



**Central Coventry Fire District
Regular Board of Directors Meeting**

This meeting will be convened pursuant to Governor's Executive Order 20-05 (including orders continuing and amending said requirements.) The Meeting shall be Convened Telephonically and Using Zoom Video Conference Technology to Allow Timely and Effective Public Access to Deliberations of the Board.

[All Participation will be remote until further notice.]

February 18, 2021 at 6:30 PM

Commissioners

Fred Gralinski-President/Chairman, Cynthia Fagan-Perry-Vice President, Richard Polselli, Carl Mattson, James Kuipers, Kristen Benoit, Russell McGillivray

Agenda

The public may watch the meeting via Zoom at:

<https://us02web.zoom.us/j/81848083675?pwd=RjFMQTFtcjJmY1dwTkUwc2d5YWthZz09>

Call to Order	Fred Gralinski, President
Pledge of Allegiance	Fred Gralinski, President
Roll Call – Quorum Determination	Fred Gralinski, President

APPROVAL OF MEETING MINUTES

1. Minutes from: JANUARY 21, 2021. (Discussion/Action/Vote)

FISCAL YEAR 2020 AUDIT

1. Presentation of Audit Report for FY 2020 by Greg Parisi/Paul Dansereau from Baxter Dansereau. (Discussion/Action/Vote).

DISTRICT REPORTS:

1. Fire Chief's Report. (Discussion/Action/Vote).
2. Review of Monthly Financial Report. (Discussion/Action/Vote).
3. District Clerk's Report (including Tax Collection). (Discussion/Action/Vote).

NEW BUSINESS:

1. Presentation of Analysis of Central Coventry Fire Department Audited Financials FY2014 to FY2020; including, District Manager's report on fiscal impact of contract proposals for 2020-2021 Collective Bargaining Agreement; and, Receiver's 5-Year Plan. (Discussion Only).
2. Resolution to request 5-year exemption from R.I. Gen. Laws § 28-12-4.1 (c). (Discussion/Action/Vote).
3. Resolution to submit a request for a supplemental tax increase to District voters to cover unnegotiated and potential negotiated increases to labor costs for the District. (Discussion/Action/Vote).
4. Resolution to instruct National Grid to turn off, or in the alternative, to turn over responsibility for streetlights on state-owned roads in the District to the RI DOT. (Discussion/Action/Vote).
5. Discussion of streetlights in the District, including discussion of National Grid litigation (C.A. KC-2017-0150); other issues related to streetlights and fiscal obligations related thereto. (Discussion Only).
6. Discussion of Frequently Asked Questions ("FAQ") Page for District Website. (Discussion Only).
7. Ratification of execution of Ground Rules for 2021-2022 Bargaining session. (Discussion/Action/Vote).

PUBLIC COMMENT

NEXT SCHEDULED MEETING – MARCH 18, 2021 at 6:30 PM (via Zoom)

ADJOURNMENT

Fred Gralinski, President

<https://us02web.zoom.us/j/81848083675?pwd=RjFMQTFtcjJmY1dwTkUwc2d5YWthZz09>

Meeting ID: 818 4808 3675

Passcode: 023019

One tap mobile +19292056099,,81848083675#,,,,*023019# US (New York)

+13017158592,,81848083675#,,,,*023019# US (Washington DC)

Dial by your location +1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 818 4808 3675

Passcode: 023019

Find your local number: <https://us02web.zoom.us/j/keCLqW9vp1>

CENTRAL COVENTRY FIRE DISTRICT
Regular Meeting of the Board of Directors
January 21, 2020 @ 6:30 PM
Telephonically and using Zoom Video Conferencing Technology

The meeting was called to order by President Gralinski at 6:30 PM. A quorum was present consisting of: President Fred Gralinski, Vice President Cindy Fagan-Perry, Directors Carl Mattson, Richard Polselli, James Kuipers and Kristen Benoit, Director Russell McGillivray was excused. Chief Brown, legal counsel David Dagostino, Esq., of Gorham & Gorham, Inc. and District Administrator Daniel Kaplan were present also. President Gralinski led the Pledge of Allegiance.

