<td>4.125-5%</td>
<td>05/15/10-28</td>
</tr>
<tr>
<td>RI Clean Water Sewer Loan</td>
<td>03/10/93</td>
<td>3,000,000</td>
<td>3.56%</td>
<td>09/01/96-15</td>
</tr>
<tr>
<td>RI Clean Water Sewer Loan</td>
<td>12/28/95</td>
<td>1,000,000</td>
<td>3.33%</td>
<td>09/01/97-16</td>
</tr>
<tr>
<td>Lambert Property Note</td>
<td>05/01/97</td>
<td>190,000</td>
<td>2.59%</td>
<td>06/01/98-23</td>
</tr>
<tr>
<td>RI Clean Water Loan</td>
<td>11/19/09</td>
<td>5,750,000</td>
<td>1.15-4.04%</td>
<td>09/01/10-30</td>
</tr>
</tbody>
</table>

On November 19, 2009 the Town entered into a loan agreement with Rhode Island Clean Water Finance Agency in the amount of $5,750,000. The loan agreement includes ARRA principal forgiveness of $1,333,742 for a net loan amount of $4,416,258 that will be repaid by the Town. The loan proceeds are to be used by the Town for various water system projects. The Agency pays project invoices certified by the Town directly to the contractors or reimburses the Town for costs incurred on the projects. As of June 30, 2015 a loan payable of $3,744,219 is reflected in the Water Fund. The Town is responsible to drawdown the full loan amount and to repay the net loan amount. The loan is secured by a pledge of water system revenues.

The debt service requirements for the above notes and loans payable at June 30, 2015 were as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30,</th>
<th>Governmental Activities</th>
<th>Business Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2016</td>
<td>$1,617,050</td>
<td>$1,061,565</td>
</tr>
<tr>
<td>2017</td>
<td>1,473,678</td>
<td>994,369</td>
</tr>
<tr>
<td>2018</td>
<td>1,474,465</td>
<td>927,347</td>
</tr>
<tr>
<td>2019</td>
<td>1,564,580</td>
<td>853,732</td>
</tr>
<tr>
<td>2020</td>
<td>1,619,700</td>
<td>784,313</td>
</tr>
<tr>
<td>2021-2025</td>
<td>9,272,242</td>
<td>2,815,989</td>
</tr>
<tr>
<td>2026-2030</td>
<td>6,555,000</td>
<td>629,620</td>
</tr>
<tr>
<td>2031</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$23,576,715</strong></td>
<td><strong>$8,066,935</strong></td>
</tr>
</tbody>
</table>

F. Refunding of Long-Term Debt

On September 24, 2014, the Town issued $7,630,000 in general obligation bonds to advance refund outstanding bonds. As a result, the bonds are considered to be defeased and the liability of those bonds has been removed from the Government-Wide Statement of Net Position.
Note 7. Long-Term Liabilities (Continued)

F. Refunding of Long-Term Debt (continued)

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $722,467 for Governmental Activities. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through fiscal years 2015-2026 using the straight-line method.

G. Deferred Salary

In connection with the school certified personnel collective bargaining agreement signed in 1991, a salary deferral arrangement was negotiated whereby the members of the bargaining unit become entitled to a 3% of salary payment upon termination of employment. The payment is based upon current salary rates and is added to the individual's wage base in the year of termination.

In connection with the school certified personnel collective bargaining agreement signed in 2011, a salary deferral arrangement was also negotiated for fiscal year 2011 whereby members deferred 50% of the 2010-2011 raise, step increase and advance lane payments. The deferral will be paid out from 2012 through 2025 based on years of service at September 1, 2010.

H. Other Commitments

The Town is committed to reimburse a private installer 75% of the reimbursable cost associated with the sewer project for Ferncrest and Willow Drives. The reimbursement of $357,000 will be paid over 20 years beginning in fiscal year 2009 without interest in equal payments of $17,850.
Note 8. Interfund Activity

The Town reports interfund balance between many of its funds. The totals of all balances agree with the sum of interfund and advance balances presented in the fund statements.

<table>
<thead>
<tr>
<th>Note</th>
<th>Other Funds Due to Other Funds</th>
<th>Other Financing Sources</th>
<th>Other Financing Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Governmental Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund</td>
<td>$1,335,282</td>
<td>$5,324,613</td>
<td>$</td>
</tr>
<tr>
<td>School unrestricted fund</td>
<td>6,526,484</td>
<td>-</td>
<td>39,587,082</td>
</tr>
<tr>
<td>Sewer fund</td>
<td>-</td>
<td>1,299,495</td>
<td>-</td>
</tr>
<tr>
<td>Non-Major Governmental Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town special revenue</td>
<td>575,611</td>
<td>528,888</td>
<td>-</td>
</tr>
<tr>
<td>School special revenue</td>
<td>296,388</td>
<td>1,608,600</td>
<td>-</td>
</tr>
<tr>
<td>Capital projects</td>
<td>2,120,555</td>
<td>596,682</td>
<td>-</td>
</tr>
<tr>
<td>Proprietary Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water fund</td>
<td>-</td>
<td>1,356,510</td>
<td>-</td>
</tr>
<tr>
<td>Fiduciary Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police pension trust</td>
<td>-</td>
<td>42,274</td>
<td>-</td>
</tr>
<tr>
<td>OPEB trust</td>
<td>-</td>
<td>10,182</td>
<td>-</td>
</tr>
<tr>
<td>Agency funds</td>
<td>-</td>
<td>87,076</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$10,854,320</td>
<td>$10,854,320</td>
<td>$39,587,082</td>
</tr>
</tbody>
</table>

Included above are loans made to provide financing resources to the following funds: $1,299,495 Sewer. All remaining interfund balances resulted from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Transfers are used to move revenues from the fund that the budget requires to collect them to the funds that the budget requires to expend them. For example, the $39,587,082 is the School appropriation that is budgeted in the General Fund as a revenue source to be transferred to the School Unrestricted Fund and expended.
Note 9. **Net Position/Fund Balances**

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

*Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

*Restricted Net Position* – This category presents external restrictions imposed by grantors or laws and regulations.

*Unrestricted Net Position* - This category represents net position of the Town, not restricted for any project or other purpose.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

*Nonspendable Fund Balance* – This classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash (e.g. inventories and tax title property).

*Restricted Fund Balance* - This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* - This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority.

*Assigned Fund Balance* - This classification includes amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

*Unassigned Fund Balance* - This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.
Note 9. Net Position/Fund Balances (Continued)

Committed fund balances are established, modified or rescinded by an ordinance adopted by the Town Council. Assigned fund balances are authorized by the Finance Director. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The Town has the following minimum fund balance policies:

- General Fund – total fund balance equal to 10% of annual operating fund revenues shall be established and maintained.

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer</th>
<th>Town Special Revenue</th>
<th>School Special Revenue</th>
<th>Capital Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Form</td>
<td>$134,400</td>
<td>$134,400</td>
<td>$</td>
<td>($1,306,538)</td>
<td>($77,460)</td>
<td></td>
<td>134,400</td>
</tr>
<tr>
<td>Restricted for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td></td>
<td></td>
<td></td>
<td>335,236</td>
<td></td>
<td></td>
<td>335,236</td>
</tr>
<tr>
<td>Public safety programs</td>
<td></td>
<td></td>
<td></td>
<td>96,069</td>
<td></td>
<td></td>
<td>96,069</td>
</tr>
<tr>
<td>Educational purposes</td>
<td></td>
<td>4,699,140</td>
<td></td>
<td></td>
<td>617,877</td>
<td></td>
<td>5,317,017</td>
</tr>
<tr>
<td>Community and economic development</td>
<td></td>
<td></td>
<td></td>
<td>120,050</td>
<td></td>
<td></td>
<td>120,050</td>
</tr>
<tr>
<td>Capital projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,097,978</td>
</tr>
<tr>
<td>Committed to</td>
<td></td>
<td></td>
<td></td>
<td>508,516</td>
<td></td>
<td></td>
<td>508,516</td>
</tr>
<tr>
<td>Assigned to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>62,180</td>
</tr>
<tr>
<td>Senior center</td>
<td>16,323</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,323</td>
</tr>
<tr>
<td>Recreation programs</td>
<td>247,112</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>247,112</td>
</tr>
<tr>
<td>Town properties</td>
<td>15,727</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15,727</td>
</tr>
<tr>
<td>Educational purposes</td>
<td>11,898</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,898</td>
</tr>
<tr>
<td>Office of children, youth, and learning</td>
<td>130,701</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>130,701</td>
</tr>
<tr>
<td>Community and economic development</td>
<td>1,024,010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,024,010</td>
</tr>
<tr>
<td>Unassigned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,327,176</td>
</tr>
<tr>
<td>$14,356,945</td>
<td>$4,833,540</td>
<td>($1,306,538)</td>
<td>$77,460</td>
<td>$982,411</td>
<td>$617,877</td>
<td>$2,160,158</td>
<td>$21,644,393</td>
</tr>
</tbody>
</table>
Note 10. Post-Employment Benefits

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 18. 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. 45 in fiscal year 2009 on a prospective 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.

- For All School Employees – effective July 1, 2013, 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 eliminates the School's liabilities under GASB 45.

The above benefit provisions reflect changes implemented since the last valuation.

As of July 1, 2014 the plan membership data is as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Active employees</td>
<td>44</td>
</tr>
<tr>
<td>Retirees</td>
<td>61</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable employee share of medical or dental premiums. For the year ended June 30, 2014, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2014, the Town contributed $1,320,001 to the plan, which is 83.6% of the annual required contribution.

Continued

57
Note 10. Post-Employment Benefits (continued)

Summary of Significant Accounting Policies

Basis of Accounting - The Other Post-Employment Benefits Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post-employment benefit (OPEB) cost for the plan is calculated based on the annual required contribution (ARC) for the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (ARC)</td>
<td>$1,294,570</td>
</tr>
<tr>
<td>Interest on net OPEB obligation</td>
<td>804,782</td>
</tr>
<tr>
<td>Adjustment to annual required contribution</td>
<td>(562,582)</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>1,536,770</td>
</tr>
<tr>
<td>Contributions made</td>
<td>(1,420,875)</td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>115,895</td>
</tr>
<tr>
<td>Net OPEB obligation, beginning of year</td>
<td>10,730,432</td>
</tr>
<tr>
<td>Net OPEB obligation, end of year</td>
<td>$10,846,327</td>
</tr>
</tbody>
</table>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three fiscal years are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2013</td>
<td>$1,860,604</td>
<td>70.47%</td>
<td>$11,120,706</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>$1,794,709</td>
<td>73.55%</td>
<td>$10,730,432</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>$1,536,770</td>
<td>92.50%</td>
<td>$10,846,327</td>
</tr>
</tbody>
</table>
Note 10. Post-Employment Benefits (continued)

**Funded Status and Funding Progress**

The funded status of the Town's plan as of July 1, 2014 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Accrued Liability (AAL)</td>
<td>$17,131,832</td>
</tr>
<tr>
<td>Actuarial Value of Plan Assets</td>
<td>$581,200</td>
</tr>
<tr>
<td>Unfunded Actuarial Accrued Liability (UAAL)</td>
<td>$16,550,632</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded ratio (actuarial value of plan assets / AAL)</td>
<td>3.40%</td>
<td></td>
</tr>
<tr>
<td>Annual covered payroll (active plan members)</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>UAAL as a percentage of covered payroll</td>
<td>Not available</td>
<td></td>
</tr>
</tbody>
</table>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.
Note 10. Post-Employment Benefits (continued)

Actuarial Methods and Assumptions (continued)

The annual required contribution for fiscal 2015 was determined as part of the July 1, 2013 actuarial valuation using the projected unit credit actuarial cost method with linear proration to decrement. Under this funding method, the recommended annual contributions consist of two pieces: normal cost plus a payment towards the unfunded accrued liability. The accrued liability is determined directly as the present value of benefits accrued to date, where the accrued benefit for each member is the pro-rata portion (based on service to date) of the projected benefit payable at death, disability, retirement or termination. The normal cost is similarly determined as the present value of the portion of the projected benefit attributable to the current year. The actuarial assumptions included: a) 7.5% discount rate; b) medical trend rate - initial rate of 9.5% decreasing .5% per year to an ultimate rate of 5% over 10 years; c) Medicare Part B trend rate - initial rate of 3% increasing by 0.5% per year to an ultimate rate of 5%; d) inflation rate - 3% per year; and e) payroll growth -4.5% per year (used for amortization only). The unfunded actuarial accrued liability as of the July 1, 2013 is being amortized as a level percent of pay based on a closed group.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about employment, mortality and healthcare cost trends. Actuarial valuations are subject to continual revision as actual results are compared to past expectations and new estimates are formulated about the future.

Note 11 Pensions

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS)

General Information about the Pension 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 Law and placed under the management of the Employee’s 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 persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org

Benefits provided – For general employees prior to June 30, 2012 the plan provided retirement benefits equal to 2% of a member’s final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member’s full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012 the retirement age will mirror the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Continued
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS)(Continued)

General Information about the Pension Plan (continued)

Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62).

Prior to June 30, 2012 police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The new retirement age will be 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters, that are at least 45 years old, have 10 or more years of contributing service and are eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52.

As of June 30, 2012 members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012 the optional 20 and 25 year with retirement at any age plans have been eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act.

The plan also provides survivor's benefits; and certain lump sum death benefits.

Plan members are vested after five years of service.

An optional cost-of-living provision may be elected for police and fire personnel and general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80% funded eligible retirees may receive a COLA annually effective on their date of retirement plus one month.

The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. For police and fire units, COLA will be delayed until the later of age 55 or three years after retirement. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first $25,000 of benefits indexed annually.

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

Employees covered by benefit terms.
At the June 30, 2013 valuation date, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees and Beneficiaries</td>
<td>171</td>
</tr>
<tr>
<td>Inactive, Non retired Members</td>
<td>124</td>
</tr>
<tr>
<td>Active Members</td>
<td>245</td>
</tr>
<tr>
<td>Total</td>
<td>540</td>
</tr>
</tbody>
</table>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 1% of their salaries. Public safety employees are required to contribute 7% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed $641,192 to their general employee MERS plan in the year ended June 30, 2015 which was 14.34% of annual covered payroll and contributed $113,606 to their rescue employee MERS plan in the year ended June 30, 2015 which was 10.93% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2013 and rolled forward to June 30, 2014, 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, 2014 measurement date (June 30, 2013 valuation rolled forward to June 30, 2014)

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.</td>
</tr>
<tr>
<td>Amortization Method</td>
<td>Level Percent of Payroll – Closed</td>
</tr>
<tr>
<td>Equivalent Single Remaining Amortization Period</td>
<td>21 years at June 30, 2014</td>
</tr>
</tbody>
</table>
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

Actuarial Assumptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Rate of Return</td>
<td>7.50%</td>
</tr>
<tr>
<td>Projected Salary Increases</td>
<td>General Employees - 3.50% to 7.50%; Police &amp; Fire Employees - 4.00% to 14.00%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.75%</td>
</tr>
<tr>
<td></td>
<td>Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</td>
</tr>
<tr>
<td>Cost of Living Adjustments</td>
<td>COLA is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first $25,000 of benefits, indexed over time. COLA is delayed until the latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after January 1, 2014.</td>
</tr>
</tbody>
</table>

The actuarial assumptions used in the June 30, 2013 valuation rolled forward to June 30, 2014 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

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 forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission’s investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target allocation</th>
<th>Medium-term expected real rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>38%</td>
<td>6.05%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>7%</td>
<td>9.05%</td>
</tr>
<tr>
<td>Equity Hedge funds</td>
<td>8%</td>
<td>4.75%</td>
</tr>
<tr>
<td>Absolute return hedge</td>
<td>7%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Real Return</td>
<td>14%</td>
<td>3.85%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>8%</td>
<td>4.45%</td>
</tr>
<tr>
<td>Core Fixed</td>
<td>15%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>3%</td>
<td>-0.50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**Discount rate** - The discount rate used to measure the total pension liability of the plans was 7.5 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.
A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

### Changes in the Net Pension Liability (Asset) - General Employees

<table>
<thead>
<tr>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances as of June 30, 2013</td>
<td>$28,658,045</td>
<td>$20,653,072</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes for the Year</th>
<th>Increase (Decrease)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>733,946</td>
<td>-</td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>2,109,975</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>15,356</td>
<td>-</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>1,125,835</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>-</td>
<td>85,199</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>3,111,659</td>
</tr>
<tr>
<td>Benefit payments, including employee refunds</td>
<td>1,784,047</td>
<td>1,784,047</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>19,485</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>190,528</td>
</tr>
<tr>
<td>Net changes</td>
<td>1,075,230</td>
<td>2,709,689</td>
</tr>
</tbody>
</table>

| Balances as of June 30, 2014 | $29,733,275 | $23,362,761 | $6,370,514 |

### Changes in the Net Pension Liability (Asset) - Rescue Employees

<table>
<thead>
<tr>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances as of June 30, 2013</td>
<td>$4,971,837</td>
<td>$4,710,473</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes for the Year</th>
<th>Increase (Decrease)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>180,477</td>
<td>-</td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>375,152</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>57,543</td>
<td>-</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>65,507</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>-</td>
<td>75,078</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>728,100</td>
</tr>
<tr>
<td>Benefit payments, including employee refunds</td>
<td>110,488</td>
<td>110,488</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>4,559</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>2,562</td>
</tr>
<tr>
<td>Net changes</td>
<td>387,958</td>
<td>756,200</td>
</tr>
</tbody>
</table>

| Balances as of June 30, 2014 | $5,359,795 | $5,466,673 | $(106,878) |

**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 7.5 percent, as well as what the employers’ net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

