

Cumberland Fire District

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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Cumberland Fire District

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Fire Committee
Cumberland Fire District
Cumberland, Rhode Island

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Tax Collector's Annual Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Tax Collector's Annual Report is 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 January 2, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.
Fall River, Massachusetts
January 2, 2024

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CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

As management of the Cumberland Fire District, we offer readers of the Cumberland Fire District's (the "District") financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

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 District'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 supplementary information.

ORGANIZATIONAL HIGHLIGHTS

The previous merger of the four separate Cumberland Fire Stations created one cohesive group which is working well together to serve the Town of Cumberland. The management group continues to work together to create more efficiencies and improvements in operations.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements:

- The District realized a change in net position in 2023 of an increase of \$2.3 million compared to a increase in 2022 of \$3.4 million, primarily due to an increase in both net current assets and pension related deferred outflows.
- A significant portion of the District's net position reflects \$2.0 million invested in capital assets, which was \$483 thousand greater than the prior year due to multiple vehicle acquisitions.
- In fiscal year 2023, the District had revenues totaling \$11.0 million compared to \$9.9 million in revenues in fiscal year 2022. The major source of revenue was property taxes, which totaled \$10.1 million compared to \$9.4 million in fiscal year 2022.
- In fiscal year 2023, the District had expenses totaling \$8.4 million compared to \$5.9 million in expenses in fiscal year 2022. This is primarily due to an increase in personnel services.

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

Governmental Fund Financial Statements:

- In fiscal year 2023, the District had approximately \$9.5 million in expenditures related to governmental funds as compared to \$8.8 million in expenditures in fiscal year 2022. The majority of expenditures were charged to personnel services which totaled \$7.4 million in the current year compared to \$7.1 million in the prior year.
- The District's unassigned fund balance was \$1,827,557, which was 19.6% of the budgeted expenditures for fiscal year 2023.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements themselves.

The District's basic financial statements and other supplementary financial information provide information about all of the District's activities. They provide both a short-term and a long-term view of the District's financial health as well as information about activities for which the District acts solely as a trustee for the benefit of those outside of the District's government.

Government-wide financial statements -

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

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

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

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

Fund financial statements -

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

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

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

The District maintains governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditure, and changes in fund balances for the General Fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. The District has no fiduciary funds at this time.

Proprietary funds. The District has no proprietary funds at this time.

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.

Required Supplementary Information -

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and certain pension and other post-employment benefit information. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the general fund as required supplementary information. The pension information included represents the state pension for employees.

Supplementary Information -

In addition to the basic financial statements, accompanying notes, and required supplementary information, this report includes an annual tax collector's report.

CUMBERLAND FIRE DISTRICT

Management’s Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

Relationship of Statements and Schedules Included in this Report

Table 1 below summarizes the major features of the District's financial statements, including the portion of the District’s 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.

Table 1

	Government-Wide Statements	Fund Statements Governmental Funds
	Scope	Entire district (except fiduciary funds)
Required financial statements	Statements of net position Statement of activities	Balance sheet, statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of assets / liability information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.
Type of inflow / outflow information	All revenue and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of year, expenditures when goods or services have been received and payment is due.

Government-wide Financial Analysis

Analysis of the Cumberland Fire District’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 Cumberland Fire District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,071,754 as of June 30, 2023, an increase in net position of \$2,291,274 over the prior year’s surplus of \$2,780,480. The increase of net position within the government-wide balance sheet is primarily due to pension and OPEB.

At year end, the District had tax receivables due to a levy on June 6 (near year-end) of \$9,699,293 (63% of total assets) and cash and investments totaling \$2,101,820 and \$1,016,592 respectively (20% of total assets) that are unrestricted, and available for use within the District's policies. The next largest portion, \$2,531,447 (16% of total assets), consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less accumulated depreciation. The District has \$579,522 of outstanding debt related to the acquisition of these assets. The District uses these capital assets to provide services to its taxpayers. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay any future debt, must be provided from other sources, since the capital assets themselves are highly unlikely to be used to liquidate these liabilities.

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

The District's liabilities consist of trade payable and accrued expenses paid within 30 to 60 days from invoice date. Long term liabilities consisted of notes payable, compensated absences, other post-employment benefits and net pension liability. The benefits are to be paid out sometime in the future to retirees from the District. These amounts will change annually based upon actuarial information.

DISTRICT'S NET POSITION

June 30,

	Government-wide		\$ Change
	Activities		
	2023	2022	
Assets			
Current assets, net	\$ 12,852,755	\$ 11,521,151	\$ 1,331,604
Capital assets, net	<u>2,531,447</u>	<u>1,932,525</u>	<u>598,922</u>
Total assets	<u>15,384,202</u>	<u>13,453,676</u>	<u>1,930,526</u>
Deferred outflows of resources			
Deferred outflows - pension	<u>3,837,130</u>	<u>2,379,215</u>	<u>1,457,915</u>
Total deferred outflows of resources	<u>3,837,130</u>	<u>2,379,215</u>	<u>1,457,915</u>
Liabilities			
Current liabilities	184,493	246,879	(62,386)
Non-current liabilities	<u>10,345,444</u>	<u>8,579,435</u>	<u>1,766,009</u>
Total liabilities	<u>10,529,937</u>	<u>8,826,314</u>	<u>1,703,623</u>
Deferred inflows of resources			
Unearned revenue - other	40,120	-	40,120
Deferred inflows - pension	<u>3,619,640</u>	<u>4,226,097</u>	<u>(606,457)</u>
Total deferred inflows of resources	<u>3,659,760</u>	<u>4,226,097</u>	<u>(566,337)</u>
Net position			
Net investment in capital assets	1,951,925	1,468,502	483,423
Unrestricted	<u>3,079,710</u>	<u>1,311,978</u>	<u>1,767,732</u>
Total net position	<u>\$ 5,031,635</u>	<u>\$ 2,780,480</u>	<u>\$ 2,251,155</u>

Analysis of the Cumberland Fire District's Operations

The following analysis provides a summary of the District's operations for the year ended June 30, 2023. Governmental activities increased the District's net position by \$2,291,274.

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

DISTRICT'S CHANGES IN NET POSITION

For the year ended June 30,

	Government-wide Activities		
	2023	2022	\$ Change
Revenues			
Program revenues			
Grants and contributions	\$ 481,905	\$ 171,009	\$ 310,896
General revenues			
Property taxes	10,056,422	9,362,416	694,006
Investment earnings	57,531	19,410	38,121
Miscellaneous fees	<u>360,267</u>	<u>368,595</u>	<u>(8,328)</u>
Total revenues	<u>10,956,125</u>	<u>9,921,430</u>	<u>1,034,695</u>
Expenses			
Personnel services	7,064,389	5,435,276	1,629,113
Materials and services	1,291,297	514,059	777,238
Interest expense	<u>12,082</u>	<u>-</u>	<u>12,082</u>
Total expenses	<u>8,367,768</u>	<u>5,949,335</u>	<u>2,406,351</u>
Special item			
Transfers in (out)	<u>(297,082)</u>	<u>(569,082)</u>	<u>272,000</u>
Increase (decrease) in net position	2,291,275	3,403,013	(1,111,738)
Net position - beginning	<u>2,780,480</u>	<u>(622,533)</u>	<u>3,403,013</u>
Net position, ending	<u>\$ 5,071,755</u>	<u>\$ 2,780,480</u>	<u>\$ 2,291,275</u>

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

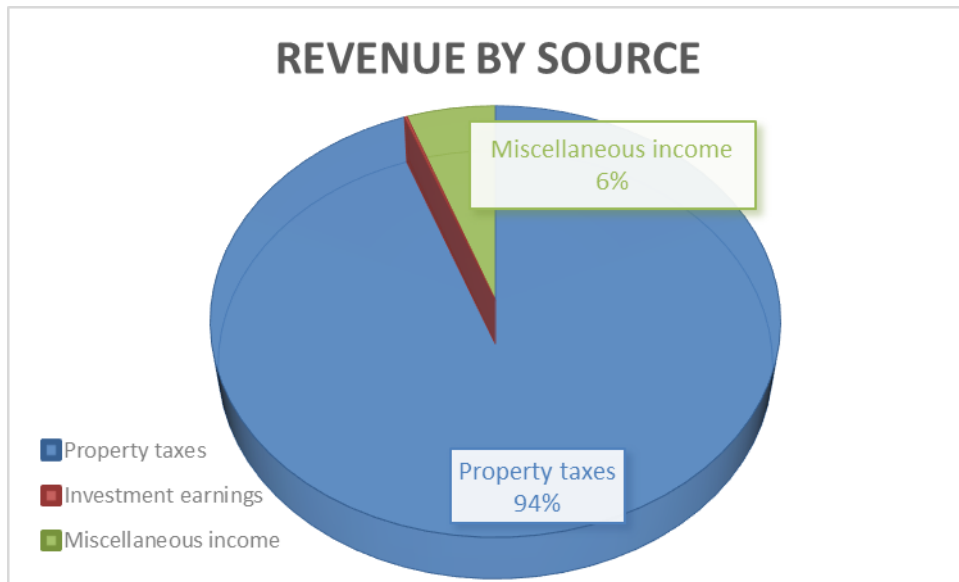
Financial Analysis of the Cumberland Fire District's Funds

REVENUES

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

At the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$1,827,557 which is entirely categorized as unassigned at this time.

Governmental Activities - As noted above, total governmental activities revenues for the District are comprised of property taxes, investment earnings, and miscellaneous revenues.



General Revenues

The majority of general revenues is from property taxes. This amount represents 94% of the total general revenues or \$9.1 million.

Miscellaneous income of \$360 thousand represents 6% of general revenues.

Investment earnings of \$57 thousand represents less than 1%.

Program Revenues

Program revenues of \$482 thousand relate to the Assistance to Firefighters (AFG) federal grant, which assists the District in protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards, and a \$15 thousand grant from the Rhode Island General Assembly to assist the Cumberland Water Rescue and Recovery Team with the purchase of new scuba equipment.

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

EXPENSES

Governmental Activities

For fiscal year ended June 30, 2023, expenses for the governmental activities totaled \$8.4 million, which cover a range of emergency services to the Town of Cumberland, Rhode Island.