A motion to approve the meeting minutes from December 17, 2020 was made by Director Mattson, seconded by Vice President Fagan-Perry, and unanimously approved.

The Chief's Report was read into the record by Chief Brown. A motion to approve the report was made by Vice President Fagan-Perry, seconded by Director Polselli, and unanimously approved.

The Financial Reports were read by President Gralinski. A motion to approve the reports was made by Director Polselli, seconded by Vice President Fagan-Perry, and unanimously approved.

The District Administrators report was read by Mr. Kaplan. A motion to approve the report was made by Director Polselli, seconded by Vice President Fagan-Perry, and unanimously approved.

Under New Business: A motion to approve abatements was made by Vice President Fagan-Perry, seconded by Director Mattson, and unanimously approved. Funding alternatives; proposed supplemental tax, resolution to request 5-year exemption from RIGL 28-14-4.1(c); and budget discussion and proposed alternatives requested by Member Kuipers were tabled.

A motion to adjourn was made by Director Mattson, seconded by Vice President Fagan-Perry, and unanimously approved. The meeting was adjourned at 7:00 P.M.

Respectfully submitted,
Daniel Kaplan,
District Administrator



CENTRAL COVENTRY

FIRE DISTRICT

Chief Frank Brown
240 Arnold Rd
Coventry, RI 02816
(401) 825-7800

FIRE – RESCUE – EMS – FIRE PREVENTION

OFFICE of the CHIEF of DEPARTMENT

February 18, 2021

Summary of Operation activities:

PERSONNEL

Currently we have 25 members on staff. 3 members out on injury.
3 new Probationary Firefighters were hired and will attend the Rhode Island Municipal Fire Academy Class 014 on February 22nd and graduated on May 14th.

TOTAL PERSONNEL – 31

EMERGENCY INCIDENTS

* Incidents from January 1, 2021 thru January 31, 2021 were 341 for a call volume of 12 calls per day. (see attached summary)

APPARATUS

*All apparatus is operating properly at this time. Annual State of Rhode Island DOT inspections were completed on all department apparatus.

EQUIPMENT

*All portable equipment is up and running properly at this time.

FIRE MARSHAL'S OFFICE

*Department Fire Marshals continue to work despite the Covid 19 Pandemic on Smoke Detector Inspections, Plan Reviews, Fire Alarm Reviews, Fire Investigations and follow-up inspections on issued violations. Several large scale housing developments are currently under review.



CENTRAL COVENTRY

FIRE DISTRICT

Chief Frank Brown
240 Arnold Rd
Coventry, RI 02816
(401) 825-7800

FIRE – RESCUE – EMS – FIRE PREVENTION

OFFICE of the CHIEF of DEPARTMENT

TRAINING

Emergency Medical Technician training is ongoing with all personnel licenses expiring on December 31, 2021.

DONATIONS

We will be receiving a Legislative Grant in the amount of \$2,000.00 on behalf of Senator Raptakis. This donation coupled with two others bring the total to \$5,000.00 which will be used for new equipment on Marine 7.

COVID 19 TESTING

Mandatory Covid 19 testing of all personnel continues with everyone being tested every 14 days until further notice.

COVID 19 VACCINATION

Personnel started received their 2nd vaccine on January 25th. Also, our personnel will continue to participate in administering the Covid 19 vaccine at Points of Distribution (PODs) as requested by the Coventry Emergency Management Agency.

Thank you to all our personnel for what they do each and every day!

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank M. Brown".

Frank M. Brown
Chief

CENTRALCOVENTRY

Incident Type Report (Summary)