<table>
<thead>
<tr>
<th></th>
<th>General Employees Plan</th>
<th></th>
<th>Rescue Employees Plan</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.00% Decrease (6.5%)</td>
<td>1.00% Decrease (6.5%)</td>
<td>1.00% Increase (8.5%)</td>
<td>1.00% Increase (8.5%)</td>
</tr>
<tr>
<td>Current Discount Rate</td>
<td>(7.5%)</td>
<td>(7.5%)</td>
<td>(8.5%)</td>
<td>(8.5%)</td>
</tr>
<tr>
<td>$ 9,528,937</td>
<td>$ 6,370,514</td>
<td>$ 3,212,091</td>
<td>$ 440,565</td>
<td>$(106,878)</td>
</tr>
<tr>
<td>$ 440,565</td>
<td>$(106,878)</td>
<td>$(654,320)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

General Employees Plan

For the year ended June 30, 2015 the employer recognized pension expense of $741,273. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in assumptions</td>
<td>$ 12,305</td>
<td>$ -</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>-</td>
<td>1,262,202</td>
</tr>
<tr>
<td>Total</td>
<td>$ 12,305</td>
<td>$ 1,262,202</td>
</tr>
</tbody>
</table>
Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS) (Continued)

General Information about the Pension Plan (continued)

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

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Net Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$(312,499)</td>
</tr>
<tr>
<td>2017</td>
<td>$(312,499)</td>
</tr>
<tr>
<td>2018</td>
<td>$(312,499)</td>
</tr>
<tr>
<td>2019</td>
<td>$(312,501)</td>
</tr>
<tr>
<td>2020</td>
<td>$101</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$-</td>
</tr>
</tbody>
</table>

Total $ (1,249,897)

Rescue Employees Plan

For the year ended June 30, 2015 the employer recognized pension expense of $45,764. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in assumptions</td>
<td>$-</td>
<td>$49,490</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>$-</td>
<td>299,009</td>
</tr>
<tr>
<td>Total</td>
<td>$-</td>
<td>$348,499</td>
</tr>
</tbody>
</table>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:
TOWN OF CUMBERLAND, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

Note 11. Pensions (continued)

A. Municipal Employees’ Retirement System of the State of Rhode Island (MERS)(Continued)

General Information about the Pension Plan (continued)

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Net Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ (82,805)</td>
</tr>
<tr>
<td>2017</td>
<td>$ (82,805)</td>
</tr>
<tr>
<td>2018</td>
<td>$ (82,805)</td>
</tr>
<tr>
<td>2019</td>
<td>$ (82,806)</td>
</tr>
<tr>
<td>2020</td>
<td>$ (8,053)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$ (9,225)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (348,499)</td>
</tr>
</tbody>
</table>

B. Employees’ Retirement System Defined Benefit Pension Plan (ERS)

Plan description - Certain employees of the Town of Cumberland, Rhode Island (Town) participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees’ Retirement System 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 retirement and disability benefits and death benefits to plan members and beneficiaries.

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

Benefit provisions – The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

Continued

68
Note 11. Pensions (continued)

B. Employees’ Retirement System Defined Benefit Pension Plan (ERS) (Continued)

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 covering state employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at five-year intervals.

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 2015, Town teachers were required to contribute 3.75% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Town; the rates were 9.19% and 13.41% of annual covered payroll for the fiscal year ended June 30, 2015 for the state and Town, respectively. The Town contributed $4,307,537 and $3,292,089 for the fiscal years ended June 30, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2015, the Town reported a liability of $40,693,201 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town proportionate share of the net pension liability</td>
<td>$ 40,693,201</td>
</tr>
<tr>
<td>State’s proportionate share of the net pension liability associated with the Town</td>
<td>27,905,203</td>
</tr>
<tr>
<td>Total net pension liability</td>
<td>$ 68,598,404</td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2014, 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, 2013 rolled forward to June 30, 2014. The Town proportion of the net pension liability was based on a projection of the Town 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, 2014 the Town proportion was 1.67186503%.
B. Employees’ Retirement System Defined Benefit Pension Plan (ERS) (Continued)

Subsequent to June 30, 2014 (the measurement date), litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly.

The amended benefit provisions in the newly enacted legislation and settlement agreement have not been reflected in the determination of the net pension liability at June 30, 2014 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- 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.
- Retirees as of June 30, 2015 will receive two $500 stipends; the interim cost of living increases will occur at 4 year rather 5 year intervals.
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

These amendments are not considered to have a material effect on the net pension liability had they been retroactively applied to the calculation of the total pension liability at June 30, 2013 rolled forward to June 30, 2014. An actuarial analysis of the pension settlement provisions enacted by the General Assembly and approved by the Court indicated that the funded ratio at June 30, 2014 for teachers (determined on a funding basis) decreased from 59.6% to 58.2%.

For the year ended June 30, 2015 the Town recognized gross pension expense of $4,768,691 and revenue of $1,939,860 for support provided by the State. At June 30, 2015 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflows of resources</td>
<td></td>
</tr>
<tr>
<td>Contributions subsequent to the measurement date</td>
<td>$4,307,537</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td></td>
</tr>
<tr>
<td>Change of assumptions</td>
<td>$1,441,431</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>$3,504,120</td>
</tr>
<tr>
<td>Total</td>
<td>$4,945,551</td>
</tr>
</tbody>
</table>
Note 11. Pensions (continued)

**B. Employees’ Retirement System Defined Benefit Pension Plan (ERS) (Continued)**

$4,307,537 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,080,112</td>
</tr>
<tr>
<td>2017</td>
<td>1,080,112</td>
</tr>
<tr>
<td>2018</td>
<td>1,080,112</td>
</tr>
<tr>
<td>2019</td>
<td>1,080,112</td>
</tr>
<tr>
<td>2020</td>
<td>204,082</td>
</tr>
<tr>
<td>thereafter</td>
<td>421,021</td>
</tr>
</tbody>
</table>

**Actuarial Assumptions** - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.75%
- Salary increases 3.50% to 6.50%
- Investment rate of return 7.50%

Mortality – male and female teachers: 97% and 92%, respectively of rates in a GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2013 valuation rolled forward to June 30, 2014 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

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 forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission’s investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Continued
B. Employees’ Retirement System Defined Benefit Pension Plan (ERS) (Continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target allocation</th>
<th>Medium-term expected real rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>38%</td>
<td>6.05%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>7%</td>
<td>9.05%</td>
</tr>
<tr>
<td>Equity Hedge funds</td>
<td>8%</td>
<td>4.75%</td>
</tr>
<tr>
<td>Absolute return hedge</td>
<td>7%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Real Return</td>
<td>14%</td>
<td>3.85%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>8%</td>
<td>4.45%</td>
</tr>
<tr>
<td>Core Fixed</td>
<td>15%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>3%</td>
<td>-0.50%</td>
</tr>
<tr>
<td><strong>100%</strong></td>
<td></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**Discount rate** - the discount rate used to measure the total pension liability was 7.5 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 (asset) to changes in the discount rate** - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<table>
<thead>
<tr>
<th>1.00% Decrease (6.5%)</th>
<th>Current Discount Rate (7.5%)</th>
<th>1.00 Increase (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 50,963,206</td>
<td>$ 40,693,201</td>
<td>$ 30,212,466</td>
</tr>
</tbody>
</table>

Continued
Note 11. Pensions (continued)

B. Employees’ Retirement System Defined Benefit Pension Plan (ERS)(Continued)

Pension plan fiduciary net position - detailed information about the pension plan’s fiduciary net position is available in the separately issued ERSRI financial report.

C. Employees’ Retirement System Defined Contribution Pension Plan (ERS)

Defined Contribution Plan Description:

Employees participating in the defined benefit plan, 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 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

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

The Bristol Warren Regional School Town recognized pension expense of $625,271, for the fiscal year ended June 30, 2015.

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

D. Teachers’ Survivors Defined Benefit Pension Plan

General Information about the Pension Plan

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

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.

Eligibility and plan benefits - the plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in 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. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member’s wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

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

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

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

<table>
<thead>
<tr>
<th>Highest Annual Salary</th>
<th>Basic Monthly Spouses' Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,000 or less</td>
<td>$ 750</td>
</tr>
<tr>
<td>$17,001 to $25,000</td>
<td>875</td>
</tr>
<tr>
<td>$25,001 to $33,000</td>
<td>1,000</td>
</tr>
<tr>
<td>$33,001 to $40,000</td>
<td>1,125</td>
</tr>
<tr>
<td>$40,001 and over</td>
<td>1,250</td>
</tr>
</tbody>
</table>
Note 11. Pensions (continued)

D. Teachers’ Survivors Defined Benefit Pension Plan (Continued)

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

<table>
<thead>
<tr>
<th>Parent and 2 or more Children</th>
<th>One Child Alone</th>
<th>Two Children Alone</th>
<th>Three or more Children Alone</th>
<th>Dependent Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent and 1 Child</td>
<td>150%</td>
<td>175%</td>
<td>75%</td>
<td>150%</td>
</tr>
<tr>
<td>150%</td>
<td>175%</td>
<td>75%</td>
<td>150%</td>
<td>175%</td>
</tr>
<tr>
<td>150%</td>
<td>175%</td>
<td>75%</td>
<td>150%</td>
<td>175%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**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 $9,600; 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 $39,802, $39,789 and $39,076 for the fiscal years ended June 30, 2015, 2014, and 2013, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2015 the Town reported an asset of $8,119,601 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, 2014, 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, 2013 rolled forward to June 30, 2014. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014 the Town proportion was 6.53117242%.

For the year ended June 30, 2015 the Town recognized pension expense of $(625,886) – an increase in the net pension asset. At June 30, 2015 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 $ 39,802
- Deferred inflows of resources Net difference between projected and actual earnings on pension plan investments $ 1,062,625

**Continued**
Note 11. Pensions (continued)

D. Teachers’ Survivors Defined Benefit Pension Plan

$39,802 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2015 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>2017</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
</tbody>
</table>

$265,656

$265,656

$265,656

$265,657

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

- Inflation: 2.75%
- Salary increases: 3.50% to 6.50%
- Investment rate of return: 7.50%

Mortality rates for male and female teachers were based on 97% (males) and 92% (females) of rates in a GRS table based on male and female teacher experience, projected with scale AA from 2000.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2013 valuation rolled forward to June 30, 2014 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

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 forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission’s investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:
Note 11. Pensions (continued)

D. Teachers’ Survivors Defined Benefit Pension Plan (Continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target allocation</th>
<th>Medium-term expected real rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>38%</td>
<td>6.05%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>7%</td>
<td>9.05%</td>
</tr>
<tr>
<td>Equity Hedge funds</td>
<td>8%</td>
<td>4.75%</td>
</tr>
<tr>
<td>Absolute return hedge</td>
<td>7%</td>
<td>2.95%</td>
</tr>
<tr>
<td>Real Return</td>
<td>14%</td>
<td>3.85%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>8%</td>
<td>4.45%</td>
</tr>
<tr>
<td>Core Fixed</td>
<td>15%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Cash</td>
<td>3%</td>
<td>-0.50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

Discount rate - the discount rate used to measure the total pension liability was 7.5 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 (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<table>
<thead>
<tr>
<th>Current Discount Rate</th>
<th>1.00% Decrease  (6.5%)</th>
<th>1.00% Increase  (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 6,958,382</td>
<td>$ 9,280,653</td>
</tr>
</tbody>
</table>

Pension plan fiduciary net position - detailed information about the pension plan’s fiduciary net position is available in the separately issued ERSRI financial report.

Continued
Note 11. Pensions (continued)

E. Police Pension Plan

General Information about the Plan

Plan Administration

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive plan members or beneficiaries currently receiving benefit</td>
<td>72</td>
</tr>
<tr>
<td>Inactive plan members entitled to but not yet receiving benefits</td>
<td>-</td>
</tr>
<tr>
<td>Active plan members</td>
<td>43</td>
</tr>
<tr>
<td>Subtotal</td>
<td>115</td>
</tr>
</tbody>
</table>

Benefits Provided

The pension plan provides retirement, disability, and survivorship benefits. Police officered 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.
Note 11. Pensions (continued)

E. Police Pension Plan (Continued)

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.

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 whose retired on or after July 1, 1992. Participants who retired prior to July 1, 1992 do not receive COLA adjustments.

Method used to value 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.

Contributions

Contribution requirements for the plan are established and may be amended by Town ordinances or union contract. Police officers hired on or before July 1, 2013 are required to contribute 8% of annual earnings by union contract. Police officers hired after July 1, 2013 are required to contribute 11% of annual earnings by union contract. The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The town contribution for the year ended June 30, 2015 was $1,997,828.
Note 11. Pensions (continued)

E. Police Pension Plan (Continued)

Net Pension Liability of the Commission

The components of the net pension liability of the Commission at June 30, 2015, were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$32,192,366</td>
</tr>
<tr>
<td>Plan fiduciary net position</td>
<td>(13,274,528)</td>
</tr>
<tr>
<td>Town's net pension liability</td>
<td>$18,917,838</td>
</tr>
</tbody>
</table>

Plan fiduciary net position as a percentage of the total pension liability 41.24%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.00 percent
- Salary increases 3.50 percent, average, including inflation
- Investment rate of return 7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2000 Combined Mortality Table for males and females with generational mortality projections per Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period ended June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2015 (see the discussion of the pension plan’s investment policy) are summarized in the following table:
Note 11. Pensions (continued)

E. Police Pension Plan (Continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic fixed income</td>
<td>2.21%</td>
</tr>
<tr>
<td>Domestic equity</td>
<td>7.35%</td>
</tr>
<tr>
<td>International Equity</td>
<td>7.84%</td>
</tr>
<tr>
<td>Cash</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

Discount rate
The discount rate used to measure the total pension liability was 7.50 percent. 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 Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

<table>
<thead>
<tr>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Liability (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 7/1/2014</td>
<td>$ 31,046,330</td>
<td>$ 12,214,432</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>603,593</td>
<td>-</td>
</tr>
<tr>
<td>Interest on total pension liability</td>
<td>2,307,553</td>
<td>-</td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>-</td>
<td>1,997,828</td>
</tr>
<tr>
<td>Contributions - employee</td>
<td>-</td>
<td>260,793</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>605,991</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(1,765,110)</td>
<td>(1,765,110)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(39,406)</td>
</tr>
<tr>
<td>Net changes</td>
<td>1,146,036</td>
<td>1,060,096</td>
</tr>
<tr>
<td>Balance as of 6/30/2015</td>
<td>$ 32,192,366</td>
<td>$ 13,274,528</td>
</tr>
</tbody>
</table>

Continued
Note 11. Pensions (continued)

E. 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 Plan, calculated using the discount rate of 7.50 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.50%)</th>
<th>Current Discount Rate (7.50%)</th>
<th>1% Increase (8.50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan's Net Pension Liability</td>
<td>$22,838,868</td>
<td>$18,917,838</td>
<td>$15,422,536</td>
</tr>
</tbody>
</table>

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

For the year ended June 30, 2015, the Commission recognized pension expense of $1,820,890. At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between projected and actual earnings on plan investments</td>
<td>$262,878</td>
</tr>
<tr>
<td>Total deferred outflows / (inflows)</td>
<td>$262,878</td>
</tr>
</tbody>
</table>

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

**Year ended June 30:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$65,720</td>
</tr>
<tr>
<td>2017</td>
<td>$65,720</td>
</tr>
<tr>
<td>2018</td>
<td>$65,720</td>
</tr>
<tr>
<td>2019</td>
<td>$65,718</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$262,878</td>
</tr>
</tbody>
</table>
Note 11. Pensions (continued)

E. Police Pension Plan (Continued)

New Pronouncements

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans (GASB 67). GASB 67 replaces the requirements of Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement 50, Pension Disclosures, as they related to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position and a statement of changes in fiduciary net position. GASB 67 enhances note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans.

GASB 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. Adoption of GASB 67 had no impact on the Plan's net position but did result in changes to the presentation of the financial statements, notes to the financial statements, and RSI. Comparative information has not been presented for disclosures required by GASB 67 as presentation of the information for prior years was not practical.

Note 12. Summary Disclosure of Significant Commitments and Contingencies

A. Litigation

During the ordinary course of its operations, the Town is a party to various other claims, legal actions and complaints. The potential liability to the Town, if any or an evaluation of the outcome of these matters cannot be made at the present time.

B. Federal Assisted Programs – Compliance Audits

The Town and School Department participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2014 were audited in connection with the accompanying financial statements under the Single Audit concept and the auditor's reports thereon are presented in a separate Single Audit Report. The amount, if any, of expenditures which may be disallowed will not be material to the financial position of the Town.
Note 13. Risk Management

A. Health Care

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 the claims liability for the past two fiscal years were:

B. Other Insurance

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

The Town is self-insured for unemployment benefits. There were no "incurred but not reported" claims as of June 30, 2015.
Note 14. Subsequent Events

A. In October 2015, the Town issued $7.5 million in tax anticipation notes. The notes bear interest of 1.5% and mature on June 9, 2016.

B. In October 2015, the Town issued $2.38 million in general obligation bonds. The bonds bear interest of 2-5%, with a 10 year term to mature in 2025.

C. In October 2015, the Town entered into a capital lease agreement for $516,985. The lease bears interest of 2.79% and matures in 2018. As per the enabling resolution from the Town Council, this lease's annual contributions are to be funded via contributions from the Town's unassigned fund balance.

D. In October 2015, the Town entered into a capital lease agreement for $101,475. The lease bears interest of 3.59% and matures in 2018. As per the enabling resolution from the Town Council, this lease's annual contributions are to be funded via contributions from the Town's unassigned fund balance.

E. In November 2015, the Town entered into a capital lease agreement for $5.0 million. The lease bears interest of 2.99% and matures in 2025. As per the enabling resolution from the Town Council, this lease's annual contributions are to be funded via a state reimbursement on this project totaling 41%. The balance of the annual amount due for this lease is to be split evenly between the operating budgets of the Town and the School Department.