The majority of expenses were from personnel services of \$7,411,669. Furthermore, pension and OPEB represent \$(347,280) and materials and services represent \$1,291,297.

BUDGETARY HIGHLIGHTS

The Finance Director and Chief of the District are responsible for preparing the proposed annual operating budget. The annual budget, including the annual payment to contingency fund shall be adequately funded by the adoption of a tax rate by the members. The Fire Committee shall make provisions for no less than two public hearings thereon, to be held on separate days, and to be concluded no later than the first Monday in June.

In the general fund, the major differences between the final budget and the final actual amounts are briefly summarized below:

- Total revenues were favorable by \$189 thousand, primarily due to greater collections on tax revenue than anticipated.
- Total fire and rescue expenditures were favorable by \$307 thousand. This was primarily due to the delay in filling firefighter positions for a portion of the year, which in turn resulted in lower than anticipated expenditures for health insurance and pension expense.

CAPITAL ASSETS

The Cumberland Fire District's investment in capital assets for its governmental activities amounts to \$2,531,447, net of accumulated depreciation at June 30, 2023. Included are land, building and improvements, motor vehicles, furniture and fixtures, and equipment. See Note 6 for additional details.

	Government-wide	
	2023	2022
Land	\$ 779,800	\$ 779,800
Building and improvement	1,580,727	1,580,727
Vehicles	3,454,515	3,011,985
Furniture and fixtures	27,105	27,105
Equipment	652,954	652,954
	<u>6,495,101</u>	<u>6,052,571</u>
Depreciation:		
Building and improveme	(1,463,483)	(1,421,912)
Vehicles	(1,860,128)	(2,070,772)
Furniture and fixtures	(27,105)	(27,105)
Equipment	(612,938)	(600,257)
	<u>(3,963,654)</u>	<u>(4,120,046)</u>
Capital assets, net	<u>\$ 2,531,447</u>	<u>\$ 1,932,525</u>

CUMBERLAND FIRE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2023

LONG-TERM LIABILITIES

The long-term liabilities relate to other post-employment benefits, health insurance, and net pension liability. Additional information regarding the District's long-term liabilities can be found in Note 8.

	Government-wide	
	2023	2022
Note payable	\$ 579,522	\$ 464,023
Compensated absences	432,331	443,755
Net OPEB liability	2,995,036	2,781,279
MERS - net pension liability	<u>6,521,752</u>	<u>5,018,417</u>
Total long-term liabilities	<u>\$ 10,528,641</u>	<u>\$ 8,707,474</u>

ECONOMIC FACTORS

The Cumberland Fire District continues to level fund the budget and increase taxes annually by the maximum allowable four percent. With the largest expense being labor, the District worked with the union and entered into a new three-year Collective Bargaining Agreement to include cost saving measures, effective July 1, 2022. It is anticipated that combined savings will allow the District to build a reserve account that will ensure it remains fiscally stable.

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Finance Director, 3502 Mendon Road, Cumberland, RI 02864.

BASIC FINANCIAL STATEMENTS

CUMBERLAND FIRE DISTRICT

Statement of Net Position

June 30, 2023

	Governmental
	Activities
	<u> </u>
ASSETS	
<i>Current Assets:</i>	
Cash and cash equivalents	\$ 2,101,820
Investments	1,016,592
Receivables, net:	
Property taxes	9,699,293
Other receivables	<u>35,050</u>
<i>Total Current Assets</i>	<u>12,852,755</u>
 <i>Non-Current Assets:</i>	
Capital assets:	
Non-depreciable	779,800
Depreciable, net	<u>1,751,647</u>
<i>Total Non-Current Assets</i>	<u>2,531,447</u>
 Total assets	<u>15,384,202</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	<u>3,837,130</u>
 Total deferred outflows of resources	<u>3,837,130</u>
 Total assets and deferred outflows of resources	<u>\$ 19,221,332</u>

CUMBERLAND FIRE DISTRICT

Statement of Net Position

June 30, 2023

	Governmental Activities
LIABILITIES	
<i>Current Liabilities:</i>	
Accounts payable and accrued expenses	\$ 1,296
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	171,092
Compensated absences	<u>12,105</u>
<i>Total Current Liabilities</i>	<u>184,493</u>
<i>Non-Current Liabilities:</i>	
Portion due or payable in more than one year:	
Notes payable	408,430
Compensated absences	420,226
Net OPEB liability (NOL)	2,995,036
Net pension liability (NPL)	<u>6,521,752</u>
<i>Total Non-Current Liabilities</i>	<u>10,345,444</u>
Total liabilities	<u>10,529,937</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	<u>3,619,640</u>
Total deferred inflows of resources	<u>3,659,760</u>
NET POSITION	
Net investment in capital assets	1,951,925
Unrestricted	<u>3,079,710</u>
<i>Total net position</i>	<u>5,031,635</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 19,221,332</u>

The notes to the basic financial statements are an integral part of this statement

CUMBERLAND FIRE DISTRICT

Statement of Activities

For the Year Ended June 30, 2023

		Program Revenues			Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Personnel services	\$ 7,411,669	\$ -	\$ 481,905	\$ -	\$ (6,929,764)
Material and services	1,291,297	-	-	-	(1,291,297)
Pension Expense	(561,037)	-	-	-	561,037
OPEB Expense	213,757	-	-	-	(213,757)
Interest expense	12,082	-	-	-	(12,082)
Total governmental activities	\$ 8,367,768	\$ -	\$ 481,905	\$ -	\$ (7,885,863)
			General revenues		
			Property taxes		10,056,422
			Investment earnings		57,531
			Miscellaneous		360,267
			Total general revenues		10,474,220
			Transfers out		(297,082)
			Total transfers		(297,082)
			<i>Changes in net position</i>		2,291,275
			Net position - beginning of year		2,780,480
			Net position - end of year		\$ 5,071,755

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CUMBERLAND FIRE DISTRICT

Governmental Funds

Balance Sheet

June 30, 2023

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets			
Cash and cash equivalents	\$ 2,101,820	\$ -	\$ 2,101,820
Investments	1,016,592	-	1,016,592
Receivables:			
Taxes receivable	9,699,293	-	9,699,293
Other receivables	35,050	-	35,050
Total assets	<u>12,852,755</u>	<u>-</u>	<u>12,852,755</u>
Deferred outflows of resources			
None	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 12,852,755</u>	<u>\$ -</u>	<u>\$ 12,852,755</u>
Liabilities			
Accounts payable and accrued expenses	\$ 1,296	\$ -	\$ 1,296
Total liabilities	<u>1,296</u>	<u>-</u>	<u>1,296</u>
Deferred inflows of resources			
Advance tax collections	1,315,847	-	1,315,847
Unearned revenue - property tax	9,667,935	-	9,667,935
Unearned revenue - other	40,120	-	40,120
Total deferred inflows of resources	<u>11,023,902</u>	<u>-</u>	<u>11,023,902</u>
Fund balance			
Unassigned	1,827,557	-	1,827,557
Total fund balance	<u>1,827,557</u>	<u>-</u>	<u>1,827,557</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 12,852,755</u>	<u>\$ -</u>	<u>\$ 12,852,755</u>

CUMBERLAND FIRE DISTRICT

Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2023

Total governmental fund balances	\$	1,827,557
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net accumulated depreciation		2,531,447
Other long-term assets related to net pension activity and therefore are deferred outflows of resources in the funds.		
		3,837,130
Other long-term liabilities related to net pension activity and therefore are deferred inflows of resources in the funds.		
		(3,619,640)
Other deferred taxes are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.		
		11,023,902
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds.		
Notes payable		(579,522)
Net pension liability (NPL)		(6,521,752)
Compensated absences		(432,331)
Net OPEB liability (NOL)		<u>(2,995,036)</u>
Net position of governmental activities	\$	<u><u>5,071,755</u></u>

CUMBERLAND FIRE DISTRICT

Governmental Funds

Statement of Revenue, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2023

	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues			
Property taxes	\$ 9,050,884	\$ -	\$ 9,050,884
Investment earnings	57,531	-	57,531
Intergovernmental	-	481,905	481,905
Miscellaneous	360,267	-	360,267
Total revenue	<u>9,468,682</u>	<u>481,905</u>	<u>9,950,587</u>
Expenditures			
Public safety - fire protection and rescue:			
Personnel services	7,420,939	-	7,420,939
Materials and services	1,352,033	28,987	1,381,020
Capital related items	56,281	452,918	509,199
Debt service:			
Principal	181,583	-	181,583
Interest	12,082	-	12,082
Bad debt expense	2,154	-	2,154
Total expenditures	<u>9,025,072</u>	<u>481,905</u>	<u>9,506,977</u>
Excess (deficiency) of revenues over expenditures	443,610	-	443,610
Excess of revenue and other sources over expenditures and other uses	443,610	-	443,610
Fund balance, beginning of the year	<u>1,383,947</u>	<u>-</u>	<u>1,383,947</u>
Fund balance, end of the year	<u>\$ 1,827,557</u>	<u>\$ -</u>	<u>\$ 1,827,557</u>

CUMBERLAND FIRE DISTRICT

Governmental Funds

Reconciliation of the Governmental Statement of Revenues, Expenditures and Changes in Fund Balance to
Government-Wide Statement of Activities

For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$ 443,610
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are 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.	598,922
Changes in deferred outflows and deferred inflows related to the state pension plan which are deferred and amortized over multiple years through pension expense.	2,064,372
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 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.	(115,499)
The other post-employment 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.	(213,757)
Expenses reported in the Statement of Activities for net pension liability do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	(1,503,335)
Reductions in deferred revenues that provide current financial resources to governmental funds are not reported as revenues in the Statement of Activities.	1,005,538
Expenses reported in the Statement of Activities for compensated absences do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	<u>11,424</u>
Change in net position of governmental activities	<u>\$ 2,291,275</u>

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Cumberland Fire District (the "District") have been prepared in conformity with 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 government and financial reporting principles. The following notes to the basic financial statements are an integral part of the District's financial statements.

Financial Reporting Entity

The Cumberland Fire District was incorporated by an act of the Rhode Island General Assembly. The primary function includes fire protection within the Town of Cumberland, Rhode Island. The District is comprised of four stations: Valley Falls (Station 1), Cumberland (Station 2), Cumberland Hill (Station 4), and North Cumberland (Station 5). The four stations are located at 555 High Street, 1530 Mendon Road, 3502 Mendon Road, and 50 Arnolds Mill Road, respectively.