Alarm Date Between {01/01/2021} And {01/31/2021}

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
	1	0.30%	\$0	0.00%
	1	0.30%	\$0	0.00%
1 Fire				
111 Building fire	2	0.61%	\$0	0.00%
114 Chimney or flue fire, confined to chimney	4	1.23%	\$0	0.00%
131 Passenger vehicle fire	1	0.30%	\$30,000	100.00%
	7	2.16%	\$30,000	100.00%
2 Overpressure Rupture, Explosion, Overheat(no fire)				
222 Overpressure rupture of boiler from air or	1	0.30%	\$0	0.00%
	1	0.30%	\$0	0.00%
3 Rescue & Emergency Medical Service Incident				
300 Rescue, EMS incident, other	38	11.76%	\$0	0.00%
311 Medical assist, assist EMS crew	30	9.28%	\$0	0.00%
321 EMS call, excluding vehicle accident with	171	52.94%	\$0	0.00%
322 Motor vehicle accident with injuries	4	1.23%	\$0	0.00%
324 Motor Vehicle Accident with no injuries	4	1.23%	\$0	0.00%
381 Rescue or EMS standby	1	0.30%	\$0	0.00%
	248	76.78%	\$0	0.00%
4 Hazardous Condition (No Fire)				
424 Carbon monoxide incident	1	0.30%	\$0	0.00%
440 Electrical wiring/equipment problem, Other	1	0.30%	\$0	0.00%
451 Biological hazard, confirmed or suspected	5	1.54%	\$0	0.00%
460 Accident, potential accident, Other	2	0.61%	\$0	0.00%
471 Explosive, bomb removal (for bomb scare,	1	0.30%	\$0	0.00%
	10	3.09%	\$0	0.00%
5 Service Call				
500 Service Call, other	3	0.92%	\$0	0.00%
511 Lock-out	1	0.30%	\$0	0.00%
522 Water or steam leak	2	0.61%	\$0	0.00%
531 Smoke or odor removal	3	0.92%	\$0	0.00%
550 Public service assistance, Other	1	0.30%	\$0	0.00%

CENTRALCOVENTRY

Incident Type Report (Summary)

Alarm Date Between {01/01/2021} And {01/31/2021}

Incident Type	Count	Pct of Incidents	Total Est Loss	Pct of Losses
5 Service Call				
552 Police matter	3	0.92%	\$0	0.00%
553 Public service	5	1.54%	\$0	0.00%
554 Assist invalid	5	1.54%	\$0	0.00%
561 Unauthorized burning	2	0.61%	\$0	0.00%
571 Cover assignment, standby, moveup	1	0.30%	\$0	0.00%
	26	8.04%	\$0	0.00%
6 Good Intent Call				
600 Good intent call, Other	3	0.92%	\$0	0.00%
611 Dispatched & cancelled en route	7	2.16%	\$0	0.00%
621 Wrong location	1	0.30%	\$0	0.00%
631 Authorized controlled burning	1	0.30%	\$0	0.00%
650 Steam, Other gas mistaken for smoke, Other	1	0.30%	\$0	0.00%
671 HazMat release investigation w/no HazMat	1	0.30%	\$0	0.00%
	14	4.33%	\$0	0.00%
7 False Alarm & False Call				
730 System malfunction, Other	1	0.30%	\$0	0.00%
733 Smoke detector activation due to	2	0.61%	\$0	0.00%
735 Alarm system sounded due to malfunction	1	0.30%	\$0	0.00%
736 CO detector activation due to malfunction	2	0.61%	\$0	0.00%
743 Smoke detector activation, no fire -	7	2.16%	\$0	0.00%
744 Detector activation, no fire -	1	0.30%	\$0	0.00%
745 Alarm system activation, no fire -	1	0.30%	\$0	0.00%
746 Carbon monoxide detector activation, no CO	1	0.30%	\$0	0.00%
	16	4.95%	\$0	0.00%

Total Est Loss: \$30,000

*



CENTRAL COVENTRY FIRE DISTRICT

TAX COLLECTORS REPORT

The following is the activity for the month of January 2021

Taxes Collected

2020	\$	108,005.14
2019	\$	15,146.64
2018	\$	268.93
Prior Years	\$	<u>202.60</u>

Interest/Penalty Collected \$ 7,533.89

Total \$ 131,157.20

Outstanding Taxes

2020	\$	2,424,822.25
2019	\$	123,449.40
2018	\$	37,283.34
Prior Years	\$	<u>156,398.28</u>
Total	\$	<u><u>2,741,953.27</u></u>