Note 15. Restatements

The following restatements were recorded to beginning fund balances/net position in the Governmental Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance, July 1, 2014</td>
<td>$ 90,232,405</td>
</tr>
<tr>
<td>To restate compensated absences for liabilities that did not truly exist in</td>
<td>275,398</td>
</tr>
<tr>
<td>the prior year</td>
<td></td>
</tr>
<tr>
<td>To eliminate police net pension obligation in accordance with GASB 68</td>
<td>2,149,526</td>
</tr>
<tr>
<td>To record TSB net pension asset in accordance with GASB 68</td>
<td>6,431,091</td>
</tr>
<tr>
<td>To record ERS net pension liability in accordance with GASB 68</td>
<td>(42,809,920)</td>
</tr>
<tr>
<td>To record MERS net pension liability in accordance with GASB 68</td>
<td>(7,074,995)</td>
</tr>
<tr>
<td>To record police net pension liability in accordance with GASB 68</td>
<td>(18,831,898)</td>
</tr>
<tr>
<td>Beginning balance, July 1, 2014, restated</td>
<td>$ 30,371,607</td>
</tr>
</tbody>
</table>

Continued

85
### Other Post-Employment Benefits – Schedule of Funding Progress (Unaudited)

**For the Year Ended June 30, 2015**

<table>
<thead>
<tr>
<th>Actuarial valuation Date</th>
<th>Actuarial value of Assets</th>
<th>Actuarial Accrued Liability</th>
<th>Unfunded Liability / (Funding Excess)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>Unfunded Liability (Funding Excess) as a % of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2014</td>
<td>$ 581,200</td>
<td>$ 17,131,832</td>
<td>$ 16,550,632</td>
<td>3.4%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7/1/2013</td>
<td>$ 100,000</td>
<td>$ 20,374,644</td>
<td>$ 20,274,644</td>
<td>0.5%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>7/1/2012</td>
<td>$ -</td>
<td>$ 21,154,653</td>
<td>$ 21,154,653</td>
<td>0.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*The information included in the schedule of funding progress was obtained from the annual actuarial valuation at the date indicated.*

See independent auditor’s report
TOWN OF CUMBERLAND, RHODE ISLAND

Required Supplementary Information
Other Post-Employment Benefits – Schedule of Contributions (Unaudited)

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>Annual Required Contribution</th>
<th>Actual Contribution</th>
<th>Percent Funded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,294,570</td>
<td>$1,420,875</td>
<td>110%</td>
</tr>
<tr>
<td>2014</td>
<td>1,578,750</td>
<td>1,320,001</td>
<td>84%</td>
</tr>
<tr>
<td>2013</td>
<td>1,657,531</td>
<td>1,311,166</td>
<td>79%</td>
</tr>
</tbody>
</table>

See independent auditor's report
TOWN OF CUMBERLAND, RHODE ISLAND

Required Supplementary Information
Schedule of Changes in the Town’s Net Pension Liability and Related Ratios – General Employee Plan

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>A. Total pension liability</th>
<th>Year Ended June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Service Cost</td>
<td>$ 733,946</td>
</tr>
<tr>
<td>2. Interest on the Total Pension Liability</td>
<td>2,109,975</td>
</tr>
<tr>
<td>3. Changes of benefit terms</td>
<td>-</td>
</tr>
<tr>
<td>4. Difference between expected and actual experience of the Total Pension Liability</td>
<td>-</td>
</tr>
<tr>
<td>5. Changes of assumptions</td>
<td>15,356</td>
</tr>
<tr>
<td>6. Benefit payments, including refunds of employee contributions</td>
<td>(1,784,047)</td>
</tr>
<tr>
<td>7. Net change in total pension liability</td>
<td>1,075,230</td>
</tr>
<tr>
<td>8. Total pension liability – beginning</td>
<td>28,658,045</td>
</tr>
<tr>
<td>9. Total pension liability – ending (a)</td>
<td>$ 29,733,275</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Plan fiduciary net position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contributions – employer</td>
<td>$ 1,125,835</td>
</tr>
<tr>
<td>2. Contributions – employee</td>
<td>85,199</td>
</tr>
<tr>
<td>3. Net investment income</td>
<td>3,111,659</td>
</tr>
<tr>
<td>4. Benefit payments, including refunds of employee contributions</td>
<td>(1,784,047)</td>
</tr>
<tr>
<td>5. Pension Plan Administrative Expense</td>
<td>(19,485)</td>
</tr>
<tr>
<td>6. Other</td>
<td>190,528</td>
</tr>
<tr>
<td>7. Net change in plan fiduciary net position</td>
<td>2,709,689</td>
</tr>
<tr>
<td>8. Plan fiduciary net position – beginning</td>
<td>20,653,072</td>
</tr>
<tr>
<td>9. Plan fiduciary net position – ending (b)</td>
<td>$ 23,362,761</td>
</tr>
</tbody>
</table>

| C. Net pension liability - ending (a) - (b) | $ 6,370,514 |

| D. Plan fiduciary net position as a percentage of the total pension liability | 78.57% |
| E. Covered employee payroll | $ 8,455,599 |
| F. Net pension liability as a percentage of covered payroll | 75.34% |

See independent auditor's report
### Required Supplementary Information

Schedule of Employer Contributions – General Employee Plan

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$ 641,192</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>641,192</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$ 8,455,599</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>7.58%</td>
</tr>
</tbody>
</table>

**Notes:**

1. Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

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

See independent auditor's report

90
## Required Supplementary Information

Schedule of Changes in the Town’s Net Pension Liability and Related Ratios – Rescue Employee Plan

For the Year Ended June 30, 2015

### A. Total pension liability

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Service Cost</td>
<td>$180,477</td>
</tr>
<tr>
<td>2. Interest on the Total Pension Liability</td>
<td>$375,512</td>
</tr>
<tr>
<td>3. Changes of benefit terms</td>
<td>-</td>
</tr>
<tr>
<td>4. Difference between expected and actual experience of the Total Pension Liability</td>
<td>-</td>
</tr>
<tr>
<td>5. Changes of assumptions</td>
<td>$(57,543)</td>
</tr>
<tr>
<td>6. Benefit payments, including refunds of employee contributions</td>
<td>$(110,488)</td>
</tr>
<tr>
<td>7. Net change in total pension liability</td>
<td>$387,958</td>
</tr>
<tr>
<td>8. Total pension liability – beginning</td>
<td>$4,971,837</td>
</tr>
<tr>
<td>9. Total pension liability – ending (a)</td>
<td>$5,359,795</td>
</tr>
</tbody>
</table>

### B. Plan fiduciary net position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contributions – employer</td>
<td>$65,507</td>
</tr>
<tr>
<td>2. Contributions – employee</td>
<td>$75,078</td>
</tr>
<tr>
<td>3. Net investment income</td>
<td>$728,100</td>
</tr>
<tr>
<td>4. Benefit payments, including refunds of employee contributions</td>
<td>$(110,488)</td>
</tr>
<tr>
<td>5. Pension Plan Administrative Expense</td>
<td>$(4,559)</td>
</tr>
<tr>
<td>6. Other</td>
<td>$2,562</td>
</tr>
<tr>
<td>7. Net change in plan fiduciary net position</td>
<td>$756,200</td>
</tr>
<tr>
<td>8. Plan fiduciary net position – beginning</td>
<td>$4,710,473</td>
</tr>
<tr>
<td>9. Plan fiduciary net position – ending (b)</td>
<td>$5,466,673</td>
</tr>
</tbody>
</table>

### C. Net pension liability - ending (a) - (b)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability - ending (a) - (b)</td>
<td>$(106,878)</td>
</tr>
</tbody>
</table>

### D. Plan fiduciary net position as a percentage of the total pension liability

101.99%

### E. Covered employee payroll

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered employee payroll</td>
<td>$1,011,640</td>
</tr>
</tbody>
</table>

### F. Net pension liability as a percentage of covered payroll

-10.56%

See independent auditor's report
TOWN OF CUMBERLAND, RHODE ISLAND

Required Supplementary Information
Schedule of Contributions – Rescue Employee Plan

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$ 113,606</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>113,606</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$ 1,011,640</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>11.23%</td>
</tr>
</tbody>
</table>

Notes:
1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
## Required Supplementary Information
Schedule of Town’s Proportionate Share of the Net Pension Liability
Employee Retirement System

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer's proportion of the net pension liability</td>
<td>1.67186503%</td>
</tr>
<tr>
<td>Employer's proportionate share of the net pension liability</td>
<td>$40,693,201</td>
</tr>
<tr>
<td>State's proportionate share of the net pension liability associated with</td>
<td>27,905,203</td>
</tr>
<tr>
<td>the school district</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$68,598,404</td>
</tr>
<tr>
<td>Employer's covered employee payroll</td>
<td>$26,812,752</td>
</tr>
<tr>
<td>Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll</td>
<td>151.77%</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>61.40%</td>
</tr>
</tbody>
</table>

**Notes:**

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

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

See independent auditor's report
### Required Supplementary Information
Schedule of Town’s Contributions
Employee Retirement System

**For the Year Ended June 30, 2015**

<table>
<thead>
<tr>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$4,307,537</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>4,307,537</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$26,812,752</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>16.07%</td>
</tr>
</tbody>
</table>

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

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

*See independent auditor's report*
TOWN OF CUMBERLAND, RHODE ISLAND

Required Supplementary Information
Schedule of Town’s Proportionate Share of the Net Pension Liability
Teacher Survivors’ Benefit Plan

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer's proportion of the net pension asset</td>
</tr>
<tr>
<td>Employer's proportionate share of the net pension asset</td>
</tr>
<tr>
<td>Employer's covered employee payroll</td>
</tr>
<tr>
<td>Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
</tr>
</tbody>
</table>

Notes:

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

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
## TOWN OF CUMBERLAND, RHODE ISLAND

### Required Supplementary Information

Schedule of Town’s Contributions
Teachers’ Survivors’ Benefit Plan

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutorily determined contribution</td>
<td>$39,802</td>
</tr>
<tr>
<td>Contributions in relation to the statutorily determined contribution</td>
<td>39,802</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>-</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>$26,812,752</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>0.15%</td>
</tr>
</tbody>
</table>

**Notes:**

1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.

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

*See independent auditor’s report*
## Schedule of Changes in Town's Net Pension Liability and Related Ratios

### Police Pension Plan

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2015</th>
<th>June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$ 603,593</td>
<td>$ 625,409</td>
</tr>
<tr>
<td>Interest</td>
<td>2,307,553</td>
<td>2,203,726</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>-</td>
<td>287,596</td>
</tr>
<tr>
<td>Benefit payments, including refunds of participant contributions</td>
<td>(1,765,110)</td>
<td>(1,656,011)</td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>1,146,036</td>
<td>1,460,720</td>
</tr>
<tr>
<td><strong>Total pension liability - beginning</strong></td>
<td>31,046,330</td>
<td>29,585,610</td>
</tr>
<tr>
<td><strong>Total pension liability - ending</strong></td>
<td>$ 32,192,366</td>
<td>$ 31,046,330</td>
</tr>
</tbody>
</table>

### Pension fiduciary net position

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - employer</td>
<td>$ 1,997,828</td>
<td>$ 2,064,871</td>
</tr>
<tr>
<td>Contributions - employee</td>
<td>260,793</td>
<td>185,877</td>
</tr>
<tr>
<td>Net investment income</td>
<td>605,991</td>
<td>1,320,781</td>
</tr>
<tr>
<td>Benefit payments, including refunds of participant contributions</td>
<td>(1,765,110)</td>
<td>(1,656,011)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(39,406)</td>
<td>(9,955)</td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>1,060,096</td>
<td>1,905,563</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - beginning</strong></td>
<td>12,214,432</td>
<td>10,308,869</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - ending</strong></td>
<td>$ 13,274,528</td>
<td>$ 12,214,432</td>
</tr>
</tbody>
</table>

### Town's net pension liability (asset) - ending

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Town's net pension liability (asset) - ending</strong></td>
<td>$ 18,917,838</td>
<td>$ 18,831,898</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$ 32,192,366</td>
<td>$ 31,046,330</td>
</tr>
<tr>
<td>Plan fiduciary net position</td>
<td>13,274,528</td>
<td>12,214,432</td>
</tr>
<tr>
<td>Town's net pension liability (asset)</td>
<td>$ 18,917,838</td>
<td>$ 18,831,898</td>
</tr>
</tbody>
</table>

Plan fiduciary net position as a percentage of the total pension liability

- 2015: 41.24%
- 2014: 39.34%

Covered-employee payroll

- 2015: 2,686,120
- 2014: 2,633,451

Net pension liability (asset) as a percentage of covered-employee payroll

- 2015: 704.28%
- 2014: 715.10%

See independent auditor's report

97
# Required Supplementary Information

## Schedule of Contributions

**Police Pension Plan**

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$1,997,828</td>
<td>$1,980,631</td>
<td>$1,986,232</td>
<td>$1,650,489</td>
<td>$1,507,130</td>
<td>$1,315,293</td>
<td>$1,135,722</td>
<td>$923,078</td>
<td>$737,697</td>
<td>$806,797</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contribution</td>
<td>$1,997,828</td>
<td>2,064,871</td>
<td>1,650,000</td>
<td>1,400,000</td>
<td>1,000,000</td>
<td>211,425</td>
<td>1,135,722</td>
<td>923,078</td>
<td>737,697</td>
<td>811,871</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$ -</td>
<td>$(84,240)</td>
<td>$336,232</td>
<td>$250,489</td>
<td>$507,130</td>
<td>$1,103,868</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$(5,074)</td>
</tr>
<tr>
<td>Covered-employee payroll</td>
<td>2,686,120</td>
<td>2,633,451</td>
<td>2,651,185</td>
<td>2,511,260</td>
<td>2,538,594</td>
<td>2,839,887</td>
<td>2,873,991</td>
<td>2,586,734</td>
<td>2,580,899</td>
<td>2,445,466</td>
</tr>
<tr>
<td>Contributions as a percentage of covered-employee payroll</td>
<td>74.38%</td>
<td>78.41%</td>
<td>62.24%</td>
<td>55.75%</td>
<td>39.39%</td>
<td>7.44%</td>
<td>39.52%</td>
<td>35.69%</td>
<td>28.58%</td>
<td>33.20%</td>
</tr>
</tbody>
</table>

*See independent auditor's report*
**TOWN OF CUMBERLAND, RHODE ISLAND**

Required Supplementary Information  
Schedule of Investment Returns  
Police Pension Plan  

*For the Year Ended June 30, 2015*

Annual money-weighted rate of return,  
net of investment expense  

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2015</td>
<td>N/A *</td>
</tr>
</tbody>
</table>

* Information not available as it was not provided in the actuarial valuation of the plan.

**Notes to the Schedules:**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of June 30, 2015.

**Methods and assumptions used to determine contribution rates:**

- **Discount rate:** 7.50%
- **Long term rate of return on investments:** 7.50%
- **Municipal bond:** N/A
- **Salary increases:** 3.50%
- **Inflation:** 2.00%

**Mortality rates:**

- **Healthy and disabled:** RP-2000 Combined Mortality Table for males and females with generational mortality projections per Scale AA

**Terminations:**

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

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

**Disability Rates**

- **1985 Pension Disability Table. All disability is assumed to be Duty**
TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>General property taxes and interest</td>
<td>$ 61,878,979</td>
<td>$ 61,878,979</td>
<td>$ 62,058,712</td>
</tr>
<tr>
<td>Investment and interest income</td>
<td>2,000</td>
<td>2,000</td>
<td>19,228</td>
</tr>
<tr>
<td>Other local and departmental revenue</td>
<td>1,544,329</td>
<td>1,544,329</td>
<td>1,835,428</td>
</tr>
<tr>
<td>Federal and State aid and grants</td>
<td>2,781,948</td>
<td>2,781,948</td>
<td>2,527,605</td>
</tr>
<tr>
<td>Rescue service revenue</td>
<td>914,576</td>
<td>914,576</td>
<td>996,359</td>
</tr>
<tr>
<td>Appropriation of surplus</td>
<td>651,114</td>
<td>651,114</td>
<td>651,114</td>
</tr>
<tr>
<td>Other revenues</td>
<td>1,361,882</td>
<td>1,361,882</td>
<td>1,093,927</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>69,134,828</td>
<td>69,134,828</td>
<td>69,182,373</td>
</tr>
</tbody>
</table>

Expenditures

**General government:**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>(Budgetary Basis)</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor's office</td>
<td>173,853</td>
<td>173,853</td>
<td>173,389</td>
<td>464</td>
</tr>
<tr>
<td>Town Clerk</td>
<td>233,402</td>
<td>233,402</td>
<td>200,482</td>
<td>32,920</td>
</tr>
<tr>
<td>Town Council</td>
<td>31,300</td>
<td>31,300</td>
<td>24,467</td>
<td>6,833</td>
</tr>
<tr>
<td>Town Solicitor</td>
<td>193,518</td>
<td>193,518</td>
<td>192,548</td>
<td>970</td>
</tr>
<tr>
<td>Municipal court</td>
<td>46,774</td>
<td>46,774</td>
<td>47,103</td>
<td>(329)</td>
</tr>
<tr>
<td>Town officers</td>
<td>12,464</td>
<td>12,464</td>
<td>12,194</td>
<td>270</td>
</tr>
<tr>
<td>Boards and commissions</td>
<td>2,500</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Boards of canvassers</td>
<td>84,500</td>
<td>84,500</td>
<td>82,016</td>
<td>2,484</td>
</tr>
<tr>
<td>Finance office</td>
<td>499,510</td>
<td>499,510</td>
<td>516,606</td>
<td>(17,096)</td>
</tr>
<tr>
<td>Information technology</td>
<td>112,500</td>
<td>112,500</td>
<td>111,846</td>
<td>654</td>
</tr>
<tr>
<td>Tax Assessor</td>
<td>201,185</td>
<td>201,185</td>
<td>200,544</td>
<td>641</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,591,506</td>
<td>1,591,506</td>
<td>1,561,195</td>
<td>30,311</td>
</tr>
</tbody>
</table>