Managerial responsibility for the operations of the fire department is vested in a seven-member Board of Fire Commissioners.

The general account of the District is organized on the basis of funds. The operations of funds are summarized by a separate set of self-balancing accounts, which includes assets, liabilities, fund balances, revenues and expenses or expenditures. The District uses the General Fund to report the operating fund of the general government activities.

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Basis of Presentation

Government-Wide Financial Statements

The District's government-wide financial statements include a statement of net position and statement of activities, which report information on all the activities of the primary government. The District's operations consist of governmental activities, which are normally supported by taxes. The District has no business-type activities, which rely to a significant extent on fees and charges for support. If the District had business-type activities, these activities would be reported separately from governmental activities.

These statements are presented using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying statement of net position. The statement of net position presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Program revenues for the District are reported as charges for services. The District has received operating grants and contributions of \$482 thousand in 2023.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance for each major governmental fund and non-major governmental fund in total. An accompanying schedule is presented to reconcile and explain 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.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (continued)

The District reports primarily all transactions in the general fund. The general fund is the operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. The acquisition of certain capital assets, such as firefighter apparatus and equipment, is accounted for in the general fund when it is responsible for the financing of such expenditures.

All governmental funds are accounted for using the "current financial resources" measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance 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 available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable means the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, consistent with accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets both of the following criteria:

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

The only major fund of the District is the general fund. All remaining governmental funds are aggregated and reported as non-major funds. The District's non-major funds presented in 2023 represent activities from special revenues related to the Assistance to Firefighters (AFG) grant awarded by the Federal Emergency Management Agency (FEMA) used to assist in financing the purchase of a new pumper apparatus, and the activities from special revenues related to the grant from the Rhode Island General Assembly to assist the Cumberland Water Rescue and Recovery Team with the purchase of new scuba equipment.

Budgets and Budgetary Accounting

As set forth in the District's enabling legislation, the Fire Committee adopts an annual budget, annual tax levy amount and property tax rate for the general fund activity related to fire protection. The annual budget for the general fund is prepared on a modified cash basis of accounting which is utilized by that fund for establishing its annual tax assessment.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds. The District has not adopted an encumbrance accounting system.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost. All other investments are stated at fair value.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The estimated amount is based on historical data and the periodic review of the accounts receivable aging.

Other Assets

Other assets held are recorded and accounted for at cost.

Capital Assets and Depreciation

Capital assets are reported in the government-wide statement of net position but are not reported in the governmental fund financial statements. The District defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Depreciation of exhaustible fixed assets is charged as an expense against operations, and accumulated depreciation is reported on the government-wide statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. No depreciation is taken on land or land rights. Expenditures for additions and betterments are capitalized.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Building and improvements	10 - 40 years
Vehicles	5 - 10 years
Furniture and fixtures	5 - 10 years
Equipment	3 - 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position can report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

and so will not be recognized as an outflow of resources (expense) until that later date. At June 30, 2023, the District reported deferred pension outflows in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023, the District had deferred inflows related to State pension plans and other miscellaneous unearned revenues.

Interfund Transactions

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

- Reciprocal interfund activities:
 - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Non-reciprocal interfund activities:
 - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Pensions

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.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Revenues and Expenditures/Expenses

Revenues for governmental funds are reported when they are determined to be both measurable and available. Generally, tax revenue, fees, and non-tax revenues are recognized when due. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. The District recognizes rescue service income based upon a net realizable amount from third party payers and others for services rendered.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until revenue is both measurable and the District is eligible to realize the revenue. Unearned revenues reported on the governmental funds balance sheet are for billings or receivables not collected during the fiscal year or within 60 days subsequent to year-end.

Property Taxes

Property taxes levied during fiscal year 2023 on personal and real property are based upon the assessed value of property listed on the tax rolls of the Town of Cumberland on December 31, 2022. Assessed values are based upon fair market value as of December 31, 2022. The Town of Cumberland's Tax Assessor's Office is required to conduct statistical revaluations every 3 years and a full revaluation must be made every 9 years. The last full revaluation was completed in 2019. Taxes are due on quarterly on July 15th, October 15th, January 15th and April 15th and are recognized as fiscal year 2023 revenues.

Under the modified accrual basis of accounting, real estate, personal property and other excise taxes levied are recorded as receivables in the fiscal year of the levy and as revenue when collected within the current year or expected to be collected within 60 days after the end of the current year. Taxes not collected within this time period are classified as unearned revenue. Unearned revenues are those where asset recognition has been met for which revenue criteria have not been met. The government-wide financial statements recognize property tax revenue when taxes are levied net of estimated abatements and exemptions.

Vacation, Sick Leave and Other Compensated Absences

Compensated absences are payments to employees for accumulated time such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered is accrued as the employees earn the rights to the benefits. The District uses the vesting method to calculate the compensated absences amount and is reported in the government-wide financial statements. Compensated absences are not reported at the fund level and are presented as a reconciling item between the fund level and the government-wide presentations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Government-Wide Financial Statements

The government-wide financial statements utilize a net position presentation. Net position may be categorized as net investment in capital assets, restricted or 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, if any, that are attributable to the acquisition, construction or improvement of these assets, reduce the balance in this category.

Restricted Net Position - Consists of net position which is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Fire District or through external groups such as creditors, grantors, contributors, laws/regulations of other governments, law through constitutional provisions, or enabling legislation. The District did not report any restrictions of net position as of June 30, 2023.

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

Fund Financial Statements

In the governmental fund financial statements, the fund balance that are either not available or have been earmarked for specific purposes are reported as non-spendable, restricted, committed, assigned or unassigned. At June 30, 2023, the District's entire fund balance is unassigned.

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

Non-spendable - Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.

Restricted - Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, which for the District, is the Board of Fire Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of Fire Commissioners removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Board of Fire Commissioners is the highest level of decision-making authority and utilizes resolutions as a formal procedure to commit fund balance. In addition, the passage of the budget by the fire committee is considered the commitment of funds for the line items included in the fiscal budget.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing body itself or a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The Fire Chief through the Board of Fire Commissioners has the authority to assign fund balance. Fund balance assigned by the Commissioners is documented through issuance of a memorandum.

Unassigned - Includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The unassigned fund balance may also include negative balances for any governmental funds if the expenditures exceed amounts restricted, committed, or assigned for specific purposes.

Implementation of New Accounting Principles

For the year ending June 30, 2023, the District implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022* (certain provisions). The effects of the implementation were immaterial to these financial statements.

New Accounting Principles Not Yet Required to be Implemented

The GASB has issued the following statements:

- GASB Statement No. 99, *Omnibus 2022*, which is required to be implemented during fiscal years 2023 and 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented during fiscal year 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 101, *Compensated Absences*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 2 - Stewardship, Compliance and Accountability

Deposits with Financial Institutions

State statutes require that the District's time deposits invested for more than sixty days and in excess of FDIC insurance is one hundred percent collateralized by eligible collateral by the depository institutions holding excess deposits. At the balance sheet date, the District and its financial institutions had complied with the statute.

In accordance with Rhode Island General Laws, Chapter 35-10.1, 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 of time deposits with maturities greater than sixty 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 of deposits, regardless of maturity.

Note 3 – Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

The District's cash deposits are maintained at multiple local banks and carried at cost. The carrying amount of deposits is separately displayed on the Statement of Net Position as “cash and cash equivalents”. Classifications for deposits with financial institutions and investments include demand savings and time deposit accounts, NOW accounts and non-negotiable certificates of deposit (CD's) in banks, savings and loan associations, and credit unions.

At year end, the book balance of these deposits was \$2,100,570 and the bank balance was \$2,230,607 of which \$415,991 was covered by FDIC and NCUA insurance. In accordance with State law, the uninsured amount of \$1,814,616 is collateralized by the financial institutions.

The District additionally had \$1,250 of petty cash held at June 30, 2023.

Investments

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

In determining fair value, the District uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 3 – Cash, Cash Equivalents and Investments (continued)

Level 3 - Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Essential risk information regarding the District's deposits and investments is presented below.

Custodial credit risk - Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District 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 District does not believe that it has a significant custodial credit risk as all investments are held in the name of the District. Additionally, the District maintains its deposits in financial institutions which fully collateralize all deposits.

Interest rate risk - Funds held by the District are invested in accordance with the District's investment policy. This investment policy does not limit investment maturities as a means of limiting its exposure to fair value losses arising from interest rates.

Credit risk - The District's investment policy objective states that all financial assets held by the District shall be invested in a manner that will preserve the value and safety of capital. The District shall invest funds in order to maximize earnings and minimize risk during the period of availability of the funds. The District's investment policy limits investments to U.S. Treasury securities, securities of the U.S. government agencies and instrumentalities that are backed by the full faith and credit or guarantee of the U.S. government, which have a liquid market with a readily determinable market value, investment grade obligations of the State of Rhode Island, or any municipality or political subdivision of the State of Rhode Island, repurchase agreements backed by collateral, certificate of deposits, money market mutual funds whose portfolios consist of U.S. Treasury securities, U.S. agency obligations and repurchase agreements fully collateralized by such securities and governmental investment products backed by collateral consisting of U.S. Treasury and U.S. Agency securities.

Concentration of credit risk - The District's investment policy is not specific but states that investments shall be diversified to minimize the risk of loss that may occur due to concentration in a specific maturity, a specific issue or a specific class of securities.

At June 30, 2023, the District had the following investments and maturities:

	<u>Balance at June 30, 2023</u>	<u>Effective Maturity</u>
Certificates of deposits:		
Navigant Credit Union	<u>1,016,592</u>	Various
Total short term investments	<u>\$ 1,016,592</u>	

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 4 - Property Taxes Receivable

Taxes were levied on June 1st and are due quarterly on July 15, October 15, January 15, and April 15. The District bills and collects its own property taxes.

For the year ended June 30, 2023, the District had a tax rate of \$1.614 per \$1,000 of the assessed valuation on December 31, 2022. Property taxes receivable as of June 30, 2023 amounted to \$9,699,293. The allowance as of June 30, 2023 totaled \$0.