CENTRAL COVENTRY FIRE DISTRICT FY 2021

January 2021

December	FY21 (Approved)	YTD	Remaining	% YTD 42%	
39000 Tax Revenue					
39100 Tax Levy - Current Year	4,105,348	2,022,209	2,083,139	49%	Received
39201 Tax Levy - Prior Years	175,000	181,714	(6,714)	104%	
Total 39000 Tax Revenue	4,280,348	2,203,923	2,076,425	51%	
39500 Department Revenue					
39600 Rescue Run Recovery	575,000	231,307	343,693	40%	
39700 Fire Marshal Services	25,000	4,488	20,512	18%	
39800 Detail Reimbursement	2,500	1,320	1,180	53%	Special f
Total 39500 Department Revenue	602,500	237,115	365,385	39%	
39900 Other Revenue					
39930 Interest & Penalties on Taxes	100,000	29,903	70,097	30%	
39935 Bank Interest Income	17,500	2,337	15,163	13%	
39940 Misc Revenue	1,000	11	989	1%	
39990 Transfers from Unrestricted Cumulative Surplus	234,532	-	234,532	0%	
Total 39900 Other Revenue	353,032	32,251	320,781	9%	
TOTAL DISTRICT REVENUE	\$ 5,235,880	\$ 2,473,289	\$ 2,762,591	47%	
40000 Administrative					
40100 Audit/CPA Services	15,000	15,000	-	100%	
40200 Board Meetings	3,500	4,111	(611)	117%	
40210 Board Member Stipends	14,000	4,667	9,333	33%	
40220 Finance Director/Treasurer	108,000	45,000	63,000	42%	
40230 Administrative Insurance and HR	550	268	282	49%	
40300 Tax Collecting Expense	15,000	9,005	5,995	60%	
40400 Legal - General	55,000	15,839	39,161	29%	
40450 Legal - Labor Negotiations	35,000	4,985	30,015	14%	
40475 Professional	15,000	-	15,000	0%	
40500 Office/Miscellaneous	500	395	105	79%	
40510 Bank Fees	150	155	(5)	103%	
40600 Dues and Subscriptions	1,000	165	835	17%	
40700 Accounting and Payroll Costs	3,250	766	2,484	24%	
40800 Administrative Service Contracts	8,000	175	7,825	2%	
40850 Software and Hardware	10,000	2,884	7,116	29%	
Total 40000 Administrative	283,950	103,415	180,535	36%	

December	FY21 (Approved)	January 2021 YTD	Remaining	% YTD	
50000 Operations					
50200 Rescue Recovery Fees	22,000	7,489	14,511	34%	
50250 Fuel	43,000	15,431	27,569	36%	
50300 Insurance - General Liability and Property	43,600	19,165	24,435	44%	
50720 Repairs and Maintenance - Station	20,000	9,952	10,048	50%	
50730 Repairs and Maintenance - Vehicles and Apparatus	80,000	36,974	43,026	46%	
50810 Supplies - Fire and Gear	27,500	8,228	19,272	30%	
50830 Supplies - Rescue	40,000	7,355	32,645	18%	
50840 Supplies - Station	11,000	4,840	6,160	44%	
50845 Telecommunication System	2,500	2,500	-	100%	Annual f
50850 Telecommunications	12,000	4,744	7,256	40%	
50920 Electric - Stations	5,250	6,551	(1,301)	125%	Underbu
50930 Gas - Stations	7,500	3,447	4,053	46%	
50940 Oil - Stations	6,500	2,105	4,395	32%	
50960 Water - Stations	600	146	454	24%	
Total 50000 Operations	321,450	128,927	192,523	40%	
60000 Personnel Costs-Union					
60105 Salaries	1,934,919	794,600	1,140,319	41%	
60110 Collateral (Fire Marshal)	36,000	13,661	22,339	38%	
60120 Overtime	425,000	144,875	280,125	34%	
60130 Holiday	89,091	54,012	35,079	61%	
60150 Detail	2,500	3,984	(1,484)	159%	Special f
60170 Out of Rank	4,500	1,902	2,598	42%	
60180 Clothing Allowance	21,700	8,458	13,242	39%	
60190 Health Opt-out	18,000	-	18,000	0%	
60200 Payroll Tax	197,947	74,438	123,509	38%	
60210 Municipal State Pension	680,599	261,513	419,086	38%	
61000 Medical Insurance - Union	330,361	116,824	213,537	35%	
61100 HRA Medical Costs	10,000	2,905	7,095	29%	
61200 Dental Insurance - Union	29,588	11,565	18,023	39%	
61300 HR/SA Account Fees	1,500	940	560	63%	
61400 Life Insurance	5,208	-	5,208	0%	
61500 PEHP	36,723	-	36,723	0%	
62000 Injured On Duty Insurance	123,634	55,067	68,567	45%	quarterly
63000 Training/Academy	14,000	8,014	5,986	57%	
63100 Promotional Exams	1,750	-	1,750	0%	
63200 Recruitment	1,500	-	1,500	0%	
Total 60000 Personnel Costs-Union	3,964,519	1,552,758	2,411,761	39%	