**Community Development:**

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>(Budgetary Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>199,655</td>
<td>199,655</td>
<td>189,034</td>
</tr>
<tr>
<td>Zoning</td>
<td>14,800</td>
<td>14,800</td>
<td>14,401</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>214,455</td>
<td>214,455</td>
<td>203,435</td>
</tr>
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</table>

See independent auditor's report and notes to required supplementary information (continued)
TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Public Safety:</th>
<th>Actual Amounts</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget Amounts</td>
<td>(Budgetary Favorable Original Final Basis) (Unfavorable)</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Police department</td>
<td>$3,892,337</td>
<td>$3,792,336</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>353,055</td>
<td>353,055</td>
</tr>
<tr>
<td>Rescue service</td>
<td>1,613,291</td>
<td>1,613,291</td>
</tr>
<tr>
<td>Animal control</td>
<td>144,646</td>
<td>144,646</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,003,329</td>
<td>5,903,328</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public Works:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>Amounts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget Amounts</td>
<td>(Budgetary Favorable Original Final Basis) (Unfavorable)</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Inspection</td>
<td>197,868</td>
<td>197,868</td>
</tr>
<tr>
<td>Public works</td>
<td>2,614,027</td>
<td>2,614,027</td>
</tr>
<tr>
<td>Highway</td>
<td>2,126,443</td>
<td>2,126,443</td>
</tr>
<tr>
<td>Recreation</td>
<td>187,562</td>
<td>187,562</td>
</tr>
<tr>
<td>Town Hall</td>
<td>180,729</td>
<td>180,729</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Services:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>Amounts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget Amounts</td>
<td>(Budgetary Favorable Original Final Basis) (Unfavorable)</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Library</td>
<td>1,496,957</td>
<td>1,496,957</td>
</tr>
<tr>
<td>Children and learning</td>
<td>181,988</td>
<td>181,988</td>
</tr>
<tr>
<td>Senior services</td>
<td>159,447</td>
<td>159,447</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,838,392</td>
<td>1,838,392</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Expenditures:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td></td>
<td>Amounts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget Amounts</td>
<td>(Budgetary Favorable Original Final Basis) (Unfavorable)</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Outside Agencies</td>
<td>87,876</td>
<td>87,876</td>
</tr>
<tr>
<td>Contingencies</td>
<td>108,500</td>
<td>105,000</td>
</tr>
<tr>
<td>Police Contract Negotiations</td>
<td>200,000</td>
<td>-</td>
</tr>
<tr>
<td>Efficiency Contingencies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Town/School Achievement Grant</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Stress</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Tucker Field Match</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Traffic Calming</td>
<td>20,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Library Literacy Program</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Property &amp; Liability Insurance</td>
<td>421,500</td>
<td>421,500</td>
</tr>
<tr>
<td>Veteran's Services</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Litter Control</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Property Revaluation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Economic Development</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Fire Consolidation Study</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>School Capital Purchase</td>
<td>651,114</td>
<td>651,114</td>
</tr>
<tr>
<td>Franklin Farms</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,626,740</td>
<td>1,413,240</td>
</tr>
</tbody>
</table>

See independent auditor's report and notes to required supplementary information

(continued)
## TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund

*For the Year Ended June 30, 2015*

### Budget Amounts

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual (Budgetary Basis)</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee benefits</strong></td>
<td>$6,601,173</td>
<td>$7,089,673</td>
<td>$6,954,502</td>
<td>$135,171</td>
</tr>
<tr>
<td><strong>Debt Service:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town debt service</td>
<td>1,507,658</td>
<td>1,352,659</td>
<td>1,341,880</td>
<td>10,779</td>
</tr>
<tr>
<td>School debt service</td>
<td>4,562,219</td>
<td>4,562,219</td>
<td>4,232,022</td>
<td>330,197</td>
</tr>
<tr>
<td>Master lease</td>
<td>130,645</td>
<td>130,645</td>
<td>137,421</td>
<td>(6,776)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>6,200,522</td>
<td>6,045,523</td>
<td>5,711,323</td>
<td>334,200</td>
</tr>
<tr>
<td><strong>Capital Outlay and Reserves:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>165,000</td>
<td>145,000</td>
<td>165,972</td>
<td>(20,972)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>29,547,746</td>
<td>29,547,746</td>
<td>28,935,041</td>
<td>612,705</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over expenditures

|                          | 39,587,082 | 39,587,082 | 40,247,332 | 660,250 |

Other financing sources and (uses):

**Transfer to other funds**

|                          | (39,587,082) | (39,587,082) | (39,587,082) | - |

**Total other financing sources and uses**

|                          | (39,587,082) | (39,587,082) | (39,587,082) | - |

Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis

|                          | $ - | $ | 660,250 | $ 660,250 |

Adjustment of budgetary basis to U.S. GAAP

|                          | (422,436) | |

Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis

|                          | 237,814 | |

Fund balance, beginning of year

|                          | 14,119,131 | |

Fund balance, end of year

|                          | $14,356,945 | |

See independent auditor's report and notes to required supplementary information (continued) 102
## TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – School Unrestricted Fund

*For the Year Ended June 30, 2015*

### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Appropriation</td>
<td>$40,238,195</td>
<td>$40,238,195</td>
<td>$39,587,082</td>
<td>$(651,113)</td>
</tr>
<tr>
<td>Leasing Proceeds</td>
<td>-</td>
<td>-</td>
<td>848,607</td>
<td>848,607</td>
</tr>
<tr>
<td>State Aid</td>
<td>15,732,748</td>
<td>15,732,748</td>
<td>15,664,394</td>
<td>(68,354)</td>
</tr>
<tr>
<td>Article 31 Technology</td>
<td>78,442</td>
<td>78,442</td>
<td>-</td>
<td>(78,442)</td>
</tr>
<tr>
<td>Medicaid</td>
<td>400,000</td>
<td>400,000</td>
<td>370,855</td>
<td>(29,145)</td>
</tr>
<tr>
<td>Section 125 Co-Pays (1)</td>
<td>1,450,000</td>
<td>1,450,000</td>
<td>-</td>
<td>(1,450,000)</td>
</tr>
<tr>
<td>Retiree &amp; COBRA Health, Life Insurance (2)</td>
<td>294,800</td>
<td>294,800</td>
<td>-</td>
<td>(294,800)</td>
</tr>
<tr>
<td>Building/Pool Rentals</td>
<td>153,500</td>
<td>153,500</td>
<td>162,295</td>
<td>8,795</td>
</tr>
<tr>
<td>Private Donations</td>
<td>-</td>
<td>-</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Tuition From Other Districts</td>
<td>-</td>
<td>-</td>
<td>12,285</td>
<td>12,285</td>
</tr>
<tr>
<td>Preschool Tuitions/Transportation</td>
<td>84,000</td>
<td>84,000</td>
<td>89,900</td>
<td>5,900</td>
</tr>
<tr>
<td>Summer School Tuitions</td>
<td>30,000</td>
<td>30,000</td>
<td>31,950</td>
<td>1,950</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>32,448</td>
<td>32,448</td>
<td>6,210</td>
<td>(26,238)</td>
</tr>
<tr>
<td>Reimb Food Service Account</td>
<td>78,800</td>
<td>78,800</td>
<td>-</td>
<td>(78,800)</td>
</tr>
<tr>
<td>Rebates</td>
<td>-</td>
<td>-</td>
<td>54,166</td>
<td>54,166</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>525,000</td>
<td>525,000</td>
<td>-</td>
<td>(525,000)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>59,097,933</td>
<td>59,097,933</td>
<td>56,851,744</td>
<td>(2,246,189)</td>
</tr>
</tbody>
</table>

### Expenditures

#### Ashton

<table>
<thead>
<tr>
<th>Category</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries Yr. Round Employees</td>
<td>217,569</td>
<td>217,569</td>
<td>224,284</td>
<td>(6,715)</td>
</tr>
<tr>
<td>Salaries-Certified Teachers</td>
<td>1,362,731</td>
<td>1,362,731</td>
<td>1,390,714</td>
<td>(27,983)</td>
</tr>
<tr>
<td>Salaries-Para/Aides</td>
<td>57,252</td>
<td>57,252</td>
<td>54,819</td>
<td>2,433</td>
</tr>
<tr>
<td>Services/Postage/Volunteers</td>
<td>15,774</td>
<td>15,774</td>
<td>10,149</td>
<td>5,625</td>
</tr>
<tr>
<td>Maint &amp; Repairs</td>
<td>6,000</td>
<td>6,000</td>
<td>4,683</td>
<td>1,317</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>43,399</td>
<td>43,399</td>
<td>23,959</td>
<td>19,440</td>
</tr>
<tr>
<td>Dues</td>
<td>600</td>
<td>600</td>
<td>586</td>
<td>14</td>
</tr>
<tr>
<td>Capital</td>
<td>10,900</td>
<td>10,900</td>
<td>31,114</td>
<td>(20,214)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,714,225</td>
<td>1,714,225</td>
<td>1,740,308</td>
<td>(26,083)</td>
</tr>
</tbody>
</table>

#### Community

<table>
<thead>
<tr>
<th>Category</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries- Yr. Round Employees</td>
<td>349,903</td>
<td>349,903</td>
<td>347,847</td>
<td>2,056</td>
</tr>
<tr>
<td>Salaries-Certified Teachers</td>
<td>3,045,507</td>
<td>3,045,507</td>
<td>2,987,597</td>
<td>57,910</td>
</tr>
<tr>
<td>Salaries-Para/Aides</td>
<td>248,519</td>
<td>248,519</td>
<td>253,116</td>
<td>(4,597)</td>
</tr>
<tr>
<td>Services/Postage/Volunteers</td>
<td>24,225</td>
<td>24,225</td>
<td>14,080</td>
<td>10,145</td>
</tr>
<tr>
<td>Maint &amp; Repairs</td>
<td>8,700</td>
<td>8,700</td>
<td>5,523</td>
<td>3,177</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>87,358</td>
<td>87,358</td>
<td>50,559</td>
<td>36,799</td>
</tr>
<tr>
<td>Dues</td>
<td>600</td>
<td>600</td>
<td>1,170</td>
<td>(570)</td>
</tr>
<tr>
<td>Capital</td>
<td>15,800</td>
<td>15,800</td>
<td>33,003</td>
<td>(17,203)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>3,780,612</td>
<td>3,780,612</td>
<td>3,692,895</td>
<td>87,717</td>
</tr>
</tbody>
</table>

*See independent auditor's report and notes to required supplementary information*
## TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – School Unrestricted Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Variance Favorable</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>(Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumberland Hill</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries- Yr. Round Employees</td>
<td>$234,160</td>
<td>$234,160</td>
<td>$228,591</td>
<td>$5,569</td>
</tr>
<tr>
<td>Salaries-Certified Teachers</td>
<td>2,075,701</td>
<td>2,071,915</td>
<td>(3,786)</td>
<td></td>
</tr>
<tr>
<td>Salaries-Para/Aides</td>
<td>168,922</td>
<td>175,173</td>
<td>(6,251)</td>
<td></td>
</tr>
<tr>
<td>Services/Postage/Volunteers</td>
<td>17,265</td>
<td>15,577</td>
<td>1,688</td>
<td></td>
</tr>
<tr>
<td>Maint &amp; Repairs</td>
<td>6,500</td>
<td>10,832</td>
<td>(4,332)</td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>54,394</td>
<td>27,176</td>
<td>27,176</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
<td>1,660</td>
<td>(1,660)</td>
<td></td>
</tr>
<tr>
<td>Dues</td>
<td>600</td>
<td>585</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>15,250</td>
<td>30,914</td>
<td>(15,664)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,572,792</td>
<td>2,562,465</td>
<td>10,327</td>
<td></td>
</tr>
</tbody>
</table>

| **Garvin** |          |       |        |               |
| Salaries- Yr. Round Employees | 216,569 | 215,263 | 1,306 |
| Salaries-Certified Teachers | 2,029,595 | 2,044,371 | (14,776) |
| Salaries-Para/Aides | 119,095 | 121,157 | (2,062) |
| Services/Postage/Volunteers | 17,768 | 12,197 | 2,080 |
| Maint & Repairs | 6,000 | 3,920 | 2,080 |
| Materials & Supplies | 60,773 | 38,326 | 22,447 |
| Dues | 600 | 585 | 15 |
| Capital | 17,200 | 40,718 | (23,518) |
| **Total** | 2,467,600 | 2,476,537 | (8,937) |

| **BF Norton** |          |       |        |               |
| Salaries Yr. Round Employees | 234,169 | 235,185 | (1,016) |
| Salaries-Certified Teachers | 2,250,669 | 2,187,033 | 63,636 |
| Salaries-Para/Aides | 251,103 | 269,978 | (18,875) |
| Services/Postage/Volunteers | 15,340 | 9,933 | 5,407 |
| Maint & Repairs | 7,000 | 7,307 | (307) |
| Materials & Supplies | 67,880 | 36,149 | 31,731 |
| Travel | - | 548 | (548) |
| Dues | 600 | 585 | 15 |
| Capital | 18,800 | 35,638 | (16,838) |
| **Total** | 2,845,561 | 2,782,356 | 63,205 |

| **Pre-School** |          |       |        |               |
| Salaries- Year Round | 80,231 | 80,596 | (365) |
| Salaries-Certified Teachers | 300,368 | 285,812 | 14,556 |
| Salaries-Para/Aides | 83,215 | 75,610 | 7,605 |
| Child Outreach Salaries | 18,000 | 19,856 | (1,856) |
| Services/Postage | 300 | 294 | 6 |
| Materials & Supplies | 7,950 | 4,261 | 3,689 |
| Dues | 600 | 585 | 15 |
| **Total** | 490,664 | 467,014 | 23,650 |

See independent auditor's report and notes to required supplementary information (continued)
### TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – School Unrestricted Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>McCourt</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries- Year Round</td>
<td>$396,365</td>
<td>$396,365</td>
<td>$366,199</td>
</tr>
<tr>
<td>Salaries-Certified Teachers</td>
<td>3,062,966</td>
<td>3,062,966</td>
<td>3,015,797</td>
</tr>
<tr>
<td>Salaries-Para/Aides</td>
<td>198,782</td>
<td>198,782</td>
<td>197,527</td>
</tr>
<tr>
<td>Services/Postage</td>
<td>25,660</td>
<td>25,660</td>
<td>36,053</td>
</tr>
<tr>
<td>Maint &amp; Repairs</td>
<td>7,800</td>
<td>7,800</td>
<td>7,307</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>50,560</td>
<td>50,560</td>
<td>52,478</td>
</tr>
<tr>
<td>Student Travel</td>
<td>4,000</td>
<td>4,000</td>
<td>3,556</td>
</tr>
<tr>
<td>Dues</td>
<td>1,200</td>
<td>1,200</td>
<td>1,170</td>
</tr>
<tr>
<td>Capital</td>
<td>1,600</td>
<td>1,600</td>
<td>809</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,748,933</td>
<td>3,748,933</td>
<td>3,680,896</td>
</tr>
</tbody>
</table>

| **NCM School**  |             |              |                                  |
| Salaries- Year Round | 391,689     | 391,689      | 342,102                         | 49,587                          |
| Salaries-Certified Teachers | 3,131,566  | 3,131,566    | 3,106,612                       | 24,954                          |
| Salaries-Para/Aides | 153,813     | 153,813      | 168,422                         | (14,609)                        |
| Services/Postage  | 25,800      | 25,800       | 44,362                          | (18,562)                        |
| Maint & Repairs   | 7,800       | 7,800        | 5,524                           | 2,276                           |
| Materials & Supplies | 52,210      | 52,210       | 51,897                          | 313                             |
| Travel            | 4,000       | 4,000        | 2,607                           | 1,393                           |
| Dues              | 1,200       | 1,200        | 1,170                           | 30                              |
| Capital           | 20,000      | 20,000       | 2,231                           | 17,769                          |
| **Total**         | 3,788,078   | 3,788,078    | 3,724,927                       | 63,151                          |

| **Cumberland High School** |             |              |                                  |
| Salaries- Yr. Round Employees | 839,990    | 839,990      | 855,815                         | (15,825)                        |
| Salaries-Certified Teachers | 8,102,321  | 8,102,321    | 8,059,395                       | 42,926                          |
| Salaries-Para/Aides | 422,542     | 422,542      | 447,122                         | (24,580)                        |
| Services/Postage  | 186,915     | 186,915      | 153,206                         | 33,709                          |
| Maint & Repairs, Rentals | 49,400     | 49,400       | 36,272                          | 13,128                          |
| Travel            | 16,000      | 16,000       | 19,197                          | (3,197)                         |
| Materials & Supplies | 169,706    | 169,706      | 144,761                         | 24,945                          |
| Dues              | 9,500       | 9,500        | 6,835                           | 2,665                           |
| Capital           | 133,857     | 133,857      | 106,788                         | 27,069                          |
| **Total**         | 9,930,231   | 9,930,231    | 9,829,391                       | 100,840                         |

| **Summer School (ALL)** |             |              |                                  |
| Salaries Remedial | 33,000      | 33,000       | 26,110                          | 6,890                           |
| Salaries-Certified ESY | 89,500     | 89,500       | 57,351                          | 32,149                          |
| Salaries-Para ESY | 42,000      | 42,000       | 42,208                          | (208)                           |
| Services          | -           | -            | 6,406                           | (6,406)                         |
| SuppliesMaint & Repairs | 1,200     | 1,200        | 688                             | 512                             |
| **Total**         | 165,700     | 165,700      | 132,763                         | 32,937                          |

| **Elem Cord/Attrition** |             |              |                                  |
| Salaries-Certified Cord | 167,714    | 167,714      | 252,439                         | (84,725)                        |
| **Total**             | 167,714     | 167,714      | 252,439                         | (84,725)                        |