In accordance with GASB Statement No. 33, receivables from imposed non-exchange revenue transactions should be recognized in the period an enforceable legal claim to the assets arise, which is the organization's levy date of June 6, 2023.

Note 5 – Deferred Revenue and Advanced Tax Collections

The General fund has unearned tax revenue that is measurable but not available. These amounts are considered deferred inflows and consist of property tax receivables and unearned miscellaneous amounts. These funds total \$9,708,055 at June 30, 2023.

During the year taxpayers may pay advance on their tax billings toward future budget years where funds are not yet considered "available". Funds are considered "available" when it meets the definition of being available to the Fire District's budget year and the government's "intent" as illustrated by the voted tax rate resolution. The December 31, 2022 tax assessment and resolution was explicitly connected to the fiscal year 2023 budget year, therefore in accordance with GASB Statement No. 33, advance tax collections which represented collections during fiscal year 2023 were \$1,315,847 as of June 30, 2023.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 6 - Capital Assets

The cost and activity of capital assets in service and related accumulated depreciation for the year ended June 30, 2023 is as follows:

	Balance, July 1, 2022	Increases	Decreases	Balance, June 30, 2023
Capital assets not being depreciated				
Land	\$ 779,800	\$ -	\$ -	\$ 779,800
<i>Total capital assets not being depreciated</i>	<u>779,800</u>	<u>-</u>	<u>-</u>	<u>779,800</u>
Capital assets being depreciated				
Building and improvements	1,580,727	-	-	1,580,727
Vehicles	3,011,985	814,875	372,345	3,454,515
Furniture and fixtures	27,105	-	-	27,105
Equipment	652,954	-	-	652,954
<i>Total capital assets being depreciated</i>	<u>5,272,771</u>	<u>814,875</u>	<u>372,345</u>	<u>5,715,301</u>
Less accumulated depreciation for:				
Building and improvements	1,421,912	41,571	-	1,463,483
Vehicles	2,070,772	161,701	372,345	1,860,128
Furniture and fixtures	27,105	-	-	27,105
Equipment	600,257	12,681	-	612,938
<i>Total accumulated depreciation</i>	<u>4,120,046</u>	<u>215,953</u>	<u>372,345</u>	<u>3,963,654</u>
<i>Total capital assets being depreciated, net</i>	<u>1,152,725</u>	<u>598,922</u>	<u>-</u>	<u>1,751,647</u>
Total capital assets	<u>\$ 1,932,525</u>	<u>\$ 598,922</u>	<u>\$ -</u>	<u>\$ 2,531,447</u>

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 7 - Short-Term Liabilities

The Cumberland Fire District did not have any short-term liabilities for the fiscal year ending June 30, 2023.

Note 8 - Long-Term Liabilities

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due within</u> <u>one year</u>
Governmental activities:					
Long term debt					
Notes payable - Energy Improvements	\$ 14,878	\$ -	\$ 7,677	\$ 7,201	\$ 7,201
Notes payable - 2022 E-One Custom Pumper	449,144	-	107,856	341,288	110,757
Notes payable - 2023 E-One Custom Pumper	-	297,082	66,049	231,033	53,134
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total long-term debt</i>	<u>\$ 464,022</u>	<u>\$ 297,082</u>	<u>\$ 181,582</u>	<u>\$ 579,522</u>	<u>\$ 171,092</u>
Other long term liabilities					
Compensated absences	\$ 443,755	\$ -	\$ 11,424	\$ 432,331	\$ 12,105
Net OPEB liability	2,781,279	213,757	-	2,995,036	-
MERS - net pension liability	5,018,417	1,503,335	-	6,521,752	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total other long term liabilities</i>	<u>8,243,451</u>	<u>1,717,092</u>	<u>11,424</u>	<u>9,949,119</u>	<u>12,105</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total long-term liabilities</i>	<u>\$ 8,707,473</u>	<u>\$ 2,014,174</u>	<u>\$ 193,006</u>	<u>\$ 10,528,641</u>	<u>\$ 183,197</u>

Payments on all long-term debt and other long-term liabilities that pertain to the District's governmental activities are made by the general fund.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 8 - Long-Term Liabilities (continued)

(b) Debt Maturity

Debt service requirements at June 30, 2023 were as follows:

Notes Payable - Energy Improvements - Station 1 and 4

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 7,201	\$ -
Total	\$ 7,201	\$ -

<u>Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Balance 7/1/2022</u>	<u>New Issues</u>	<u>Retirements</u>	<u>Balance 6/30/2023</u>	<u>Due within one year</u>
Energy Improvements	6/1/2019	5/31/2024	0%	\$ 14,878	\$ 0	\$7,677	\$ 7,201	\$ 7,201

Notes Payable - 2022 E-One Custom Pumper

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 110,757	\$ 9,181
2025	113,736	6,201
2026	116,796	3,142
Total	\$ 341,289	\$ 18,524

<u>Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Balance 7/1/2022</u>	<u>New Issues</u>	<u>Retirements</u>	<u>Balance 6/30/2022</u>	<u>Due within one year</u>
E-One Custom Pumper	3/15/2022	3/15/2026	2.69%	\$ 449,144	\$ 0	\$107,856	\$ 341,288	\$ 110,757

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 8 - Long-Term Liabilities (continued)

Notes Payable - 2023 E-One Custom Pumper

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 53,134	\$ 12,915
2025	56,105	9,945
2026	59,241	6,808
2027	<u>62,553</u>	<u>3,497</u>
Total	<u>231,033</u>	<u>33,165</u>

<u>Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest</u>	<u>Balance 7/1/2022</u>	<u>New Issues</u>	<u>Retirements</u>	<u>Balance 6/30/2023</u>	<u>Due within one year</u>
E-One Custom Pumper	4/1/2023	4/1/2027	5.59%	\$ 0	\$ 297,082	\$66,049	\$ 231,033	\$ 53,134

Note 9 - Interfund Balances and Transfers

Interfund balances represent short-term advances from one fund (primarily the general fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund or may simply be the result of pooling financial resources to maximize investment income. There were no interfund balances or transfers at June 30, 2023.

Note 10 - Commitments and Contingencies

Litigation

During the ordinary course of its operations, the District is a party to various claims, legal actions and complaints. In the opinion of the District's management and legal counsel, the ultimate resolution of any legal actions will not result in a material loss to the District.

Note 11 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disaster. The District is insured for public liability, workers compensation, professional liability, errors and omissions, accident, property damage, fiduciary and excess liability with commercial insurance carriers.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan

Municipal Employees' Retirement System (MERS) Agent Plan Employer Units (an Agent Multiple-Employer Defined Benefit 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.

Beginning with fiscal year 2023 presentation, the North Cumberland Fire District and Cumberland Hill Fire District reporting units were merged into the Cumberland Fire District reporting unit.

Benefits provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable final average compensation (FAC) will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

General employees

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

General employees (continued)

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

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

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

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

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

Police and Fire employees (continued)

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

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

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions

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

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

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

Other benefit provisions (continued)

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

- b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

- c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

Employees covered by benefit terms

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

	Valley Falls Fire District	Cumberland Fire District
Retirees and beneficiaries	10	34
Inactive, nonretired members	4	5
Active members	10	43
Total	24	82

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Cumberland Fire District (CFD) 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 Cumberland Fire District contributed \$979,727 in the year ended June 30, 2022 which was 27.66% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5%
Mortality	Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

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

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
Income		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Valley Falls Fire District	Cumberland Fire District	Total
Pension liability:			
Balance as of June 30, 2021	\$ 6,109,129	\$ 23,980,979	\$ 30,090,108
Changes for the year:			
Service cost	126,316	571,994	698,310
Interest on total pension liability	422,175	1,661,897	2,084,072
Difference between expected and actual experience of total pension liability	(70,438)	(582,572)	(653,010)
Changes in assumptions	-	-	-
Benefit Payments	(282,445)	(1,051,177)	(1,333,622)
Balance as of June 30, 2022	<u>6,304,737</u>	<u>24,581,121</u>	<u>30,885,858</u>
Fiduciary net position:			
Balance as of June 30, 2021	4,855,602	20,216,089	25,071,691
Employer contributions	198,216	781,511	979,727
Employee contributions	63,193	288,596	351,789
Net investment income	(131,564)	(550,658)	(682,222)
Benefit payments	(282,445)	(1,051,177)	(1,333,622)
Administrative expense	(4,485)	(18,772)	(23,257)
Other changes	-	-	-
Balance as of June 30, 2022	<u>4,698,517</u>	<u>19,665,589</u>	<u>24,364,106</u>
Net pension liability (asset)	<u>\$ 1,606,220</u>	<u>\$ 4,915,532</u>	<u>\$ 6,521,752</u>

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Valley Falls	\$ 2,200,169	\$ 1,606,220	\$ 1,066,641
Cumberland	\$ 7,226,749	\$ 4,915,532	\$ 2,815,932

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

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

For the year ended June 30, 2023, the employer recognized a pension expense of \$179,109 for Valley Falls Fire District and \$245,065 for Cumberland Fire District. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Valley Falls Fire District	Cumberland Fire District	Total
Deferred outflows:			
Contributions made subsequent to the measurement period	\$ 206,001	\$ 779,209	\$ 985,210
Differences between expected and actual experience	74,968	384,566	459,534
Changes in assumptions	40,085	141,342	181,427
Net difference between projected and actual earnings on investments	428,926	1,782,033	2,210,959
Total deferred outflows	749,980	3,087,150	3,837,130
Deferred inflows:			
Differences between expected and actual experience	(124,195)	(912,775)	(1,036,970)
Changes in assumptions	-	(156,568)	(156,568)
Net difference between projected and actual earnings on investments	(469,356)	(1,956,746)	(2,426,102)
Total deferred inflows	(593,551)	(3,026,089)	(3,619,640)
Net deferred outflows and deferred inflows	\$ 156,429	\$ 61,061	\$ 217,490
Net deferred outflows and (inflows) excluding District contributions subsequent to the measurement date	\$ (49,572)	\$ (718,148)	\$ (767,720)

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 12 - Pension Plan (continued)

Valley Falls Fire District reported \$206,001 and Cumberland Fire District \$779,209 as deferred outflows of resources related to pensions resulting from the CFD contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Valley Falls Fire District	Cumberland Fire District	Total
2024	\$ 20,637	\$ (202,209)	\$ (181,572)
2025	(67,903)	(211,159)	(279,062)
2026	(88,107)	(362,228)	(450,335)
2027	85,801	247,594	333,395
2028	-	(138,773)	(138,773)
Thereafter	-	(51,373)	(51,373)
Total	<u>\$ (49,572)</u>	<u>\$ (718,148)</u>	<u>\$ (767,720)</u>

Note 13 - Other Post-Employment Benefits Other Than Pension (OPEB)

Plan description

The District participates in a single employer defined benefit healthcare plan administered by Blue Cross Blue Shield of Rhode Island which provides health and dental insurance benefits to eligible retirees on an individual basis. Benefit provisions are established and may be amended by the District's Fire Committee.