December	FY21 (Approved)	January 2021 YTD	Remaining	% YTD	
70000 Personnel Costs - Administrative					
70100 Administrative Salaries/Compensation	166,702	72,527	94,175	44%	
70200 Administrative Payroll Taxes	3,152	1,478	1,674	47%	
Total 70000 Personnel Costs - Administrative	169,854	74,005	95,849	44%	
80000 Retirees/Separation Costs					
80100 Medical Insurance - Retiree	87,498	31,724	55,774	36%	
80200 Dental Insurance - Retiree	6,685	2,366	4,319	35%	
80700 Separation Payouts	55,836	-	55,836	0%	
Total 80000 Retirees/Separation Costs	150,019	34,090	115,929	23%	
90000 Other Expenditures					
90100 Hydrants	243,823	123,251	120,572	51%	Quarterly
90200 Street Lights	102,265	25,566	76,699	25%	Escrow
91000 Capital Purchases	-	-	-	0%	
92000 Lease/Interest Payment	-	-	-	0%	
95000 Claim Payments/Other	-	-	-	0%	
Total 90000 Other Expenditures	346,088	148,817	197,270	43%	
	\$ 5,235,880	\$ 2,042,012	\$ 3,193,868	39%	
SURPLUS/(DEFICIT)	\$ 0	\$ 431,277			
Adjustment Timing Tax Collection (42%)		\$ (311,647)			
Adjusted Surplus/(Deficit)		119,629			

**Coventry Fire Fighters, Local No. 3372,
International Association of Fire Fighters, AFL-CIO.
and
Central Coventry Fire District, Rhode Island
2021-2022 Contract Negotiations Ground Rules**

The following ground rules are herein agreed to between the Coventry Fire Fighters, Local No. 3372, International Association of Fire Fighters, AFL-CIO (Local), and the Central Coventry Fire District, Rhode Island (District), collectively referred to as the (Parties), for negotiating the 2021-2022 Collective Bargaining Agreement (CBA) between the Parties.

1. The Parties agree to negotiate in accordance with the Fire Fighters Arbitration Act RIGL 28-9.1 et. seq.
2. The first day of negotiations is February 2, 2021.
3. All future meetings shall be scheduled at a previous meeting.
4. All contract proposals shall be in writing.
5. The last day for submitting proposals shall be March 3, 2021.
6. All agreed to items shall be initialed/signed by the parties. The parties agree that all agreed to items are only binding if a complete agreement is reached and ratified by both the Local and the Department.
7. Negotiations shall be confidential between the parties and closed to the public and media.
8. The parties agree to extend the thirty (30) day period pursuant to RLGL 28-9.1-7 for negotiating a CBA. The last day of negotiations between the parties shall be March 19, 2021. If, at the expiration of the negotiating period, the parties have not agreed to a CBA, either party may seek arbitration in accordance with the Fire Fighters Arbitration Act RIGL 28-9.1 et. seq.