See independent auditor's report and notes to required supplementary information (continued)
## Schedule of Revenues, Expenditures and Changes in Fund Balance

- **Budget and Actual**
- **School Unrestricted Fund**

**For the Year Ended June 30, 2015**

### Budgeted Amounts

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Special Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries- Year Round</td>
<td>$309,619</td>
<td>$309,619</td>
<td>$214,634</td>
<td>$94,985</td>
</tr>
<tr>
<td>Salaries-Certified Teachers/Tutors</td>
<td>102,732</td>
<td>102,732</td>
<td>98,732</td>
<td>4,000</td>
</tr>
<tr>
<td>Services &amp; Repairs</td>
<td>661,200</td>
<td>661,200</td>
<td>803,464</td>
<td>(142,264)</td>
</tr>
<tr>
<td>Tuitions</td>
<td>1,350,000</td>
<td>1,350,000</td>
<td>1,125,913</td>
<td>224,087</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>15,500</td>
<td>15,500</td>
<td>12,996</td>
<td>2,504</td>
</tr>
<tr>
<td>Student Travel</td>
<td>18,000</td>
<td>18,000</td>
<td>12,540</td>
<td>5,460</td>
</tr>
<tr>
<td>Travel</td>
<td>9,000</td>
<td>9,000</td>
<td>4,279</td>
<td>4,721</td>
</tr>
<tr>
<td>Dues</td>
<td>2,100</td>
<td>2,100</td>
<td>1,483</td>
<td>617</td>
</tr>
<tr>
<td>Capital</td>
<td>19,000</td>
<td>19,000</td>
<td>17,139</td>
<td>1,861</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,487,151</td>
<td>2,487,151</td>
<td>2,291,180</td>
<td>195,971</td>
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### Superintendent & School Committee

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
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<tbody>
<tr>
<td>Salaries</td>
<td>222,391</td>
<td>222,391</td>
<td>220,829</td>
<td>1,562</td>
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<tr>
<td>School Committee Stipends</td>
<td>16,200</td>
<td>16,200</td>
<td>16,200</td>
<td>-</td>
</tr>
<tr>
<td>Services/Legal/Maint Repairs</td>
<td>142,555</td>
<td>142,555</td>
<td>144,512</td>
<td>(1,957)</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>2,000</td>
<td>2,000</td>
<td>1,160</td>
<td>840</td>
</tr>
<tr>
<td>Travel</td>
<td>6,000</td>
<td>6,000</td>
<td>9,027</td>
<td>(3,027)</td>
</tr>
<tr>
<td>Dues</td>
<td>14,000</td>
<td>14,000</td>
<td>9,714</td>
<td>4,286</td>
</tr>
<tr>
<td>Equipment SC</td>
<td>-</td>
<td>-</td>
<td>6,473</td>
<td>(6,473)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>403,146</td>
<td>403,146</td>
<td>407,915</td>
<td>(4,769)</td>
</tr>
</tbody>
</table>

### Asst Superintendent

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>355,838</td>
<td>355,838</td>
<td>187,028</td>
<td>168,810</td>
</tr>
<tr>
<td>Services/PD Training</td>
<td>153,812</td>
<td>153,812</td>
<td>139,107</td>
<td>14,705</td>
</tr>
<tr>
<td>Maint &amp; Repairs</td>
<td>2,500</td>
<td>2,500</td>
<td>1,959</td>
<td>541</td>
</tr>
<tr>
<td>Travel</td>
<td>5,000</td>
<td>5,000</td>
<td>6,000</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>5,400</td>
<td>5,400</td>
<td>46,297</td>
<td>(40,897)</td>
</tr>
<tr>
<td>Dues</td>
<td>1,200</td>
<td>1,200</td>
<td>1,226</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>523,750</td>
<td>523,750</td>
<td>381,617</td>
<td>142,133</td>
</tr>
</tbody>
</table>

### Human Resources

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>194,201</td>
<td>194,201</td>
<td>199,871</td>
<td>(5,670)</td>
</tr>
<tr>
<td>Services</td>
<td>24,000</td>
<td>24,000</td>
<td>20,711</td>
<td>3,289</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>2,200</td>
<td>2,200</td>
<td>1,367</td>
<td>833</td>
</tr>
<tr>
<td>Travel</td>
<td>100</td>
<td>100</td>
<td>390</td>
<td>(290)</td>
</tr>
<tr>
<td>Dues</td>
<td>200</td>
<td>200</td>
<td>185</td>
<td>15</td>
</tr>
<tr>
<td>Capital</td>
<td>2,500</td>
<td>2,500</td>
<td>3,345</td>
<td>(845)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>223,201</td>
<td>223,201</td>
<td>225,869</td>
<td>(2,668)</td>
</tr>
</tbody>
</table>

### Technology

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>366,503</td>
<td>366,503</td>
<td>349,851</td>
<td>16,652</td>
</tr>
<tr>
<td>Services</td>
<td>277,201</td>
<td>277,201</td>
<td>202,722</td>
<td>74,479</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>16,340</td>
<td>16,340</td>
<td>15,193</td>
<td>1,147</td>
</tr>
<tr>
<td>Travel</td>
<td>9,000</td>
<td>9,000</td>
<td>7,655</td>
<td>1,345</td>
</tr>
<tr>
<td>Dues</td>
<td>399</td>
<td>399</td>
<td>250</td>
<td>149</td>
</tr>
<tr>
<td>Capital</td>
<td>641,031</td>
<td>641,031</td>
<td>111,085</td>
<td>529,946</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,310,474</td>
<td>1,310,474</td>
<td>686,756</td>
<td>623,718</td>
</tr>
</tbody>
</table>

See independent auditor's report and notes to required supplementary information (continued)
## TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual – School Unrestricted Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Final</td>
<td>Actual (Unfavorable)</td>
</tr>
<tr>
<td><strong>Business Office</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>$329,816 329,816</td>
<td>$349,149 (19,333)</td>
</tr>
<tr>
<td>Services/Maint Serv</td>
<td>67,250 78,500 66,897</td>
<td>85,780 2,720</td>
</tr>
<tr>
<td>Lease Payments</td>
<td>11,000 11,000 8,389</td>
<td>8,389 2,111</td>
</tr>
<tr>
<td>Travel</td>
<td>200 200 200 375</td>
<td>375 (175)</td>
</tr>
<tr>
<td>Dues</td>
<td>500 500 450</td>
<td>450 50</td>
</tr>
<tr>
<td>Capital</td>
<td>- - 4,810</td>
<td>4,810 (4,810)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>487,266 487,266</td>
<td>505,850 (18,584)</td>
</tr>
</tbody>
</table>

| **Facilities**      |                  |                    |
| Salaries            | 250,398 250,398 | 255,973 (5,575)    |
| Services/Maintenance| 891,750 891,750 | 891,288 462 |
| Insurance           | 175,000 175,000 | 170,817 4,183 |
| Utilities           | 1,130,000 1,130,000 | 1,150,789 (20,789) |
| Materials & Supplies| - - 41,681 | 41,681 (41,681) |
| Travel              | 2,500 2,500 3,440 | 3,440 (940) |
| Dues                | 750 750 750 | 750 |
| Capital             | 455,797 455,797 | 1,508,037 (1,052,240) |
| **Total**           | 2,906,195 2,906,195 | 4,022,025 (1,115,830) |

| **Athletics & Pool**|                  |                    |
| Salaries - Athletics Director | 74,232 | 74,232 75,048 (816) |
| Stipends - Coaches         | 158,067 158,067 | 162,239 (4,172) |
| Services/Rentals           | 46,440 46,440 | 9,305 37,135 |
| Materials & Supplies       | 34,850 34,850 | 19,780 15,070 |
| Transportation             | 70,000 70,000 | 77,204 (7,204) |
| Dues                        | 9,800 9,800 | 47,464 (37,664) |
| Capital                     | 393,389 393,389 | 391,040 2,349 |
| **Total**                  | 2,906,195 2,906,195 | 4,022,025 (1,115,830) |

| **Health Services**        |                  |                    |
| Services                   | 4,200 4,200 | 5,143 (943) |
| Materials & Supplies/Travel| 1,000 1,000 | 425 575 |
| **Total**                  | 5,200 5,200 | 5,568 (368) |

| **School Safety**          |                  |                    |
| Salaries Truant Officer    | 30,700 30,700 | 31,783 (1,083) |
| Travel/Supplies            | 600 600 | 1,973 (1,373) |
| Salaries Bus Monitors Thru | 175,000 175,000 | 156,050 18,950 |
| **Total**                  | 206,300 206,300 | 189,806 16,494 |

| **Transportation/Travel**  |                  |                    |
| Services State             | 492,243 492,243 | 403,185 89,058 |
| Summer School State & Durham| 120,000 | 120,000 113,414 6,586 |
| Services Durham            | 2,218,108 2,218,108 | 2,267,598 (49,490) |
| **Total**                  | 2,830,351 2,830,351 | 2,784,197 46,154 |

See independent auditor's report and notes to required supplementary information

(continued)
TOWN OF CUMBERLAND, RHODE ISLAND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – School Unrestricted Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Budgeted Amounts</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$ 15,000</td>
</tr>
<tr>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Other Tuitions - Charter Schools</strong></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>2,622,711</td>
</tr>
<tr>
<td></td>
<td>2,622,711</td>
</tr>
<tr>
<td><strong>Area Voc Tuitions &amp; Met School</strong></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>381,704</td>
</tr>
<tr>
<td></td>
<td>381,704</td>
</tr>
<tr>
<td><strong>Non-Public School Textbooks</strong></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>15,000</td>
</tr>
<tr>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>CTA 3% All Empl. Severance</td>
<td>122,775</td>
</tr>
<tr>
<td>Tuitions/Travel</td>
<td>10,000</td>
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<tr>
<td>ICSE Longevity</td>
<td>67,000</td>
</tr>
<tr>
<td>Healthcare Buyback</td>
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</tr>
<tr>
<td>Health Insurance Admin &amp; Claims (1)</td>
<td>5,294,080</td>
</tr>
<tr>
<td>Dental (2)</td>
<td>535,000</td>
</tr>
<tr>
<td>Social Security</td>
<td>386,641</td>
</tr>
<tr>
<td>Medicare</td>
<td>468,659</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>198,919</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>117,500</td>
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<tr>
<td>Unemployment Compensation</td>
<td>125,000</td>
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<tr>
<td>Survivors Benefits</td>
<td>39,856</td>
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<tr>
<td>Certified Retirement</td>
<td>4,459,182</td>
</tr>
<tr>
<td>Non-Certified Retirement</td>
<td>665,373</td>
</tr>
<tr>
<td></td>
<td>12,614,985</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>59,097,933</td>
</tr>
<tr>
<td><strong>Net change in fund balance, budgetary basis</strong></td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Fund balance - beginning of year</strong></td>
<td>$ 3,803,297</td>
</tr>
<tr>
<td><strong>Fund balance - end of year</strong></td>
<td>$ 4,833,540</td>
</tr>
</tbody>
</table>

Footnotes 1 & 2
Employee and Retiree co-payments are offset against Healthcare and Dental costs which result in an apparent positive variance for these two expenditures line items. This results in a revenue shortfall for these two revenue line items on page 70. This presentation is required under generally accepted accounting principles and the UCOA reporting requirements.

See independent auditor's report and notes to required supplementary information (continued)
## Schedule of Revenues, Expenditures and Changes in Fund Balance - Sewer Fund

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance</th>
<th>Favorable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other local and departmental revenue</td>
<td>$872,512</td>
<td>$872,512</td>
<td>$903,329</td>
<td>$30,817</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$872,512</td>
<td>$872,512</td>
<td>$903,329</td>
<td>$30,817</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>325,850</td>
<td>325,850</td>
<td>286,770</td>
<td>39,080</td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>546,662</td>
<td>546,662</td>
<td>546,669</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$872,512</td>
<td>$872,512</td>
<td>$833,439</td>
<td>$39,073</td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>-</td>
<td>-</td>
<td>69,890</td>
<td>(8,256)</td>
<td></td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenses and other uses</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>69,890</td>
<td>$ (8,256)</td>
</tr>
<tr>
<td>Adjustments of budgetary basis for US GAAP basis</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Excess of revenue and other source over expenditures and other financing uses, US GAAP basis</td>
<td>-</td>
<td>-</td>
<td>69,890</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>(1,376,428)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$ (1,306,538)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See independent auditor's report and notes to required supplementary information (continued)
Notes to Required Supplementary Information

June 30, 2015

Note 1 - Schedule of Funding Progress

The information presented in the required supplementary schedules was determined as part of the annual actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<table>
<thead>
<tr>
<th>Notes to Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
</tr>
<tr>
<td>Amortization method</td>
</tr>
<tr>
<td>Remaining amortization period</td>
</tr>
<tr>
<td>Inflation</td>
</tr>
<tr>
<td>Salary Increases</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Investment rate of return</td>
</tr>
<tr>
<td>Retirement age</td>
</tr>
<tr>
<td>Mortality</td>
</tr>
</tbody>
</table>

See independent auditor's report (continued)
Note 2 - Budgetary Data and Budgetary Compliance

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. 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 his 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.

See independent auditor's report
Explanation of Differences between Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>School Unrestricted</th>
<th>Sewer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)</td>
<td>$ 660,250</td>
<td>$ 1,030,243</td>
<td>$ 69,890</td>
</tr>
<tr>
<td>Unbudgeted state on behalf pension plan revenue</td>
<td>-</td>
<td>(2,464,092)</td>
<td>-</td>
</tr>
<tr>
<td>Unbudgeted state on behalf pension plan expenditures</td>
<td>-</td>
<td>2,464,092</td>
<td>-</td>
</tr>
<tr>
<td>Budgeted capital expenditures which are capitalized under the GAAP basis of accounting</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbudgeted depreciation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Principal payments which are budgeted for net netted against long term liabilities for GAAP purposes</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Budgeted appropriation from general fund surplus</td>
<td>(651,114)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbudgeted public fund activity</td>
<td>(49,599)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbudgeted police detail activity</td>
<td>122,463</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbudgeted recreation and OC&amp;YL activity</td>
<td>44,868</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unanticipated FEMA snow reimbursement</td>
<td>110,946</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)</td>
<td>$ 237,814</td>
<td>$ 1,030,243</td>
<td>$ 69,890</td>
</tr>
</tbody>
</table>
Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Water Fund

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>Original Budget</th>
<th>Budget As Adopted</th>
<th>Actual</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$ 4,696,816</td>
<td>$ 4,696,816</td>
<td>$ 4,802,821</td>
<td>$ 106,005</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>709,080</td>
<td>709,080</td>
<td>608,552</td>
<td>(100,528)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>5,405,896</td>
<td>5,405,896</td>
<td>5,411,373</td>
<td>5,477</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel services</td>
<td>1,339,129</td>
<td>1,339,129</td>
<td>1,309,051</td>
<td>30,078</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>147,800</td>
<td>147,800</td>
<td>127,419</td>
<td>20,381</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>209,000</td>
<td>209,000</td>
<td>154,350</td>
<td>54,650</td>
</tr>
<tr>
<td>Other charges and expenditures</td>
<td>3,144,967</td>
<td>3,144,967</td>
<td>2,523,521</td>
<td>621,446</td>
</tr>
<tr>
<td>Indirect cost</td>
<td>70,000</td>
<td>70,000</td>
<td>70,000</td>
<td>-</td>
</tr>
<tr>
<td>Debt service</td>
<td>495,000</td>
<td>495,000</td>
<td>479,960</td>
<td>15,040</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,405,896</td>
<td>5,405,896</td>
<td>4,664,301</td>
<td>741,595</td>
</tr>
</tbody>
</table>

Excess(deficiency) of revenues over expenses
- 747,072 747,072

Other financing sources (uses):
Transfers between funds
- - - -

Excess (deficiency) of revenues and other sources over expenses and other uses
$ - $ - 747,072 747,072

Adjustments of budgetary basis for
US GAAP basis
- 397,524

Excess of revenue and other source over expenditures and other financing uses,
US GAAP basis
- 1,144,596

Fund balance, beginning of year
- 25,368,419

Fund balance, end of year
$ 26,513,015

See independent auditor's report
### Budgetary - GAAP Reporting Reconciliation

<table>
<thead>
<tr>
<th>Description</th>
<th>Water Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)</td>
<td>$747,072</td>
</tr>
<tr>
<td>Budgeted capital expenditures which are capitalized under the GAAP basis of accounting</td>
<td>771,414</td>
</tr>
<tr>
<td>Unbudgeted depreciation expense</td>
<td>(656,700)</td>
</tr>
<tr>
<td>Principal payments which are budgeted for but netted against long term liability for GAAP purposes</td>
<td>282,810</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)</td>
<td>$1,144,596</td>
</tr>
</tbody>
</table>
Non-Major Governmental Funds
Combined Balance Sheet
June 30, 2015