Under GASB Statement No. 75, employers providing other post-employment benefits are required to obtain an actuarial valuation for the plan at least every three years for less than 100 total members (active and inactive). The District's Plan has less than 100 total members and is allowed to use the *alternative measurement method*, which it has elected to do so. The district typically performs update procedures each year in lieu of contracting for a full actuarial valuation every third year.

Plan type

The Fire District participates in a single employer defined benefit other post-employment benefit plan.

Funding Policy

The required contribution is based on a pay-as-you-go financing requirement. For the year ended June 30, 2023, the District contributed \$178,347 to the plan for current premiums. The District did not contribute any amount towards prefunding benefits and has not yet established an irrevocable OPEB Trust (GASB 75 para. 4). Plan members receiving benefits do not contribute any amount toward the total premiums.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 13 - Other Post-Employment Benefits Other Than Pension (OPEB) (continued)

Investment policy

There was no investment policy for Other-Post Employment Benefits as of June 30, 2023 as there were no OPEB Trust assets.

Members and benefit types

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	-	20	20

The Plan provides for the full cost of lifetime health and dental insurance premiums for retirees and their designated beneficiaries. Members do not contribute any amount to receive the benefit.

As of June 30, 2023, the plan has twenty active retirees and is closed to new entrants.

Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2023 were as follows:

Total OPEB liability	\$	2,995,036
Plan fiduciary net position		-
District's net OPEB liability	\$	<u>2,995,036</u>
Plan net position as a percentage of the total OPEB liability		0.00%

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 types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and the 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. Below are the actuarial assumptions used to project future cost of the plan.

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 13 - Other Post-Employment Benefits Other Than Pension (OPEB) (continued)

<u>Description</u>	<u>Assumption</u>
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Reporting date	June 30, 2023
Actuarial cost method	Individual entry age normal
Asset-valuation method	N/A
Discount Rate	4.10%
Assumed retirement age	65
Average salary increase	1.00%
Retirement rates	The probability of remaining employed until retirement age from current and entry age by age comes from the U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Mortality	Life expectancy by gender comes from the <i>Life Expectancy Table</i> from National Center of Health Statistics updated in 2015.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.10 percent. This discount rate was based on a municipal bond index for 20 year, tax exempt general obligation bonds with an average rating of AA/Aa or higher. The discount rate as of the prior measurement date of June 30, 2022 was 3.95 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change in Net OPEB Liability

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 2,781,279	\$ -	\$ 2,781,279
Interest	114,032	-	114,032
Differences between actual and expected experience	278,072	-	278,072
Contributions - employer	-	178,347	(178,347)
Benefit payments	<u>(178,347)</u>	<u>(178,347)</u>	<u>-</u>
Net changes	<u>213,757</u>	<u>-</u>	<u>213,757</u>
Balances at June 30, 2023	<u>\$ 2,995,036</u>	<u>\$ -</u>	<u>\$ 2,995,036</u>

CUMBERLAND FIRE DISTRICT

Notes to the Financial Statements

June 30, 2023

Note 13 - Other Post-Employment Benefits Other Than Pension (OPEB) (continued)

Sensitivity of the net OPEB liability (NOL) to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.10 percent) or 1-percentage-point higher (5.10 percent) than the current discount rate:

	Sensitivity of Cumberland Fire District UAAL to changes in the discount rate		
	Discount Rate - 1%	Assumed Discount Rate (4.10%)	Discount Rate + 1%
Net OPEB Liability	\$ 3,406,121	\$ 2,995,036	\$ 2,658,383

Sensitivity of the net OPEB liability (NOL) to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.5 percent) or 1 percentage-point higher (5.5 percent) than the current healthcare cost trend rates:

	Sensitivity of Cumberland Fire District UAAL to changes in the Healthcare Cost Trend rate		
	Healthcare Cost Trend - 1%	Healthcare Cost Trend Assumed (4.5%)	Healthcare Cost Trend +1%
Net OPEB Liability	\$ 2,682,650	\$ 2,995,036	\$ 3,368,209

Note 14 - Subsequent Events

Management has evaluated subsequent events through January 2, 2024, the date the financial statements were available to be issued. There are no material events to disclose.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues and other financing sources			
General revenues			
Current Year - income from taxes	\$ 8,799,980	\$ 8,926,363	\$ 126,383
Prior Year - income from taxes	120,000	\$ 124,521	4,521
Investment earnings	15,706	57,531	41,825
Misc income	342,150	351,867	9,717
Sales of assets	2,000	8,400	6,400
Other financing sources	50,000	50,000	-
Total revenues and other financing sources	<u>9,329,836</u>	<u>9,518,682</u>	<u>188,846</u>
Expenditures			
Vehicle Gas & Oil	52,000	65,883	(13,883)
Vehicle Repair & Maintenance	115,000	132,205	(17,205)
Equipment Purchase & Upgrading	20,000	19,780	220
Turnout Gear	20,000	13,154	6,846
Equipment Supplies & Repairs	7,000	16,101	(9,101)
Equip Testing & Certification	7,000	6,784	216
Radio Equip Upgrades & Maint	5,000	1,036	3,964
Keltron Radio Box Maintenance	5,400	-	5,400
First Aid Equip & Supplies	6,000	4,470	1,530
Air Cascade Maintenance	2,600	2,567	33
Shared Communications	8,800	19,000	(10,200)
Fire Alarm Testing	1,600	2,296	(696)
Electricity	44,530	42,432	2,098
Electricity Lighting Notes (Principal)	7,700	7,677	23
Gas & Hot Water	21,000	21,362	(362)
Telephone	13,000	12,841	159
Air Cards	5,800	6,371	(571)
Sewer Assessment & Usage	4,000	3,506	494
Water Usage Fees	2,000	1,771	229
Hydrant Fees - Cumberland	224,070	224,070	-
Hydrant Fees - Pawtucket	138,000	138,443	(443)
Building Supplies & Maint.	25,000	34,310	(9,310)
Furnishings	2,000	455	1,545
Firefighters Salaries	3,338,704	2,976,813	361,891
EMT Incentive	88,100	82,381	5,719
OT Wages	902,208	1,059,269	(157,061)
Holiday Stipend	187,312	171,098	16,214
Longevity Pay	217,102	194,505	22,597
Acting Officer Pay	3,000	2,833	167
Detail Pay	20,000	24,357	(4,357)
Injured on Duty Salaries	-	128,364	(128,364)
Clothing Allowance	53,900	53,579	321
Education Incentive	6,000	6,000	-
PR EE Garnishment	-	(800)	800
Payroll Tax Expense	370,625	340,435	30,190
Pension Expense	1,043,847	968,133	75,714

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Healthcare Insurance	1,001,489	949,775	51,714
Healthcare Co-Pays	(178,247)	(167,189)	(11,058)
Healthcare Reimb. (HRA) -FF	42,500	44,182	(1,682)
Healthcare -Dental	67,264	65,077	2,187
Healthcare -Vision	5,400	5,000	400
Life Insurance	8,100	7,500	600
Education Tuition Cost	14,000	13,704	296
Healthcare Insurance -Retirees	136,811	150,402	(13,591)
Healthcare Reimb. (HRA)-Retiree	21,291	22,845	(1,554)
Healthcare -Dental -Retirees	4,030	5,645	(1,615)
Healthcare Co-Pays - Retirees	(9,484)	(14,214)	4,730
COLA - Retirees	11,935	11,934	1
Administrative Salaries	230,712	216,600	14,112
District Commissioner Stipends	22,700	22,700	-
Healthcare Insurance -Admin	77,251	68,804	8,447
Healthcare Co-Pays -Admin	(14,418)	(12,728)	(1,690)
Healthcare Reimb. (HRA)-Admin	6,600	5,299	1,301
Healthcare -Dental -Admin	5,470	5,470	-
Payroll Tax Expense -Admin	17,650	15,256	2,394
Insurances	365,000	358,615	6,385
Legal	18,000	20,183	(2,183)
Legal - CBA	6,000	1,925	4,075
Office Supplies & Expenses	9,500	7,571	1,929
Printing & Postage	5,000	4,490	510
Newspaper Advertisements	1,500	676	824
Computer Development Program	3,500	5,118	(1,618)
Computerized Tax Bills	15,600	15,767	(167)
Tax Collection & Admin Support	2,500	2,427	73
Tax Collection System Upgrade	45,000	-	45,000
External Accounting Fees	18,350	19,325	(975)
Fire Chief Expenses	750	693	57
Payroll Processing Fees	7,100	7,105	(5)
Professional Fees	150	160	(10)
Videographer	3,000	3,010	(10)