For the Local

Witness

For the District

Witness

Date _____

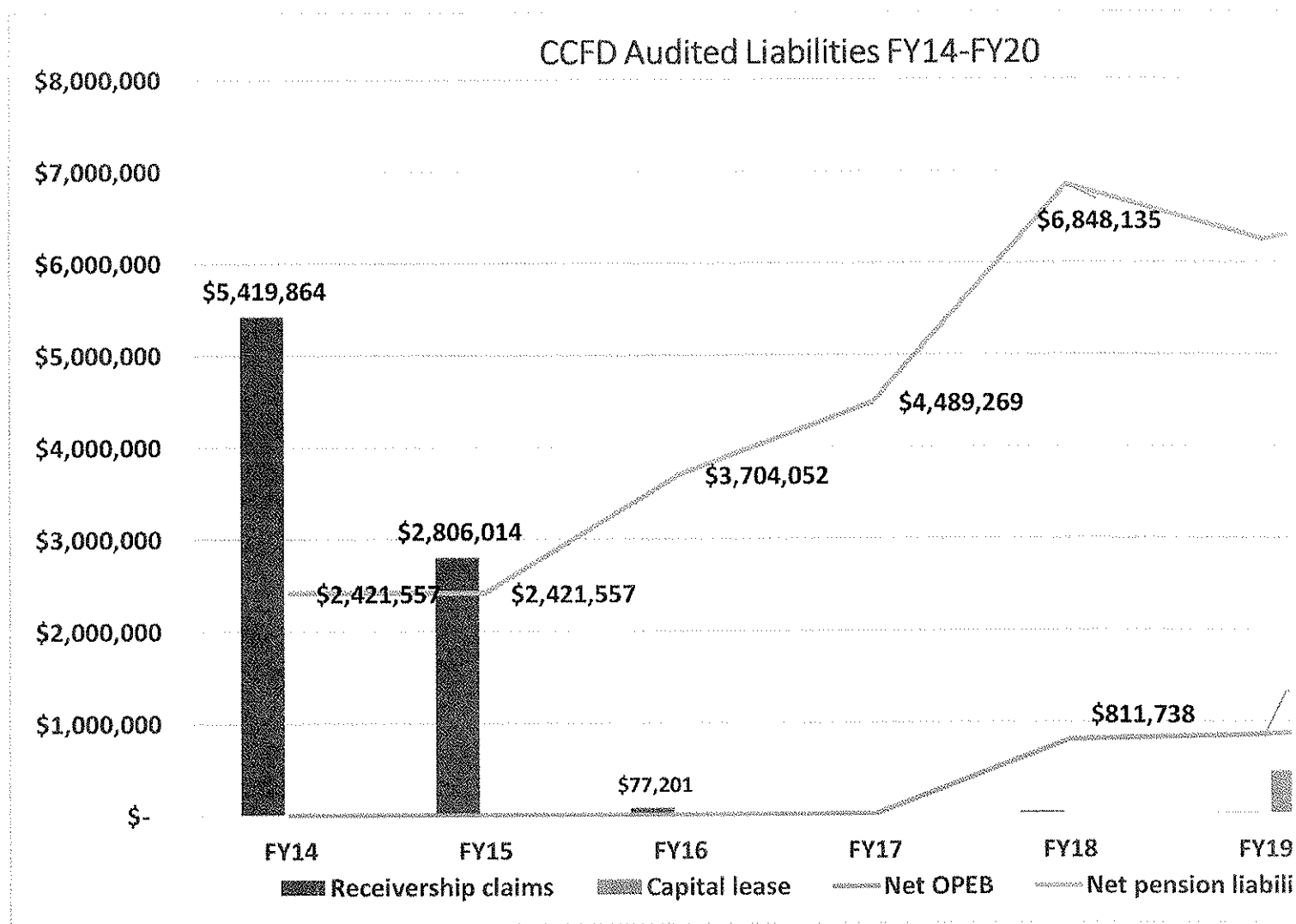
Analysis of Central Coventry Fire Department Audited Financials

The Central Coventry Fire District Board of Directors (Board) confronted a crisis that precipitated the bankruptcy prior to fiscal year 2014 - lack of financial resources, an unsustainable union contract, and debt – with fiscal conservancy. “Let the Fire District’s means” ensured balance between what taxpayers would pay for the service received. The Board directed elimination of receivership liabilities, sale of unused assets, debt-free operations, and continued investments in capital equipment. The Board proposed budgets that decreased or increased tax levies as needed.

For the fiscal year 2014 the Board budgeted its first fiscal audit. Given the complexity of the Fire District’s accounts at that time, the audit, while eventually completed, was limited in the detail it provided. Starting in fiscal year 2015, standardized accounts and audit procedures allowed for year-over-year comparisons.