<table>
<thead>
<tr>
<th>Town Special Revenue</th>
<th>School Special Revenue</th>
<th>Capital Projects</th>
<th>Total Non-Major Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and investments</strong></td>
<td>$843,510</td>
<td>$1,391,665</td>
<td>$815,871</td>
</tr>
<tr>
<td><strong>Due from other governments</strong></td>
<td>88,478</td>
<td>762,600</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other receivables, net</strong></td>
<td>272,950</td>
<td>11,135</td>
<td>-</td>
</tr>
<tr>
<td><strong>Due from other funds</strong></td>
<td>575,611</td>
<td>296,388</td>
<td>2,120,555</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,780,549</td>
<td>2,461,788</td>
<td>2,936,426</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$1,780,549</td>
<td>$2,461,788</td>
<td>$2,936,426</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>25,330</td>
</tr>
<tr>
<td><strong>Accounts payable and accrued expenses</strong></td>
<td>2,550</td>
<td>$209,981</td>
<td>$179,586</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>-</td>
<td>25,330</td>
<td>-</td>
</tr>
<tr>
<td><strong>Due to other funds</strong></td>
<td>528,888</td>
<td>1,608,600</td>
<td>596,682</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>531,438</td>
<td>1,843,911</td>
<td>776,268</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>266,700</td>
</tr>
<tr>
<td><strong>Unearned revenue</strong></td>
<td>266,700</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>266,700</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td>551,355</td>
<td>617,877</td>
<td>2,097,978</td>
</tr>
<tr>
<td><strong>Committed</strong></td>
<td>508,516</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Assigned</strong></td>
<td>-</td>
<td>-</td>
<td>62,180</td>
</tr>
<tr>
<td><strong>Unassigned</strong></td>
<td>(77,460)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>982,411</td>
<td>617,877</td>
<td>2,160,158</td>
</tr>
<tr>
<td><strong>Town liabilities, deferred inflows of resources, and fund balances</strong></td>
<td>$1,780,549</td>
<td>$2,461,788</td>
<td>$2,936,426</td>
</tr>
</tbody>
</table>

See independent auditor's report (continued)
## Combined Statement of Revenues, Expenditures and Changes in Fund Balance

### For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Town Special Revenue</th>
<th>School Special Revenue</th>
<th>Capital Projects</th>
<th>Total Non-Major Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and state grant income</td>
<td>$246,324</td>
<td>$3,145,895</td>
<td>$-</td>
<td>$3,392,219</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>785,496</td>
<td>-</td>
<td>785,496</td>
</tr>
<tr>
<td>Other revenue</td>
<td>331,250</td>
<td>78,706</td>
<td>-</td>
<td>409,956</td>
</tr>
<tr>
<td>Investment income</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>577,587</strong></td>
<td><strong>4,010,097</strong></td>
<td>-</td>
<td><strong>4,587,684</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>112,101</td>
<td>-</td>
<td>-</td>
<td>112,101</td>
</tr>
<tr>
<td>Public safety</td>
<td>114,641</td>
<td>-</td>
<td>-</td>
<td>114,641</td>
</tr>
<tr>
<td>Public works</td>
<td>103,454</td>
<td>-</td>
<td>197,447</td>
<td>300,901</td>
</tr>
<tr>
<td>Social services</td>
<td>79,278</td>
<td>-</td>
<td>-</td>
<td>79,278</td>
</tr>
<tr>
<td>Community development</td>
<td>51,255</td>
<td>-</td>
<td>-</td>
<td>51,255</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>1,893,636</td>
<td>-</td>
<td>1,893,636</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>-</td>
<td>2,030,845</td>
<td>-</td>
<td>2,030,845</td>
</tr>
<tr>
<td>Debt service - principal</td>
<td>235,000</td>
<td>-</td>
<td>4,135</td>
<td>239,135</td>
</tr>
<tr>
<td>Debt service - interest</td>
<td>95,175</td>
<td>-</td>
<td>3,465</td>
<td>98,640</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>790,904</strong></td>
<td><strong>3,924,481</strong></td>
<td><strong>205,047</strong></td>
<td><strong>4,920,432</strong></td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over expenditures

| Excess (deficiency) of revenues over expenditures | (213,317) | 85,616 | (205,047) | (332,748) |

**Other financing sources (uses)**

| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| **Total other financing sources (uses)** | - | - | - | - |

**Excess of revenue and other sources over expenditures and other uses**

<table>
<thead>
<tr>
<th>Excess of revenue and other sources over expenditures and other uses</th>
<th>(213,317)</th>
<th>85,616</th>
<th>(205,047)</th>
<th>(332,748)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance, July 1, 2014</td>
<td>1,195,728</td>
<td>532,261</td>
<td>2,365,205</td>
<td>4,093,194</td>
</tr>
<tr>
<td>Fund balance, June 30, 2015</td>
<td>$982,411</td>
<td>$617,877</td>
<td>$2,160,158</td>
<td>$3,760,446</td>
</tr>
</tbody>
</table>

---

See independent auditor's report

(continued)

117
## TOWN OF CUMBERLAND, RHODE ISLAND

**Non-Major Governmental Funds**

Combining Balance Sheet – Town Special Revenue Funds

*June 30, 2015*

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Substance Abuse</th>
<th>Animal Control</th>
<th>Impact Fees</th>
<th>Sewer Ferncrest</th>
<th>Revolving Willow</th>
<th>Historical Records</th>
<th>Monestary Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>$</td>
<td>$ 829,162</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>5,365</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>266,700</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,250</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>9,529</td>
<td>50,047</td>
<td>54,576</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>5,365</td>
<td>7,869</td>
<td>838,691</td>
<td>266,700</td>
<td>50,047</td>
<td>54,576</td>
<td>6,250</td>
</tr>
</tbody>
</table>

### Deferred outflows of resources

None

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Substance Abuse</th>
<th>Animal Control</th>
<th>Impact Fees</th>
<th>Sewer Ferncrest</th>
<th>Revolving Willow</th>
<th>Historical Records</th>
<th>Monestary Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>(465)</td>
<td>-</td>
<td>330,175</td>
<td>77,460</td>
<td>-</td>
<td>-</td>
<td>6,250</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>(465)</td>
<td>-</td>
<td>330,175</td>
<td>77,460</td>
<td>-</td>
<td>-</td>
<td>6,250</td>
</tr>
</tbody>
</table>

### Deferred inflows of resources

Unearned Revenue

<table>
<thead>
<tr>
<th></th>
<th>Substance Abuse</th>
<th>Animal Control</th>
<th>Impact Fees</th>
<th>Sewer Ferncrest</th>
<th>Revolving Willow</th>
<th>Historical Records</th>
<th>Monestary Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Fund Balances

<table>
<thead>
<tr>
<th></th>
<th>Substance Abuse</th>
<th>Animal Control</th>
<th>Impact Fees</th>
<th>Sewer Ferncrest</th>
<th>Revolving Willow</th>
<th>Historical Records</th>
<th>Monestary Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>5,830</td>
<td>7,869</td>
<td>-</td>
<td>-</td>
<td>50,047</td>
<td>54,576</td>
<td>-</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>508,516</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>(77,460)</td>
<td>(77,460)</td>
<td>50,047</td>
<td>54,576</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balances (deficits)</strong></td>
<td>5,830</td>
<td>7,869</td>
<td>508,516</td>
<td>(77,460)</td>
<td>50,047</td>
<td>54,576</td>
<td>-</td>
</tr>
</tbody>
</table>

### See independent auditor's report
## Comprehensive Planning CDBG

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>548</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,304</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>119,502</td>
<td>995</td>
<td>9,748</td>
<td>(1,304)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>120,050</td>
<td>2,982</td>
<td>9,748</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Deferred outflows of resources

| None                       | -        | -        | -        | -        | -        | -        | -        | -        |
| **Total assets and deferred outflows of resources** | $120,050 | $2,982   | $9,748   | $-       | $-       | $-       | $-       | $4,634   |

## Liabilities

| Accounts payable and accrued expenses | $        | $        | $        | $        | $        | $        | $        | $        |
| Due to Other Funds                  | -        | -        | -        | -        | -        | -        | -        | -        |
| **Total liabilities**               | -        | -        | -        | -        | -        | -        | -        | -        |

## Deferred inflows of resources

| None                       | -        | -        | -        | -        | -        | -        | -        | -        |
| **Total deferred inflows of resources** | -        | -        | -        | -        | -        | -        | -        | -        |

## Fund Balances

| Restricted                  | 120,050  | 2,982    | 9,748    | -        | -        | 4,634    |          |          |
| Committed                   | -        | -        | -        | -        | -        | -        | -        | -        |
| Unassigned                  | -        | -        | -        | -        | -        | -        | -        | -        |
| **Total fund balances (deficits)** | 120,050  | 2,982    | 9,748    | -        | -        | 4,634    |          |          |

## Total liabilities, deferred inflows of resources, and fund balances (deficits)

| $120,050 | $2,982 | $9,748 | - | - | 4,634 |

*See independent auditor's report*  

(continued)  

119
# TOWN OF CUMBERLAND, RHODE ISLAND

**Non-Major Governmental Funds**

Combining Balance Sheet – Town Special Revenue Funds

_June 30, 2015_

<table>
<thead>
<tr>
<th>United Way Hasbro</th>
<th>Heritage Park Dem Grant</th>
<th>Police Forfeiture</th>
<th>Police Tobacco</th>
<th>Police Underage Drinking</th>
<th>Homeland Security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>-</td>
<td>-</td>
<td>191</td>
<td>394</td>
<td>-</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>22,968</td>
<td>-</td>
<td>22,004</td>
<td>1,936</td>
<td>1,912</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>22,968</td>
<td>-</td>
<td>22,195</td>
<td>2,330</td>
<td>1,912</td>
</tr>
</tbody>
</table>

**Deferred outflows of resources**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$ 22,968</td>
<td>$ -</td>
<td>$ 22,195</td>
<td>$ 2,330</td>
<td>$ 1,912</td>
</tr>
</tbody>
</table>

**Liabilities**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Deferred inflows of resources**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Fund Balances**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>22,968</td>
<td>-</td>
<td>22,195</td>
<td>2,330</td>
<td>1,912</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balances (deficits)</strong></td>
<td>22,968</td>
<td>-</td>
<td>22,195</td>
<td>2,330</td>
<td>1,912</td>
</tr>
</tbody>
</table>

**Total liabilities, deferred inflows of resources, and fund balances (deficits)**

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 22,968</td>
<td>$ -</td>
<td>$ 22,195</td>
<td>$ 2,330</td>
<td>$ 1,912</td>
<td>$ 35,351</td>
</tr>
</tbody>
</table>

See independent auditor's report (continued)
TOWN OF CUMBERLAND, RHODE ISLAND  
Non-Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue Funds  
June 30, 2015

See independent auditor's report  
(continued)

<table>
<thead>
<tr>
<th></th>
<th>Emergency</th>
<th>Bullet</th>
<th>Partnership</th>
<th>RIPTIDE</th>
<th>Recreation</th>
<th>Certified Local</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performance</td>
<td>Proof</td>
<td>For Success</td>
<td>DUI</td>
<td>Small Grant</td>
<td>Government</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>grant</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>-</td>
<td>1,488</td>
<td>41,808</td>
<td>555</td>
<td>-</td>
<td>- 7,000</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>1,294</td>
<td>1,488</td>
<td>30,740</td>
<td>7,408</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,294</td>
<td>1,488</td>
<td>72,548</td>
<td>7,963</td>
<td>-</td>
<td>- 7,000</td>
</tr>
</tbody>
</table>

| **Deferred outflows of resources** | | | | | | |
| None                              | -        | - | -          | -     | -          | -            |
| **Total assets and deferred outflows of resources** | $ 1,294 | $ 1,488 | $ 72,548 | $ 7,963 | -          | $ 7,000      |

| **Liabilities** | | | | | | |
| Accounts payable and accrued expenses | $ -        | $ - | $ 1,150 | $ 344 | $ -        | $ 347        |
| Due to Other Funds | -        | 1,488 | 71,398 | 7,619 | -          | - 6,653      |
| **Total liabilities** | -        | 1,488 | 72,548 | 7,963 | -          | - 7,000      |

| **Deferred inflows of resources** | | | | | | |
| Unearned Revenue | -        | - | -          | -     | -          | -            |
| **Total deferred inflows of resources** | -        | - | -          | -     | -          | -            |

| **Fund Balances** | 1,294 | - | - | - | - |
| Restricted          | - | - | - | - | - |
| Committed           | - | - | - | - | - |
| Unassigned          | - | - | - | - | - |
| **Total fund balances (deficits)** | -        | - | - | - | - |

| **Total liabilities, deferred inflows of resources, and fund balances (deficits)** | $ 1,294 | $ 1,488 | $ 72,548 | $ 7,963 | $ - | $ 7,000 |

(continued)
### TOWN OF CUMBERLAND, RHODE ISLAND

**Non-Major Governmental Funds**

Combining Balance Sheet – Town Special Revenue Funds

_June 30, 2015_

<table>
<thead>
<tr>
<th>Assets</th>
<th>RIPTIDE Speed</th>
<th>Child Passenger Safety</th>
<th>Town Clerk Special</th>
<th>Click it or Ticket</th>
<th>RIEMA Hazard Mitigation</th>
<th>Byrne / JAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>-</td>
<td>900</td>
<td>-</td>
<td>-</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>-</td>
<td>900</td>
<td>207,592</td>
<td>-</td>
<td>182</td>
<td>1,868</td>
</tr>
</tbody>
</table>

#### Deferred outflows of resources

None

<table>
<thead>
<tr>
<th><strong>Total assets and deferred outflows of resources</strong></th>
<th>$</th>
<th>$</th>
<th>$ 207,592</th>
<th>$</th>
<th>$ 182</th>
<th>$ 1,868</th>
</tr>
</thead>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Accounts payable and accrued expenses</th>
<th>$</th>
<th>-</th>
<th>$ 344</th>
<th>$</th>
<th>-</th>
<th>$</th>
<th>$ 182</th>
<th>$</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>-</td>
<td>844</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Deferred inflows of resources

Unearned Revenue

<table>
<thead>
<tr>
<th><strong>Total deferred inflows of resources</strong></th>
<th>$</th>
<th>-</th>
<th>56</th>
<th>207,592</th>
<th>-</th>
<th>-</th>
<th>1,868</th>
</tr>
</thead>
</table>

#### Fund Balances

| Restricted                              | - | - | 56   | 207,592 | - | - | 1,868 |
| Committed                               | - | - | -    | -       | - | - | -    |
| Unassigned                              | - | - | -    | -       | - | - | -    |
| **Total fund balances (deficits)**      | - | - | 56   | 207,592 | - | - | 1,868 |

<table>
<thead>
<tr>
<th><strong>Total liabilities, deferred inflows of resources, and fund balances (deficits)</strong></th>
<th>$</th>
<th>-</th>
<th>900</th>
<th>$ 207,592</th>
<th>$</th>
<th>-</th>
<th>$ 182</th>
<th>$ 1,868</th>
</tr>
</thead>
</table>

See independent auditor's report (continued)
## TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Balance Sheet – Town Special Revenue Funds

June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Byrne / JAG 2011</th>
<th>America the Beautiful Tree</th>
<th>Hazard Mitigation</th>
<th>Valley Falls Park</th>
<th>Polling Access Grant</th>
<th>Total Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ -</td>
<td>$ 53</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal and state grants receivable</td>
<td>-</td>
<td>-</td>
<td>2,500</td>
<td>25,493</td>
<td>-</td>
<td>88,478</td>
</tr>
<tr>
<td>Receivable, other, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>272,950</td>
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<td>Due from Other Funds</td>
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<td>-</td>
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<td>575,611</td>
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<tr>
<td><strong>Total assets</strong></td>
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<td>53</td>
<td>2,500</td>
<td>25,493</td>
<td>-</td>
<td>1,780,549</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$ -</td>
<td>$ 53</td>
<td>$ 2,500</td>
<td>$ 25,493</td>
<td>$ -</td>
<td>$ 1,780,549</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 183</td>
<td>$ -</td>
</tr>
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<td>Due to Other Funds</td>
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<td>2,500</td>
<td>-</td>
<td>25,310</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>-</td>
<td>-</td>
<td>2,500</td>
<td>25,493</td>
<td>-</td>
<td>531,438</td>
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<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>53</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balances (deficits)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources, and fund balances (deficits)</strong></td>
<td>$ -</td>
<td>$ 53</td>
<td>$ 2,500</td>
<td>$ 25,493</td>
<td>$ -</td>
<td>$ 1,780,549</td>
</tr>
</tbody>
</table>

See independent auditor's report

(continued)

123
### Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Town Special Revenue Funds

**For the Year Ended June 30, 2015**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Substance Abuse</th>
<th>Animal Abuse</th>
<th>Impact Abuse</th>
<th>Sewer Abuse</th>
<th>Ferncrest Abuse</th>
<th>Revolving Abuse</th>
<th>Historical Abuse</th>
<th>Monestary Abuse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and state grants</td>
<td>$ 25,632 $</td>
<td>- $</td>
<td>- $</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Other income</td>
<td>- $</td>
<td>- $</td>
<td>193,065</td>
<td>33,310</td>
<td>- $</td>
<td>5,220</td>
<td>6,250</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>- $</td>
<td>13 $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Total revenues</td>
<td>25,632 $</td>
<td>13 $</td>
<td>193,065</td>
<td>33,310</td>
<td>- $</td>
<td>- $</td>
<td>5,220</td>
<td>6,250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Substance Abuse</th>
<th>Animal Abuse</th>
<th>Impact Abuse</th>
<th>Sewer Abuse</th>
<th>Ferncrest Abuse</th>
<th>Revolving Abuse</th>
<th>Historical Abuse</th>
<th>Monestary Abuse</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>- $</td>
<td>- $</td>
<td>82,906</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Public Safety</td>
<td>- $</td>
<td>1,000</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Public Works</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>17,850</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Social services</td>
<td>25,738 $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>6,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Debt - Principal</td>
<td>- $</td>
<td>- $</td>
<td>235,000</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Debt - Interest</td>
<td>- $</td>
<td>95,175</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>25,738 $</td>
<td>1,000</td>
<td>413,081</td>
<td>17,850</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>6,250</td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenue              | (106)           | (987)        | (220,016)    | 15,460      | - $             | 5,220           | - $              |

| Other financing sources (uses)              |                 |              |              |             |                 |                 |                  |
| Transfers In                               | - $            | - $          | - $          | - $         | - $             | - $             |                  |
| Transfers Out                              | - $            | - $          | - $          | - $         | - $             | - $             |                  |

| Excess (deficiency) of revenues and         | (106)           | (987)        | (220,016)    | 15,460      | - $             | 5,220           | - $              |
| other sources over expenditures             |                 |              |              |             |                 |                 |                  |
| and other uses                              |                 |              |              |             |                 |                 |                  |

| Fund Balance, Unreserved June 30, 2014      | 5,936           | 8,856        | 728,532      | (92,920)    | 50,047          | 49,356          |                  |
| Fund Balance, Unreserved June 30, 2015      | $ 5,830         | $ 7,869      | $ 508,516    | $ (77,460)  | $ 50,047        | $ 54,576        |                  |