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Abatements	4,000	3,881	119
Tax Sale Fee	50,000	40,342	9,658
Bank Service Fee	325	100	225
IRS HRA Fee	175	168	7
Misc Other Expenses	100	61	39
Dues and Subscriptions	750	1,227	(477)
Drills & Training	16,000	9,242	6,758
FP & EMS Training	2,500	807	1,693
Academy Training	14,400	14,200	200
Medical Examinations	3,300	2,801	499
Employee Support Health & Welfare	2,800	2,350	450
Professional Development	2,000	-	2,000
Initial New Hire Expense	2,000	1,930	70
Uniform Replacement	250	62	188
Entry Level / Promotional Exam	2,100	-	2,100
Sick Time Payout	30,996	12,688	18,308
Vacation Time Payout	27,400	36,452	(9,052)
Radio Box Maint & Repair	4,000	811	3,189
Spec. Fund Fire Prevention Exp	20,000	6,918	13,082
Tax - Legal & Collection Fees	500	-	500
TANS Interest Expense	4,200	-	4,200
TANS Bank Attorney Fee	2,500	-	2,500
TANS Bond Counsel	4,000	-	4,000
TANS Financial Advisor	3,300	-	3,300
Truck Loan - 2022 E-1 (Principal)	107,856	107,856	-
Interest Expense - 2022 E-1 Loan (Interest)	12,082	12,082	-
Truck Loan - 2023 E-1	-	66,049	(66,049)
Capital Improvements	12,000	-	12,000
Vehicle Procurement	50,000	56,283	(6,283)
Deficit Repayment (General Reserves) Account	10,000	-	10,000
Total expenditures	<u>9,329,836</u>	<u>9,022,918</u>	<u>306,918</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>-</u>	<u>495,764</u>	<u>495,764</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>495,764</u>	<u>\$ 495,764</u>
Adjustment of budgetary basis to U.S. GAAP		<u>(52,154)</u>	
Excess (deficiency) of revenue and other sources over expenditures and other uses, U.S. GAAP basis		<u>443,610</u>	
Budgetary Fund balance, July 1, 2022		<u>1,383,947</u>	
Budgetary Fund balance, June 30, 2023		<u>\$ 1,827,557</u>	

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Notes to the Statement of Revenues and Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2023

Budgetary – GAAP Reporting Reconciliation

The accompanying Statement of Revenues and Expenditures – Budget and Actual (Budgetary Basis) – General Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major difference between the budgetary basis and the Generally Accepted Accounting Principles (“GAAP”) basis are that:

- Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis) except for property taxes which are recorded on the accrual basis when levied.
- Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liability is incurred (GAAP basis).

Therefore, timing, perspective and entity differences in excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2023 are as follows:

	<u>General Fund</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses, budgetary basis	\$ 495,764
Capital expenditure for truck purchase from fund balance	(50,000)
Bad debt expense not budgeted	<u>(2,154)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses, U.S. GAAP basis	<u>\$ 443,610</u>

See accompanying independent auditor’s report

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CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018
	Valley Falls Fire District				
Total pension liability:					
Service cost	\$ 126,316	\$ 123,095	\$ 125,650	\$ 124,234	\$ 125,227
Interest	422,175	408,910	393,255	354,193	346,865
Effect of economic/demographic gains or (losses)					
Differences between expected and actual experience	(70,438)	(61,680)	(38,285)	360,365	(92,172)
Changes of assumptions	-	-	26,674	-	-
Benefit payments, including refunds of member contributions	(282,445)	(282,445)	(282,295)	(280,642)	(268,832)
Net change in total pension liability	195,608	187,880	224,999	558,150	111,088
Total pension liability, beginning of year	6,109,129	5,921,249	5,696,250	5,138,100	5,027,012
Total pension liability, end of year	6,304,737	6,109,129	5,921,249	5,696,250	5,138,100
Plan fiduciary net position:					
Contributions - employer	198,216	180,739	135,521	122,850	107,546
Contributions - employee	63,193	61,106	60,024	59,316	60,044
Net investment income	(131,564)	1,050,199	140,556	235,294	274,389
Benefit payments, including refunds of member contributions	(282,445)	(282,445)	(282,295)	(280,642)	(268,832)
Administrative expense	(4,485)	(4,001)	(3,873)	(3,677)	(3,653)
Other	-	-	-	1	-
Net change in plan fiduciary net position	(157,085)	1,005,598	49,933	133,142	169,494
Plan fiduciary net position, beginning of year	4,855,602	3,850,004	3,800,071	3,666,929	3,497,435
Plan fiduciary net position, end of year	4,698,517	4,855,602	3,850,004	3,800,071	3,666,929
Net pension liability, end of year	\$ 1,606,220	\$ 1,253,527	\$ 2,071,245	\$ 1,896,179	\$ 1,471,171
Plan fiduciary net position as a percentage of the total pension liability	74.52%	79.48%	65.02%	66.71%	71.37%
Covered employee payroll	\$ 702,146	\$ 678,960	\$ 666,932	\$ 659,065	\$ 667,168
Net pension liability as a percentage of covered employee payroll	228.76%	184.62%	310.56%	287.71%	220.51%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2018 2017	2017 2016	2016 2015	2015 2014
	Valley Falls Fire District			
Total pension liability:				
Service cost	\$ 120,043	\$ 114,234	\$ 127,997	\$ 114,280
Interest	342,432	323,657	302,915	294,488
Changes of benefit terms	-	-	79,038	-
Effect of economic/demographic gains or (losses)				
Differences between expected and actual experience	(33,294)	88,154	23,929	-
Changes of assumptions	244,354	-	-	(38,933)
Benefit payments, including refunds of member contributions	<u>(304,530)</u>	<u>(252,687)</u>	<u>(248,191)</u>	<u>(280,489)</u>
Net change in total pension liability	369,005	273,358	285,688	89,346
Total pension liability, beginning of year	<u>4,658,007</u>	<u>4,384,649</u>	<u>4,098,961</u>	<u>4,009,615</u>
Total pension liability, end of year	<u>5,027,012</u>	<u>4,658,007</u>	<u>4,384,649</u>	<u>4,098,961</u>
Plan fiduciary net position:				
Contributions - employer	113,497	118,425	146,982	102,119
Contributions - employee	64,042	63,690	57,033	52,114
Net investment income	371,416	(1,130)	78,068	439,591
Benefit payments, including refunds of member contributions	(304,530)	(252,687)	(248,191)	(280,489)
Administrative expense	(3,509)	(3,041)	(3,133)	(2,753)
Other	<u>(9)</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net change in plan fiduciary net position	240,907	(74,742)	30,760	310,582
Plan fiduciary net position, beginning of year	<u>3,256,528</u>	<u>3,331,270</u>	<u>3,300,510</u>	<u>2,989,928</u>
Plan fiduciary net position, end of year	<u>3,497,435</u>	<u>3,256,528</u>	<u>3,331,270</u>	<u>3,300,510</u>
Net pension liability, end of year	<u>\$ 1,529,577</u>	<u>\$ 1,401,479</u>	<u>\$ 1,053,379</u>	<u>\$ 798,451</u>
Plan fiduciary net position as a percentage of the total pension liability	69.57%	69.91%	75.98%	80.52%
Covered employee payroll	\$ 711,575	\$ 688,156	\$ 814,750	\$ 744,492
Net pension liability as a percentage of covered employee payroll	214.96%	203.66%	129.29%	107.25%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018
	Cumberland Fire District				
Total pension liability:					
Service cost	\$ 571,994	\$ 257,977	\$ 265,460	\$ 236,252	\$ 230,113
Interest	1,661,897	489,994	504,585	486,342	448,269
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)					
Differences between expected and actual experience	(582,572)	211,267	(382,668)	(92,231)	224,733
Changes of assumptions	-	-	(234,500)	-	-
Benefit payments, including refunds of member contributions	<u>(1,051,177)</u>	<u>(355,372)</u>	<u>(359,792)</u>	<u>(408,912)</u>	<u>(315,668)</u>
Net change in total pension liability	600,142	603,866	(206,915)	221,451	587,447
Total pension liability, beginning of year	<u>23,980,979</u>	<u>7,048,605</u>	<u>7,255,520</u>	<u>7,034,069</u>	<u>6,446,622</u>
Total pension liability, end of year	<u>24,581,121</u>	<u>7,652,471</u>	<u>7,048,605</u>	<u>7,255,520</u>	<u>7,034,069</u>
Plan fiduciary net position:					
Employer contributions	781,511	311,452	305,331	262,779	246,580
Employee contributions	288,596	136,063	127,379	112,394	109,059
Net investment income	(550,658)	3,306,980	193,367	314,526	356,163
Benefit payments, including refunds of member contributions	(1,051,177)	(355,372)	(359,792)	(408,912)	(315,668)
Administrative expense	(18,772)	(12,600)	(5,328)	(4,917)	(4,741)
Other	-	6,606,738	1	2	(1)
Net change in plan fiduciary net position	(550,500)	9,993,261	260,958	275,872	391,392
Plan fiduciary net position, beginning of year	<u>20,216,089</u>	<u>5,296,581</u>	<u>5,035,623</u>	<u>4,759,751</u>	<u>4,368,359</u>
Plan fiduciary net position, end of year	<u>19,665,589</u>	<u>15,289,842</u>	<u>5,296,581</u>	<u>5,035,623</u>	<u>4,759,751</u>
Net pension liability, end of year	<u>\$ 4,915,532</u>	<u>\$ (7,637,371)</u>	<u>\$ 1,752,024</u>	<u>\$ 2,219,897</u>	<u>\$ 2,274,318</u>
Plan fiduciary net position as a percentage of the total pension liability	80.00%	199.80%	75.14%	69.40%	67.67%
Covered employee payroll	\$ 2,885,942	\$ 1,360,639	\$ 1,273,802	\$ 1,123,940	\$ 1,090,581
Net pension liability as a percentage of covered employee payroll	170.33%	-561.31%	137.54%	197.51%	208.54%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2018	2017	2016	2015
	2017	2016	2015	2014
	Cumberland Fire District			
Total pension liability:				
Service cost	\$ 191,028	\$ 159,302	\$ 136,569	\$ 130,272
Interest	418,489	393,586	357,824	342,948
Changes of benefit terms	-	-	160,807	-
Effect of economic/demographic gains or (losses)				
Differences between expected and actual experience	160,122	48,193	64,598	-
Changes of assumptions	344,105	-	-	(36,180)
Benefit payments, including refunds of member contributions	<u>(302,910)</u>	<u>(266,901)</u>	<u>(241,786)</u>	<u>(241,902)</u>
Net change in total pension liability	810,834	334,180	478,012	195,138
Total pension liability, beginning of year	<u>5,635,788</u>	<u>5,301,608</u>	<u>4,823,596</u>	<u>4,628,458</u>
Total pension liability, end of year	<u>6,446,622</u>	<u>5,635,788</u>	<u>5,301,608</u>	<u>4,823,596</u>
Plan fiduciary net position:				
Contributions employer	218,680	198,556	160,842	103,330
Contributions employee	97,713	93,553	58,486	55,515
Net investment income	463,905	(1,312)	88,119	492,534
Benefit payments, including refunds of member contributions	(302,910)	(266,901)	(241,786)	(241,902)
Administrative expense	(4,383)	(3,530)	(3,535)	(3,084)
Other	<u>114,847</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in plan fiduciary net position	587,852	20,366	62,127	406,394
Plan fiduciary net position, beginning of year	<u>3,780,507</u>	<u>3,760,141</u>	<u>3,698,014</u>	<u>3,291,620</u>
Plan fiduciary net position, end of year	<u>4,368,359</u>	<u>3,780,507</u>	<u>3,760,141</u>	<u>3,698,014</u>
Net pension liability, end of year	<u>\$ 2,078,263</u>	<u>\$ 1,855,281</u>	<u>\$ 1,541,467</u>	<u>\$ 1,125,582</u>
Plan fiduciary net position as a percentage of the total pension liability	67.76%	67.08%	70.92%	76.67%
Covered employee payroll	\$ 977,126	\$ 824,117	\$ 731,095	\$ 704,935
Net pension liability as a percentage of covered employee payroll	212.69%	225.12%	210.84%	159.67%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018
	Cumberland Hill Fire District**				
Total pension liability:					
Service cost	\$ -	\$ 156,852	\$ 159,794	\$ 161,398	\$ 161,087
Interest	-	566,031	532,311	516,796	494,368
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)					
Differences between expected and actual experience	-	21,778	179,033	(62,485)	39,412
Changes of assumptions	-	-	18,840	-	-
Benefit payments, including refunds of member contributions	-	(406,878)	(406,683)	(379,844)	(369,417)
Net change in total pension liability	-	337,783	483,295	235,865	325,450
Total pension liability, beginning of year	-	8,211,176	7,727,881	7,492,016	7,166,566
Total pension liability, end of year	-	8,548,959	8,211,176	7,727,881	7,492,016
Plan fiduciary net position:					
Contributions employer	-	266,797	244,799	227,145	210,825
Contributions employee	-	78,701	76,237	77,077	77,113
Net investment income	-	445,279	175,870	295,556	337,969
Benefit payments, including refunds of member contributions	-	(406,878)	(406,683)	(379,844)	(369,417)
Administrative expense	-	(1,697)	(4,846)	(4,620)	(4,499)
Other	-	(3,140,746)	(2)	-	-
Net change in plan fiduciary net position	-	(2,758,544)	85,375	215,314	251,991
Plan fiduciary net position, beginning of year	-	4,817,292	4,731,917	4,516,603	4,264,612
Plan fiduciary net position, end of year	-	2,058,748	4,817,292	4,731,917	4,516,603
Net pension liability, end of year	\$ -	\$ 6,490,211	\$ 3,393,884	\$ 2,995,964	\$ 2,975,413
Plan fiduciary net position as a percentage of the total pension liability	0.00%	24.08%	58.67%	61.23%	60.29%
Covered employee payroll	\$ -	\$ 787,013	\$ 762,376	\$ 770,765	\$ 777,120
Net pension liability as a percentage of covered employee payroll	0.00%	824.66%	445.17%	388.70%	382.88%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2018 2017	2017 2016	2016 2015	2015 2014
	Cumberland Hill Fire District**			
Total pension liability:				
Service cost	\$ 148,324	\$ 136,556	\$ 124,042	\$ 118,487
Interest	481,529	471,694	428,776	418,644
Changes of benefit terms	-	-	320,823	-
Effect of economic/demographic gains or (losses)				
Differences between expected and actual experience	7,617	(110,211)	59,914	-
Changes of assumptions	369,538	-	-	(41,794)
Benefit payments, including refunds of member contributions	(373,345)	(372,214)	(362,951)	(363,076)
Net change in total pension liability	633,663	125,825	570,604	132,261
Total pension liability, beginning of year	6,532,903	6,407,078	5,836,474	5,704,213
Total pension liability, end of year	7,166,566	6,532,903	6,407,078	5,836,474
Plan fiduciary net position:				
Contributions employer	223,187	219,999	198,869	74,288
Contributions employee	77,820	76,723	59,565	54,774
Net investment income	452,887	(1,349)	93,010	530,637
Benefit payments, including refunds of member contributions	(373,345)	(372,214)	(362,951)	(363,076)
Administrative expense	(4,279)	(3,631)	(3,767)	(3,323)
Other	(10)	-	1	-
Net change in plan fiduciary net position	376,260	(80,472)	(15,273)	293,300
Plan fiduciary net position, beginning of year	3,888,352	3,968,824	3,984,097	3,690,797
Plan fiduciary net position, end of year	4,264,612	3,888,352	3,968,824	3,984,097
Net pension liability, end of year	\$ 2,901,954	\$ 2,644,551	\$ 2,438,254	\$ 1,852,377
Plan fiduciary net position as a percentage of the total pension liability	59.51%	59.52%	61.94%	68.26%
Covered employee payroll	\$ 778,197	\$ 746,614	\$ 744,549	\$ 721,162
Net pension liability as a percentage of covered employee payroll	372.91%	354.21%	327.48%	256.86%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018
North Cumberland Fire District**					
Total pension liability:					
Service cost	\$ -	\$ 136,100	\$ 153,051	\$ 162,089	\$ 158,162
Interest	-	531,062	515,971	501,632	479,820
Changes of benefit terms	-	-	-	-	-
Effect of economic/demographic gains or (losses)					
Differences between expected and actual experience	-	(250,242)	(158,277)	(169,252)	(59,174)
Changes of assumptions	-	-	19,749	-	-
Benefit payments, including refunds of member contributions	-	(311,853)	(301,013)	(269,185)	(269,165)
Net change in total pension liability	-	105,067	229,481	225,284	309,643
Total pension liability, beginning of year	-	7,674,482	7,445,001	7,219,717	6,910,074
Total pension liability, end of year	-	7,779,549	7,674,482	7,445,001	7,219,717
Plan fiduciary net position:					
Contributions employer	-	167,083	181,532	173,712	138,742
Contributions employee	-	62,719	67,811	71,753	69,861
Net investment income	-	620,200	211,437	349,070	397,912
Benefit payments, including refunds of member contributions	-	(311,853)	(301,013)	(269,185)	(269,165)
Administrative expense	-	(2,363)	(5,826)	(5,455)	(5,297)
Other	-	(3,459,812)	-	(3)	-
Net change in plan fiduciary net position	-	(2,924,026)	153,941	319,892	332,053
Plan fiduciary net position, beginning of year	-	5,791,525	5,637,584	5,317,692	4,985,639
Plan fiduciary net position, end of year	-	2,867,499	5,791,525	5,637,584	5,317,692
Net pension liability, end of year	\$ -	\$ 4,912,050	\$ 1,882,957	\$ 1,807,417	\$ 1,902,025
Plan fiduciary net position as a percentage of the total pension liability	0.00%	36.86%	75.46%	75.72%	73.66%
Covered employee payroll	\$ -	\$ 627,187	\$ 678,115	\$ 717,527	\$ 698,597
Net pension liability as a percentage of covered employee payroll	0.00%	783.19%	277.68%	251.90%	272.26%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

*Last 10 Fiscal Years**

Fiscal year ending June 30, Measurement period ending June 30,	2018 2017	2017 2016	2016 2015	2015 2014
	North Cumberland Fire District**			
Total pension liability:				
Service cost	\$ 138,026	\$ 127,880	\$ 139,487	\$ 134,277
Interest	457,383	444,570	393,248	372,770
Changes of benefit terms	-	-	184,673	-
Effect of economic/demographic gains or (losses)				
Differences between expected and actual experience	98,667	(144,128)	197,294	-
Changes of assumptions	322,842	-	-	(34,033)
Benefit payments, including refunds of member contributions	(272,554)	(252,552)	(196,658)	(208,505)
Net change in total pension liability	744,364	175,770	718,044	264,509
Total pension liability, beginning of year	6,165,710	5,989,940	5,271,896	5,007,387
Total pension liability, end of year	6,910,074	6,165,710	5,989,940	5,271,896
Plan fiduciary net position:				
Contributions employer	148,480	144,687	154,596	105,004
Contributions employee	68,331	68,422	58,393	56,475
Net investment income	529,458	(1,568)	106,915	591,786
Benefit payments, including refunds of member contributions	(272,554)	(252,552)	(196,658)	(208,505)
Administrative expense	(5,002)	(4,218)	(4,288)	(3,706)
Other	(12)	-	1	68,883
Net change in plan fiduciary net position	468,701	(45,229)	118,959	609,937
Plan fiduciary net position, beginning of year	4,516,938	4,562,167	4,443,208	3,833,271
Plan fiduciary net position, end of year	4,985,639	4,516,938	4,562,167	4,443,208
Net pension liability, end of year	\$ 1,924,435	\$ 1,648,772	\$ 1,427,773	\$ 828,688
Plan fiduciary net position as a percentage of the total pension liability	72.15%	73.26%	76.16%	84.28%
Covered employee payroll	\$ 683,297	\$ 657,143	\$ 729,917	\$ 707,091
Net pension liability as a percentage of covered employee payroll	281.64%	250.90%	195.61%	117.20%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of the District's Contributions