*See independent auditor's report*
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Town Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Comprehensive Planning CDBG</th>
<th>Rescue Fund</th>
<th>Animal Husbandry</th>
<th>Wildwood CDBG</th>
<th>Library Legislative Grant</th>
<th>DARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and state grants</td>
<td>$ 15,491</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,000</td>
<td>$ -</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>1,002</td>
<td>1,133</td>
<td>-</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>15,491</strong></td>
<td><strong>1,002</strong></td>
<td><strong>1,133</strong></td>
<td><strong>-</strong></td>
<td><strong>2,000</strong></td>
<td><strong>156</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety</td>
<td>-</td>
<td>(995)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Social services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community development</td>
<td>28,617</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Debt - Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt - Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>28,617</strong></td>
<td><strong>(995)</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>2,000</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenue over expenditures | (13,126) | 1,997 | 1,133 | - | - | 156 |

| Other financing sources (uses)                 |            |      |      |   |   |      |
| Transfers In                                  | -          | -    | -    | - | - | -    |
| Transfers Out                                 | -          | -    | -    | - | - | -    |

| Excess (deficiency) of revenues and other sources over expenditures and other uses | (13,126) | 1,997 | 1,133 | - | - | 156 |

| Fund Balance, Unreserved June 30, 2014         | 133,176    | 985  | 8,615 | - | - | 4,478 |
| Fund Balance, Unreserved June 30, 2015         | $ 120,050  | $ 2,982 | $ 9,748 | $ - | $ - | $ 4,634 |

See independent auditor's report
## TOWN OF CUMBERLAND, RHODE ISLAND

**Non-Major Governmental Funds**
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Town Special Revenue Funds

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th>United Way Hasbro</th>
<th>Heritage Park Dem Grant</th>
<th>Police Forfeiture</th>
<th>Police Tobacco</th>
<th>Police Underage Drinking</th>
<th>Homeland Security</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>$ -</td>
<td>$ 49,064</td>
<td>$ 3,955</td>
<td>$ 826</td>
<td>$ -</td>
</tr>
<tr>
<td>Other income</td>
<td>$ 30,360</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$ 30,360</td>
<td>$ 49,064</td>
<td>$ 3,955</td>
<td>$ 826</td>
<td>-</td>
</tr>
</tbody>
</table>

| **Expenditures**                          |                         |                   |                |                          |                  |
| General government                        | - | - | - | - | - | - |
| Public Safety                             | - | - | 200 | 826 | - | 2,666 |
| Public Works                              | - | 49,064 | - | - | - | - |
| Social services                           | 19,797 | - | - | - | - | - |
| Community development                     | - | - | - | - | - | - |
| Debt - Principal                          | - | - | - | - | - | - |
| Debt - Interest                           | - | - | - | - | - | - |
| **Total expenditures**                    | $ 19,797 | $ 49,064 | $ 200 | $ 826 | - | $ 2,666 |

| **Excess (deficiency) of revenue**         |                         |                   |                |                          |                  |
| over expenditures                         | 10,563 | - | 3,755 | - | - | 84 |

| **Other financing sources (uses)**         |                         |                   |                |                          |                  |
| Transfers In                              | - | - | - | - | - | - |
| Transfers Out                             | - | - | - | - | - | - |
| **Excess (deficiency) of revenues and**    |                         |                   |                |                          |                  |
| other sources over expenditures           | 10,563 | - | 3,755 | - | - | 84 |
| and other uses                            |                         |                   |                |                          |                  |

| **Fund Balance, Unreserved June 30, 2014** | $ 12,405 | - | $ 18,440 | $ 2,330 | $ 1,912 | $ 35,267 |
| **Fund Balance, Unreserved June 30, 2015** | $ 22,968 | - | $ 22,195 | $ 2,330 | $ 1,912 | $ 35,351 |

*See independent auditor's report*
### TOWN OF CUMBERLAND, RHODE ISLAND

*Non-Major Governmental Funds*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance– Town Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Emergency Performance</th>
<th>Bullet Proof Vest</th>
<th>Partnership for Success</th>
<th>RIPTIDE DUI</th>
<th>Recreation Small Grant</th>
<th>Certified Local Government Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>$</td>
<td>-</td>
<td>$ 94,112</td>
<td>$ 2,216</td>
<td>$</td>
<td>$ 11,500</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>2,976</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>-</td>
<td>2,976</td>
<td>94,112</td>
<td>2,216</td>
<td>-</td>
<td>11,500</td>
</tr>
</tbody>
</table>

| **Expenditures**     |                       |                   |                         |             |                        |                                  |
| General government   | -                     | -                 | -                       | -           | -                      | -                                |
| Public Safety        | -                     | 2,976             | 94,112                  | 2,216       | -                      | -                                |
| Public Works         | -                     | -                 | -                       | -           | -                      | -                                |
| Social services      | -                     | -                 | -                       | -           | -                      | -                                |
| Community development| -                     | -                 | -                       | -           | 11,500                 | -                                |
| Debt - Principal     | -                     | -                 | -                       | -           | -                      | -                                |
| Debt - Interest      | -                     | -                 | -                       | -           | -                      | -                                |
| **Total expenditures**| -                     | 2,976             | 94,112                  | 2,216       | -                      | 11,500                           |

| **Excess (deficiency) of revenue over expenditures** |                       |                   |                         |             |                        |                                  |
|                                                      | -                     | -                 | -                       | -           | -                      | -                                |

| **Other financing sources (uses)**                  |                       |                   |                         |             |                        |                                  |
| Transfers In                                       | -                     | -                 | -                       | -           | -                      | -                                |
| Transfers Out                                      | -                     | -                 | -                       | -           | -                      | -                                |

| **Excess (deficiency) of revenues and other sources over expenditures and other uses** |                       |                   |                         |             |                        |                                  |
|                                                                                      | -                     | -                 | -                       | -           | -                      | -                                |

| **Fund Balance, Unreserved June 30, 2014**          | 1,294                 | -                 | -                       | -           | -                      | -                                |
| **Fund Balance, Unreserved June 30, 2015**          | $ 1,294               | $ -               | $ -                     | $ -         | $ -                    | $ -                              |

*See independent auditor's report*
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Town Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>RIPTIDE Speed</th>
<th>Child Passenger Safety</th>
<th>Town Clerk Special</th>
<th>Click it or Ticket</th>
<th>RIEMA Hazard Mitigation</th>
<th>Byrne / JAG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>$ 2,510</td>
<td>$ 5,094</td>
<td>$</td>
<td>$ 2,166</td>
<td>$ 182</td>
<td>$ -</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>32,232</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,510</td>
<td>5,094</td>
<td>32,232</td>
<td>2,166</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>-</td>
<td>-</td>
<td>13,195</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety</td>
<td>2,510</td>
<td>5,094</td>
<td>-</td>
<td>2,166</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Social services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td>Debt - Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt - Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>2,510</td>
<td>5,094</td>
<td>13,195</td>
<td>2,166</td>
<td>182</td>
<td>-</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>19,037</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Other financing sources (uses)

|                      |               |                       |                    |                    |                         |             |
| Transfers In         | -             | -                     | -                  | -                  | -                       | -           |
| Transfers Out        | -             | -                     | -                  | -                  | -                       | -           |
| **Excess (deficiency) of revenues and other sources over expenditures and other uses** | - | - | 19,037 | - | - | - |

Fund Balance, Unreserved June 30, 2014

|                      |               |                       |                    |                    |                         |             |
| Fund Balance, Unreserved June 30, 2015 | $ -          | $ 56                  | $ 188,555          | -                  | -                       | 1,868       |

See independent auditor's report

(continued)

128
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Town Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Byrne / JAG 2011</th>
<th>Champlin</th>
<th>America the Beautiful Tree</th>
<th>Hazard Mitigation</th>
<th>Valley Falls Park</th>
<th>Polling Access Grant</th>
<th>Total Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>$1,870</td>
<td>$-</td>
<td>$-</td>
<td>$10,956</td>
<td>$-</td>
<td>$16,000</td>
<td>$246,324</td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>53</td>
<td>-</td>
<td>-</td>
<td>25,493</td>
<td>-</td>
<td>331,250</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$1,870</td>
<td>53</td>
<td>$-</td>
<td>$10,956</td>
<td>$25,493</td>
<td>$16,000</td>
<td>$577,587</td>
</tr>
</tbody>
</table>

| **Expenditures**       |                  |          |                             |                   |                   |                      |                       |
| General government     | -                | -        | -                           | -                 | -                 | -                    | 16,000                |
| Public Safety          | $1,870           | -        | -                           | -                 | -                 | -                    | 114,641               |
| Public Works           | -                | 36,540   | -                           | -                 | -                 | -                    | 103,454               |
| Social services        | -                | -        | -                           | -                 | 25,493            | -                    | 79,278                |
| Community development  | -                | -        | -                           | 10,956            | -                 | -                    | 51,255                |
| Debt - Principal       | -                | -        | -                           | -                 | -                 | -                    | 235,000               |
| Debt - Interest        | -                | -        | -                           | -                 | -                 | -                    | 95,175                |
| **Total expenditures** | $1,870           | 36,540   | $-                          | $10,956           | $25,493           | $16,000              | $790,904              |

| **Excess (deficiency) of revenue** |                  |          |                             |                   |                   |                      |                       |
| over expenditures       | -                | (36,487) | -                           | -                 | -                 | -                    | (213,317)             |

| **Other financing sources (uses)** |                  |          |                             |                   |                   |                      |                       |
| Transfers In            | -                | -        | -                           | -                 | -                 | -                    | -                     |
| Transfers Out           | -                | -        | -                           | -                 | -                 | -                    | -                     |

| **Excess (deficiency) of revenues and other sources over expenditures and other uses** |                  |          |                             |                   |                   |                      |                       |
| - (36,487)              | -                | -        | -                           | -                 | -                 | -                    | (213,317)             |

| **Fund Balance, Unreserved June 30, 2014** |                  |          |                             |                   |                   |                      |                       |
| - 36,540                | -                | -        | -                           | -                 | -                 | -                    | 1,195,728             |

| **Fund Balance, Unreserved June 30, 2015** |                  |          |                             |                   |                   |                      |                       |
| - $53                   | -                | -        | -                           | -                 | -                 | -                    | $982,411              |

See independent auditor's report

(continued)

129
## Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

### For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Assets</th>
<th>SPED Part B</th>
<th>SPED Preschool</th>
<th>Title I Part A</th>
<th>Title II</th>
<th>Title III</th>
<th>USDA Fresh Fruit &amp; Vegetables</th>
<th>RTTT Standard &amp; Curriculum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Due from other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,752</td>
<td>-</td>
</tr>
<tr>
<td>Other receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from state or federal government</td>
<td>393,156</td>
<td>7,760</td>
<td>159,122</td>
<td>57,788</td>
<td>17,941</td>
<td>12,618</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>393,156</td>
<td>7,760</td>
<td>159,122</td>
<td>57,788</td>
<td>17,941</td>
<td>19,370</td>
<td>-</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

None

Total deferred outflows of resources

| $ 393,156 | $ 7,760 | $ 159,122 | $ 57,788 | $ 17,941 | $ 19,370 | $ - |

### Liabilities

| Accounts payable and accrued expenses | $ 10,059 | $ - | $ 727 | $ - | $ - | $ - | $ - |
| Other current liabilities             | -        | -   | -     | -     | -     | -     | -     |
| Due to other funds                    | 383,097  | 7,760 | 158,395 | 57,788 | 17,941 | 17,706 | - |
| Total liabilities                     | 393,156  | 7,760 | 159,122 | 57,788 | 17,941 | 17,706 | - |

### Deferred Inflows of Resources

None

Total deferred inflow of resources

| - | - | - | - | - | - | - |

Fund balances (deficits), restricted

| - | - | - | - | - | 1,664 | - |

Total liabilities, deferred inflows of resources, and fund balances (deficits)

| $ 393,156 | $ 7,760 | $ 159,122 | $ 57,788 | $ 17,941 | $ 19,370 | $ - |

See independent auditor's report

(continued) 130
**TOWN OF CUMBERLAND, RHODE ISLAND**

*Non-Major Governmental Funds*
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th>Assets</th>
<th>Teacher Effectiveness</th>
<th>Set Aside</th>
<th>Educator Effect</th>
<th>Human Cap</th>
<th>Early Childhood</th>
<th>Literacy</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Due from other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 146,207</td>
<td>$ 139,039</td>
</tr>
<tr>
<td>Other receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from state or federal government</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 146,207</td>
</tr>
</tbody>
</table>

**Deferred Outflows of Resources**

None

Total deferred outflows of resources $ -      | $ -          | $ -            | $ -       | $ -            | $ -     | $ 146,207  | $ 139,039 |

**Liabilities**

Accounts payable and accrued expenses $ -      | $ -          | $ -            | $ -       | $ -            | $ -     | $ -        | $ -        |
| Other current liabilities | -          | -         | -               | -         | -              | -       | -          |
| Due to other funds | -          | -         | -               | -         | -              | -       | -          |
| Total liabilities | -          | -         | -               | -         | -              | -       | -          |

**Deferred Inflows of Resources**

None

Total deferred inflow of resources $ -      | $ -          | $ -            | $ -       | $ -            | $ -     | $ 146,207  | $ 139,039 |

Fund balances (deficits), restricted $ -      | $ -          | $ -            | $ -       | $ -            | $ -     | $ 146,207  | $ 139,039 |

Total liabilities, deferred inflows of resources, and fund balances (deficits) $ -      | $ -          | $ -            | $ -       | $ -            | $ -     | $ 146,207  | $ 139,039 |

*See independent auditor's report*
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Professional Development</th>
<th>CTE Categorical</th>
<th>Other Miscellaneous</th>
<th>School Lunch</th>
<th>Total School Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$</td>
<td>$</td>
<td>$104,261</td>
<td>$1,287,404</td>
<td>$1,391,665</td>
</tr>
<tr>
<td>Due from other Funds</td>
<td>380</td>
<td>1,236</td>
<td>2,774</td>
<td>-</td>
<td>296,388</td>
</tr>
<tr>
<td>Other receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,135</td>
<td>11,135</td>
</tr>
<tr>
<td>Due from state or federal government</td>
<td>-</td>
<td>-</td>
<td>2,262</td>
<td>111,953</td>
<td>762,600</td>
</tr>
<tr>
<td>Total assets</td>
<td>380</td>
<td>1,236</td>
<td>109,297</td>
<td>1,410,492</td>
<td>2,461,788</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>$ 380</td>
<td>$ 1,236</td>
<td>$109,297</td>
<td>$1,410,492</td>
<td>$2,461,788</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$</td>
<td>$345</td>
<td>$8,771</td>
<td>$190,079</td>
<td>$209,981</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,330</td>
<td>25,330</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>965,913</td>
<td>1,608,600</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>-</td>
<td>345</td>
<td>8,771</td>
<td>1,181,322</td>
<td>1,843,911</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred inflow of resources</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances (deficits), restricted</td>
<td>380</td>
<td>891</td>
<td>100,526</td>
<td>229,170</td>
<td>617,877</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources, and fund balances (deficits)</td>
<td>$ 380</td>
<td>$ 1,236</td>
<td>$109,297</td>
<td>$1,410,492</td>
<td>$2,461,788</td>
</tr>
</tbody>
</table>

See independent auditor's report

(continued)
### Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

**For the Year Ended June 30, 2015**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>SPED</th>
<th>SPED</th>
<th>Title I</th>
<th>Title II</th>
<th>Title III</th>
<th>USDA Fresh Fruit &amp; Vegetables</th>
<th>RTTT Standard &amp; Curriculum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1,149,010</td>
<td>37,874</td>
<td>403,019</td>
<td>139,384</td>
<td>29,076</td>
<td>41,726</td>
<td>1,962</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,149,010</td>
<td>37,874</td>
<td>403,019</td>
<td>139,384</td>
<td>29,076</td>
<td>41,726</td>
<td>1,962</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>SPED</th>
<th>SPED</th>
<th>Title I</th>
<th>Title II</th>
<th>Title III</th>
<th>USDA Fresh Fruit &amp; Vegetables</th>
<th>RTTT Standard &amp; Curriculum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1,149,010</td>
<td>37,874</td>
<td>403,019</td>
<td>139,384</td>
<td>29,076</td>
<td>40,062</td>
<td>1,962</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,664</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>SPED</th>
<th>SPED</th>
<th>Title I</th>
<th>Title II</th>
<th>Title III</th>
<th>USDA Fresh Fruit &amp; Vegetables</th>
<th>RTTT Standard &amp; Curriculum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues and other sources over expenditures and other uses</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,664</td>
<td>-</td>
</tr>
</tbody>
</table>

| Fund balance, July 1, 2014 | - | - | - | - | - | - | - |
| Fund balance, June 30, 2015 | $ | $ | $ | $ | $ | $ | $ |