*Last 10 Years**

Fiscal Year Ended June 30, Measurement Period Ended June 30,	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018
Valley Falls Fire District:					
Actuarially determined contribution	\$ 198,216	\$ 180,739	\$ 135,521	\$ 122,850	\$ 107,546
Contributions in relation to the actuarially determined contribution	<u>198,216</u>	<u>180,739</u>	<u>135,521</u>	<u>122,850</u>	<u>107,546</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 702,146	\$ 678,960	\$ 666,932	\$ 659,065	\$ 667,168
Contributions as a percentage of covered employee payroll	28.23%	26.62%	20.32%	18.64%	16.12%
Cumberland Fire District:					
Actuarially determined contribution	\$ 781,511	\$ 311,452	\$ 305,331	\$ 262,779	\$ 246,580
Contributions in relation to the actuarially determined contribution	<u>781,511</u>	<u>311,452</u>	<u>305,331</u>	<u>262,779</u>	<u>246,580</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$2,885,942	\$1,360,639	\$ 1,273,802	\$ 1,123,940	\$ 1,090,581
Contributions as a percentage of covered employee payroll	27.08%	22.89%	23.97%	23.38%	22.61%
Cumberland Hill Fire District**:					
Actuarially determined contribution	\$ -	\$ 266,797	\$ 244,799	\$ 227,145	\$ 210,825
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>266,797</u>	<u>244,799</u>	<u>227,145</u>	<u>210,825</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ 787,013	\$ 762,376	\$ 770,765	\$ 771,120
Contributions as a percentage of covered employee payroll	0.00%	33.90%	32.11%	29.47%	27.34%
North Cumberland Fire District**:					
Actuarially determined contribution	\$ -	\$ 167,083	\$ 181,532	\$ 173,712	\$ 138,742
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>167,083</u>	<u>181,532</u>	<u>173,712</u>	<u>138,742</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ -	\$ 627,187	\$ 678,115	\$ 717,527	\$ 698,597
Contributions as a percentage of covered employee payroll	0.00%	26.64%	26.77%	24.21%	19.86%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of the District's Contributions

*Last 10 Years**

Fiscal Year Ended June 30, Measurement Period Ended June 30,	2018 2017	2017 2016	2016 2015	2015 2014
Valley Falls Fire District:				
Actuarially determined contribution	\$ 113,497	\$ 118,425	\$ 146,982	\$ 102,119
Contributions in relation to the actuarially determined contribution	113,497	118,425	146,982	102,119
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 711,575	\$ 688,156	\$ 814,750	\$ 744,492
Contributions as a percentage of covered employee payroll	15.95%	17.21%	18.04%	13.72%
Cumberland Fire District:				
Actuarially determined contribution	\$ 218,680	\$ 198,556	\$ 160,842	\$ 103,330
Contributions in relation to the actuarially determined contribution	218,680	198,556	160,842	103,330
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 977,126	\$ 824,117	\$ 731,095	\$ 704,935
Contributions as a percentage of covered employee payroll	22.38%	24.09%	22.00%	14.66%
Cumberland Hill Fire District**:				
Actuarially determined contribution	\$ 223,187	\$ 219,999	\$ 198,869	\$ 74,288
Contributions in relation to the actuarially determined contribution	223,187	219,999	198,869	74,288
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 778,197	\$ 746,614	\$ 744,549	\$ 721,162
Contributions as a percentage of covered employee payroll	28.68%	29.47%	26.71%	10.30%
North Cumberland Fire District**:				
Actuarially determined contribution	\$ 148,480	\$ 144,687	\$ 154,596	\$ 105,004
Contributions in relation to the actuarially determined contribution	148,480	144,687	154,596	105,004
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 683,297	\$ 657,143	\$ 729,917	\$ 707,091
Contributions as a percentage of covered employee payroll	21.73%	22.02%	21.18%	14.85%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

**This reporting unit was combined with the Cumberland Fire District reporting unit beginning with fiscal year 2023 presentation.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Notes to MERS Plans

For the Year Ended June 30, 2023

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

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

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

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

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

June 30, 2022 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date.

June 30, 2021 measurement date –

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

June 30, 2020 measurement date –

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

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

June 30, 2019 measurement date –

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

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Notes to MERS Plans

For the Year Ended June 30, 2023

June 30, 2018 measurement date –

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

June 30, 2017 measurement date –

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

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

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Notes to MERS Plans

For the Year Ended June 30, 2023

- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

*Last 10 Fiscal Years**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total OPEB liability					
Interest	\$ 114,032	\$ 141,933	\$ 81,979	\$ 85,383	\$ 96,620
Differences between actual and expected experience	278,072	(797,693)	107,034	468,845	666,347
Benefit payments	<u>(178,347)</u>	<u>(156,210)</u>	<u>(160,049)</u>	<u>(152,267)</u>	<u>(143,262)</u>
Net change in total OPEB liability	213,757	(811,970)	28,964	401,961	619,705
Total OPEB liability - beginning	<u>2,781,279</u>	<u>3,593,249</u>	<u>3,564,285</u>	<u>3,162,324</u>	<u>2,542,619</u>
Total OPEB liability - ending	<u>\$ 2,995,036</u>	<u>\$ 2,781,279</u>	<u>\$ 3,593,249</u>	<u>\$ 3,564,285</u>	<u>\$ 3,162,324</u>
OPEB fiduciary net position					
Benefit payments	\$ (178,347)	\$ (156,210)	\$ (160,049)	\$ (152,267)	\$ (143,262)
Contributions - employer	<u>178,347</u>	<u>156,210</u>	<u>160,049</u>	<u>152,267</u>	<u>143,262</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan's net OPEB liability - ending	<u>\$ 2,995,036</u>	<u>\$ 2,781,279</u>	<u>\$ 3,593,249</u>	<u>\$ 3,564,285</u>	<u>\$ 3,162,324</u>
Plan fiduciary net position as % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	-	-	-	-	-
Plan NOL as % of covered employee payroll	N/A	N/A	N/A	N/A	N/A

* Sixth year of implementation of GASB 75, therefore only six years of the ten required are available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

*Last 10 Fiscal Years**

	<u>June 30, 2018</u>
Total OPEB liability	
Interest	\$ 100,000
Differences between actual and expected experience	75,123
Benefit payments	<u>(132,504)</u>
 Net change in total OPEB liability	 42,619
 Total OPEB liability - beginning	 <u>2,500,000</u>
Total OPEB liability - ending	<u><u>\$ 2,542,619</u></u>
 OPEB fiduciary net position	
Benefit payments	\$ (132,504)
Contributions - employer	<u>132,504</u>
 Net change in plan fiduciary net position	 -
 Plan fiduciary net position - beginning	 <u>-</u>
Plan fiduciary net position - ending	<u><u>\$ -</u></u>
 Plan's net OPEB liability - ending	 <u><u>\$ 2,542,619</u></u>
 Plan fiduciary net position as % of total OPEB liability	 0.00%
 Covered employee payroll	 -
 Plan NOL as % of covered employee payroll	 N/A

* Sixth year of implementation of GASB 75, therefore only six years of the ten required are available.

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Required Supplementary Information (Unaudited)

Schedule of Required Contributions – Other Post-Employment Benefits

*Last 10 Fiscal Years**

Notes to Required Supplementary Information:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted

Actuarial Assumptions:

Discount Rate	4.10%
Assumed retirement age	65
Average salary increase	1.00%

See accompanying independent auditor's report

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SUPPLEMENTARY INFORMATION

CUMBERLAND FIRE DISTRICT

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Tax Year	Balance, July 1, 2022	FY 2022 Collections	Assessment	New Receivables	Adjustments/ Abatements	Transfers	Amount to be Collected	FY 2023 Collections	Balance, June 30, 2023	July-August 2022 Collections Subject to 60-day FY22 Accrual	September-June 2023 Collections	Total FY2023 Cash Collections	July-August 2023 Collections Subject to 60-day FY23 Accrual
2023	\$ -	\$ -	\$ 9,385,693	\$ 115,200	\$ (19,033)	\$ (6,817)	\$ 9,475,043	\$ -	\$ 9,475,043	\$ -	\$ -	\$ -	\$ -
2022	9,101,995	(754,940)	-	296,226	(262,038)	4,568	8,385,811	8,262,006	123,805	-	8,262,006	8,262,006	30,931
2021	183,545	-	-	-	145	283	183,973	119,676	64,297	66,433	53,243	119,676	266
2020	5,426	-	-	-	(233)	1	5,194	1,611	3,583	75	1,536	1,611	59
2019	7,516	-	-	-	-	-	7,516	7,259	257	50	7,209	7,259	52
2018	5,912	-	-	-	(100)	-	5,812	25	5,787	-	25	25	50
2017	5,434	-	-	-	(186)	-	5,248	25	5,223	-	25	25	-
2016	4,276	-	-	-	-	-	4,276	25	4,251	-	25	25	-
2015	5,386	-	-	-	-	-	5,386	1,079	4,307	-	1,079	1,079	-
2014	3,080	-	-	-	-	-	3,080	173	2,907	-	173	173	-
2013	3,584	-	-	-	-	-	3,584	154	3,430	-	154	154	-
2012	2,071	-	-	-	-	-	2,071	149	1,922	-	149	149	-
2011 and prior	4,723	-	-	-	(168)	-	4,555	74	4,481	-	74	74	-
	\$ 9,332,948	\$ (754,940)	\$ 9,385,693	\$ 411,426	\$ (281,613)	\$ (1,965)	\$ 18,091,549	\$ 8,392,256	\$ 9,699,293	\$ 66,558	\$ 8,325,698	\$ 8,392,256	\$ 31,358
Allowance for Uncollectible Accounts	\$ -												
Net Property Tax Receivable	\$ 9,332,948								\$ 9,699,293				

See accompanying independent auditor's report

CUMBERLAND FIRE DISTRICT

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2023

Schedule of Net Assessed Property, Value by Category

<u>Description of Property</u>	<u>Valuations December 31, 2022</u>	<u>Levy June 6, 2023</u>
Real Property:		
Residential	\$ 4,976,120,050	\$ 8,031,458
Commercial	560,101,510	904,004
Industrial	165,966,088	267,869
Tangible Property	<u>212,009,610</u>	<u>342,184</u>
Total	5,914,197,258	9,545,515
Less Exemptions	<u>(105,188,877)</u>	<u>(159,822)</u>
Net Assessed Value	<u>\$ 5,809,008,381</u>	<u>\$ 9,385,693</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 8,392,256
July-August 2022 Collections Subject to 60-day FY23 Accrual	<u>31,358</u>
	8,423,614
July-August 2021 Collections Subject to 60-day FY22 Accrual	<u>(66,558)</u>
	8,357,056
Advance tax collections from 2022 classified as revenue in 2023	<u>754,940</u>
Interest Income - Past Due Taxes	<u>(77,797)</u>
Miscellaneous Difference	<u>16,685</u>
Current Year Property Tax Revenue	<u>\$ 9,050,884</u>

See accompanying independent auditor's report

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Fire Committee
Cumberland Fire District
Cumberland, Rhode Island

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cumberland Fire District ("District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts

January 2, 2024