*See independent auditor's report*
## TOWN OF CUMBERLAND, RHODE ISLAND

### Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th>Revenues</th>
<th>RTTT Teacher Effectiveness</th>
<th>RTTT Set Aside</th>
<th>RTTT Educator Effect</th>
<th>RTTT Human Cap</th>
<th>RTTT Early Childhood</th>
<th>Literacy</th>
<th>Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and state grant income</td>
<td>$426</td>
<td>$924</td>
<td>$4,737</td>
<td>$27,275</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues</td>
<td>426</td>
<td>924</td>
<td>4,737</td>
<td>27,275</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Education</th>
<th>Cafeteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>426</td>
<td>924</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenue over expenditures | - | - | - | - | (943) | - | - | - |

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>Transfers in</th>
<th>Transfers out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Excess (deficiency) of revenues and other sources over expenditures and other uses | - | - | - | - | (943) | - | - | - |
| Fund balance, July 1, 2014 | - | - | - | - | - | 943 | 146,207 | 139,039 |
| Fund balance, June 30, 2015 | $- | $- | $- | $- | $- | $- | $146,207 | $139,039 |

*See independent auditor's report*
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – School Special Revenue Funds

For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Professional Development</th>
<th>CTE Categorical</th>
<th>Other Miscellaneous</th>
<th>School Lunch</th>
<th>Total School Special Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grant income</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,000</td>
<td>$ 1,307,482</td>
<td>$ 3,145,895</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>785,496</td>
<td>785,496</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>78,706</td>
<td>-</td>
<td>78,706</td>
</tr>
<tr>
<td>Total revenues</td>
<td>-</td>
<td>-</td>
<td>81,706</td>
<td>2,092,978</td>
<td>4,010,097</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>15,027</td>
<td>43,917</td>
<td>-</td>
<td>1,893,636</td>
</tr>
<tr>
<td>Cafeteria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,030,845</td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenditures</td>
<td>-</td>
<td>(15,027)</td>
<td>37,789</td>
<td>62,133</td>
<td>85,616</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues and other sources over expenditures and other uses</td>
<td>-</td>
<td>(15,027)</td>
<td>37,789</td>
<td>62,133</td>
<td>85,616</td>
</tr>
<tr>
<td>Fund balance, July 1, 2014</td>
<td>380</td>
<td>15,918</td>
<td>62,737</td>
<td>167,037</td>
<td>532,261</td>
</tr>
<tr>
<td>Fund balance, June 30, 2015</td>
<td>$ 380</td>
<td>$ 891</td>
<td>$ 100,526</td>
<td>$ 229,170</td>
<td>$ 617,877</td>
</tr>
</tbody>
</table>

See independent auditor's report

(continued)

135
TOWN OF CUMBERLAND, RHODE ISLAND

Non-Major Governmental Funds
Combining Balance Sheet – Capital Project Funds

June 30, 2015

<table>
<thead>
<tr>
<th>Assets</th>
<th>Drainage</th>
<th>Recreation Bond</th>
<th>Open Space</th>
<th>Tucker Field Phase II</th>
<th>Capital Reserve Library</th>
<th>Capital Lease Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$815,871</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$815,871</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>899,650</td>
<td>1,120,216</td>
<td>40,225</td>
<td>30,000</td>
<td>30,464</td>
<td>2,120,555</td>
</tr>
<tr>
<td>Total assets</td>
<td>815,871</td>
<td>899,650</td>
<td>1,120,216</td>
<td>40,225</td>
<td>30,000</td>
<td>30,464</td>
<td>2,936,426</td>
</tr>
</tbody>
</table>

Deferred outflows of resources

| None | - | - | - | - | - | - | - |
| Total assets and deferred outflows of resources | $815,871 | $899,650 | $1,120,216 | $40,225 | $30,000 | $30,464 | $2,936,426 |

Liabilities

| Accounts Payable and Accrued Expense | $152,762 | $18,779 | $ - | $8,045 | $ - | $ - | $179,586 |
| Due to Other funds | 443,669 | 153,013 | - | - | - | - | 596,682 |
| Total liabilities | 596,431 | 171,792 | - | 8,045 | - | - | 776,268 |

Deferred inflows of resources

| None | - | - | - | - | - | - | - |

Fund Balances

| Restricted | 219,440 | 727,858 | 1,120,216 | - | 30,464 | 2,997,978 |
| Assigned | - | - | - | 32,180 | 30,000 | 62,180 |
| Total liabilities, deferred inflows of resources, and fund balances | $815,871 | $899,650 | $1,120,216 | $40,225 | $30,000 | $30,464 | $2,936,426 |

See independent auditor's report
**TOWN OF CUMBERLAND, RHODE ISLAND**

*Non-Major Governmental Funds*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Project Funds

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th></th>
<th>Drainage</th>
<th>Recreation Bond</th>
<th>Open Field Reserve</th>
<th>Tucker Lease Space Phase II</th>
<th>Capital Library</th>
<th>Capital Lease Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>17,610</td>
<td>171,792</td>
<td>-</td>
<td>8,045</td>
<td>-</td>
<td>-</td>
<td>197,447</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>7,600</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,600</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>17,610</td>
<td>171,792</td>
<td>7,600</td>
<td>8,045</td>
<td>-</td>
<td>-</td>
<td>205,047</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue over expenditures</strong></td>
<td>(17,610)</td>
<td>(171,792)</td>
<td>(7,600)</td>
<td>(8,045)</td>
<td>-</td>
<td>-</td>
<td>(205,047)</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from (to) other funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues and other sources over expenditures and other uses</strong></td>
<td>(17,610)</td>
<td>(171,792)</td>
<td>(7,600)</td>
<td>(8,045)</td>
<td>-</td>
<td>-</td>
<td>(205,047)</td>
</tr>
<tr>
<td><strong>Fund Balance, July 1, 2014</strong></td>
<td>237,050</td>
<td>899,650</td>
<td>1,127,816</td>
<td>40,225</td>
<td>30,000</td>
<td>30,464</td>
<td>2,365,205</td>
</tr>
<tr>
<td><strong>Fund Balance, June 30, 2015</strong></td>
<td>$ 219,440</td>
<td>$ 727,858</td>
<td>$ 1,120,216</td>
<td>$ 32,180</td>
<td>$ 30,000</td>
<td>$ 30,464</td>
<td>$ 2,160,158</td>
</tr>
</tbody>
</table>

*See independent auditor's report*
### Combining Statement of Net Position – Private Purpose Trust Funds

**June 30, 2015**

<table>
<thead>
<tr>
<th></th>
<th>Burial</th>
<th>High School Scholarship</th>
<th>Scholarships</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$222,833</td>
<td>$10,468</td>
<td>$42,911</td>
<td>$276,212</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$222,833</td>
<td>$10,468</td>
<td>$42,911</td>
<td>$276,212</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for other purposes</td>
<td>$222,833</td>
<td>$10,468</td>
<td>$42,911</td>
<td>$276,212</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$222,833</td>
<td>$10,468</td>
<td>$42,911</td>
<td>$276,212</td>
</tr>
</tbody>
</table>

*See independent auditor's report*
# Non-Major Governmental Funds
## Combining Statement of Changes in Net Position – Private Purpose Trust Funds

### For the Year Ended June 30, 2015

<table>
<thead>
<tr>
<th>Additions</th>
<th>Burial</th>
<th>High School</th>
<th>Scholarships</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>884</td>
<td>4</td>
<td>-</td>
<td>888</td>
</tr>
<tr>
<td>Total additions</td>
<td>884</td>
<td>4</td>
<td>23,308</td>
<td>24,196</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th>High School</th>
<th>Scholarships</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>-</td>
<td>59,820</td>
<td>59,820</td>
</tr>
<tr>
<td>Social services</td>
<td>18</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Total deductions</td>
<td>18</td>
<td>-</td>
<td>59,820</td>
</tr>
</tbody>
</table>

Excess of Revenues and Other Sources Over Expenditures and Other Uses

<table>
<thead>
<tr>
<th>Fund balance, July 1, 2014</th>
<th>Burial</th>
<th>High School</th>
<th>Scholarships</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>221,967</td>
<td>10,464</td>
<td>79,423</td>
<td>311,854</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund balance, June 30, 2015</th>
<th>Burial</th>
<th>High School</th>
<th>Scholarships</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$222,833</td>
<td>$10,468</td>
<td>$42,911</td>
<td>$276,212</td>
</tr>
</tbody>
</table>

See independent auditor's report
## Combining Statement of Assets and Liabilities – Agency Funds

**June 30, 2015**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Student Activities/ Alumni</th>
<th>Curb Cuts</th>
<th>Portuguese Exchange</th>
<th>Substance Abuse Prevention Task Force</th>
<th>School Fundraising</th>
<th>Cumberland Police Exchange</th>
<th>Police Evidence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 242,663</td>
<td>$ 189,760</td>
<td>$ 1,372</td>
<td>$ 37,135</td>
<td>$ 28,831</td>
<td>$ 264</td>
<td>$ 55,014</td>
<td>$ 555,039</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 242,663</td>
<td>$ 189,760</td>
<td>$ 1,372</td>
<td>$ 37,135</td>
<td>$ 28,831</td>
<td>$ 264</td>
<td>$ 55,014</td>
<td>$ 555,039</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Student Activities/ Alumni</th>
<th>Curb Cuts</th>
<th>Portuguese Exchange</th>
<th>Substance Abuse Prevention Task Force</th>
<th>School Fundraising</th>
<th>Cumberland Police Exchange</th>
<th>Police Evidence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,474</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>87,076</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>87,076</td>
</tr>
<tr>
<td>Deposits Held in Custody</td>
<td>$ 242,663</td>
<td>$ 102,684</td>
<td>$ 1,372</td>
<td>$ 37,135</td>
<td>$ 25,357</td>
<td>$ 264</td>
<td>$ 55,014</td>
<td>$ 464,489</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 242,663</td>
<td>$ 189,760</td>
<td>$ 1,372</td>
<td>$ 37,135</td>
<td>$ 28,831</td>
<td>$ 264</td>
<td>$ 55,014</td>
<td>$ 555,039</td>
</tr>
</tbody>
</table>

*See independent auditor's report*
**TOWN OF CUMBERLAND, RHODE ISLAND**

*Fiduciary Funds*

Combining Statement of Additions and Deductions – Agency Funds

*For the Year Ended June 30, 2015*

<table>
<thead>
<tr>
<th>Student Activities/ Alumni</th>
<th>Curb Cuts</th>
<th>Portuguese Exchange</th>
<th>Substance Abuse Prevention Task Force</th>
<th>School Fundraising</th>
<th>Cumberland Fest</th>
<th>Police Evidence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unrealized gain/(loss)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>604,485</td>
<td>255</td>
<td>-</td>
<td>124,471</td>
<td>10,054</td>
<td>739,265</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>604,485</td>
<td>255</td>
<td>-</td>
<td>124,471</td>
<td>10,054</td>
<td>739,265</td>
<td></td>
</tr>
</tbody>
</table>

| **Deductions**            |           |                     |                                       |                   |               |                |       |
| General government        | -         | 82                  | -                                     | -                 | -             | -              | 82    |
| Public Safety             |           |                     |                                       |                   |               | 4,758          | 4,758 |
| Recreation                |           |                     |                                       |                   |               |                |       |
| Parks                     |           |                     |                                       |                   |               |                |       |
| Education                 | 602,917   | -                   | -                                     | -                 | -             | -              | 602,917 |
| Parks, recreation, and other | -       | -                   | -                                     | -                 | 124,213       | -              | 124,213 |
| **Total expenditures**    | 602,917   | 82                  | -                                     | 124,213           | 4,758         | 731,970        |       |

| **Other Financing Sources (Uses)** |           |                     |                                       |                   |               |                |       |
| Transfers in               | -         | -                   | -                                     | -                 | -             | -              | -     |
| Transfers out              | -         | -                   | -                                     | -                 | -             | -              | -     |
| Excess of Revenues and Other Sources |           |                     |                                       |                   |               |                |       |
| Over Expenditures and Other Uses | 1,568   | 173                 | -                                     | -                 | 258           | 5,296          | 7,295 |
| Fund balance, July 1, 2014 | 241,095   | 102,511             | 1,372                                 | 37,135            | 25,357        | 6              | 49,718 |
| Fund balance, June 30, 2015 | $ 242,663 | $ 102,684           | $ 1,372                              | $ 37,135          | $ 25,357      | $ 264          | $ 55,014 |

*See independent auditor's report*
## TOWN OF CUMBERLAND, RHODE ISLAND

Tax Collectors Annual Report

*June 30, 2015*

### Abatements, Balance Refunds & Amount to Balance

<table>
<thead>
<tr>
<th>Tax Roll Year</th>
<th>Balance July 1, 2014</th>
<th>Assessment</th>
<th>Additions</th>
<th>Adjustments</th>
<th>Transfers</th>
<th>Amount to be collected</th>
<th>Collections</th>
<th>Balance June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$</td>
<td>$62,059,591</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$9 (353,997)</td>
<td>$</td>
<td>$26,815,326</td>
</tr>
<tr>
<td>2014</td>
<td>$34,549,011</td>
<td></td>
<td>$60,656</td>
<td>8,571</td>
<td>$</td>
<td>$16,500</td>
<td>$34,601,737</td>
<td>$33,376,119</td>
</tr>
<tr>
<td>2013</td>
<td>$1,393,073</td>
<td></td>
<td>$4,439</td>
<td>13,743</td>
<td>$</td>
<td>$4,075</td>
<td>$1,407,180</td>
<td>$1,006,325</td>
</tr>
<tr>
<td>2012</td>
<td>$488,252</td>
<td></td>
<td>$4,372</td>
<td>63</td>
<td>$</td>
<td>$6,119</td>
<td>$498,805</td>
<td>$219,547</td>
</tr>
<tr>
<td>2011</td>
<td>$255,595</td>
<td></td>
<td>$1,235</td>
<td>(1,222)</td>
<td>$</td>
<td>$3,136</td>
<td>$252,473</td>
<td>$41,643</td>
</tr>
<tr>
<td>2010</td>
<td>$241,164</td>
<td></td>
<td>$1,405</td>
<td>(1,158)</td>
<td>$</td>
<td>$124</td>
<td>$241,535</td>
<td>$19,754</td>
</tr>
<tr>
<td>2009</td>
<td>$98,933</td>
<td></td>
<td>$1,323</td>
<td>658</td>
<td>$</td>
<td>$1,082</td>
<td>$98,377</td>
<td>$5,236</td>
</tr>
<tr>
<td>2008</td>
<td>$96,897</td>
<td></td>
<td>$1,292</td>
<td>(895)</td>
<td>$</td>
<td>$1,082</td>
<td>$98,377</td>
<td>$5,236</td>
</tr>
<tr>
<td>2007</td>
<td>$81,096</td>
<td></td>
<td>$125</td>
<td>(88)</td>
<td>$</td>
<td>$4,801</td>
<td>$85,934</td>
<td>$2,050</td>
</tr>
<tr>
<td>2006</td>
<td>$85,388</td>
<td></td>
<td>$237</td>
<td>(298)</td>
<td>$</td>
<td>$1,480</td>
<td>$86,808</td>
<td>$2,204</td>
</tr>
<tr>
<td>2005</td>
<td>$83,989</td>
<td></td>
<td>$260</td>
<td>(385)</td>
<td>$</td>
<td>$2,979</td>
<td>$86,843</td>
<td>$1,772</td>
</tr>
<tr>
<td>2004</td>
<td>$84,400</td>
<td></td>
<td>$</td>
<td>$41</td>
<td>$</td>
<td>$2,165</td>
<td>$86,606</td>
<td>$473</td>
</tr>
<tr>
<td>2003</td>
<td>$407</td>
<td></td>
<td>$</td>
<td>$973</td>
<td>$</td>
<td>$3,643</td>
<td>$5,023</td>
<td>$311</td>
</tr>
<tr>
<td>2002</td>
<td>$10,809</td>
<td></td>
<td>$</td>
<td>$371</td>
<td>$</td>
<td>$4,986</td>
<td>$16,166</td>
<td>$713</td>
</tr>
<tr>
<td>2001</td>
<td>$43,399</td>
<td></td>
<td>$</td>
<td>(63)</td>
<td>$</td>
<td>$1,629</td>
<td>$44,965</td>
<td>$3,112</td>
</tr>
<tr>
<td>2000 &amp; prior</td>
<td>$791,965</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$791,965</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

$38,304,378 $62,059,591 $75,344 $(333,686) $(1,039) $100,104,588 $61,507,806 $38,596,782

### Description Valuation

<table>
<thead>
<tr>
<th></th>
<th>Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>$3,211,477,330</td>
</tr>
<tr>
<td>Tangible Property</td>
<td>141,247,103</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>317,630,357</td>
</tr>
<tr>
<td>Total</td>
<td>3,670,354,790</td>
</tr>
<tr>
<td>Exemptions</td>
<td>212,727,175</td>
</tr>
</tbody>
</table>

$3,457,627,615

*See independent auditor's report*

(continued)
Restricted for Education:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Committee designation for medical insurance cost contingency</td>
<td>$450,000</td>
</tr>
<tr>
<td>School Committee designation for capital projects</td>
<td>$616,229</td>
</tr>
<tr>
<td>School Committee designation for use in a subsequent year</td>
<td>$1,403,394</td>
</tr>
<tr>
<td>Undesignated (1)</td>
<td>$2,363,917</td>
</tr>
<tr>
<td></td>
<td><strong>$4,833,540</strong></td>
</tr>
</tbody>
</table>

(1) The School Committee requires an undesignated fund balance of no less than 2-4% of the total School Unrestricted Fund budgeted operating expenditures of the current fiscal year. The School Unrestricted Fund undesignated fund balance is 3.99% of the total budgeted operating expenditures for the year-end June 30, 2015 and within the range required by the School Committee policy.