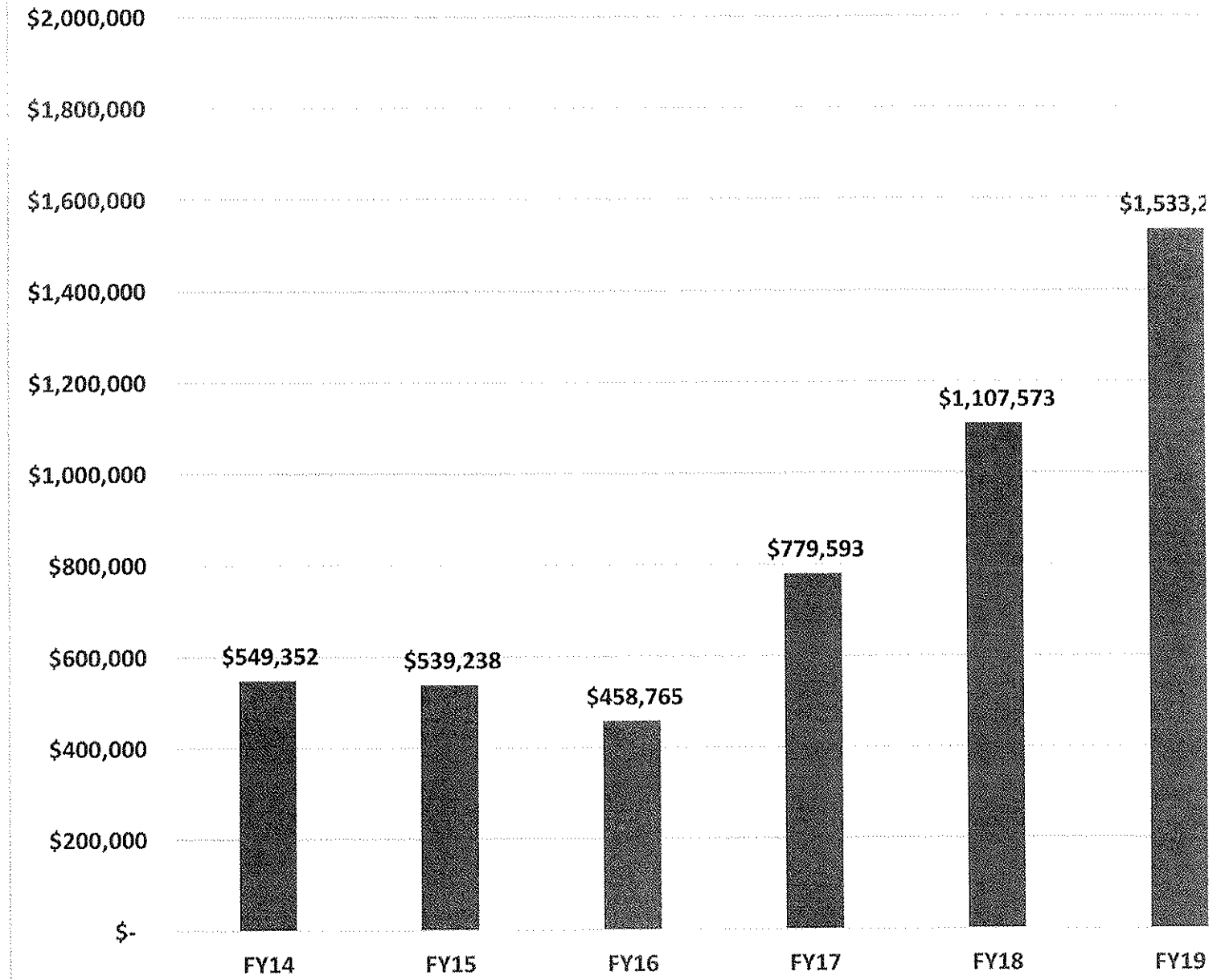
The charts below outline the results of the Board’s fiscal strategies over the period following the receivership and bankruptcy and the challenges

1. District Liabilities – while the Board was able to eliminate receivership liabilities without debt, p
 employment benefit liabilities grew considerably.



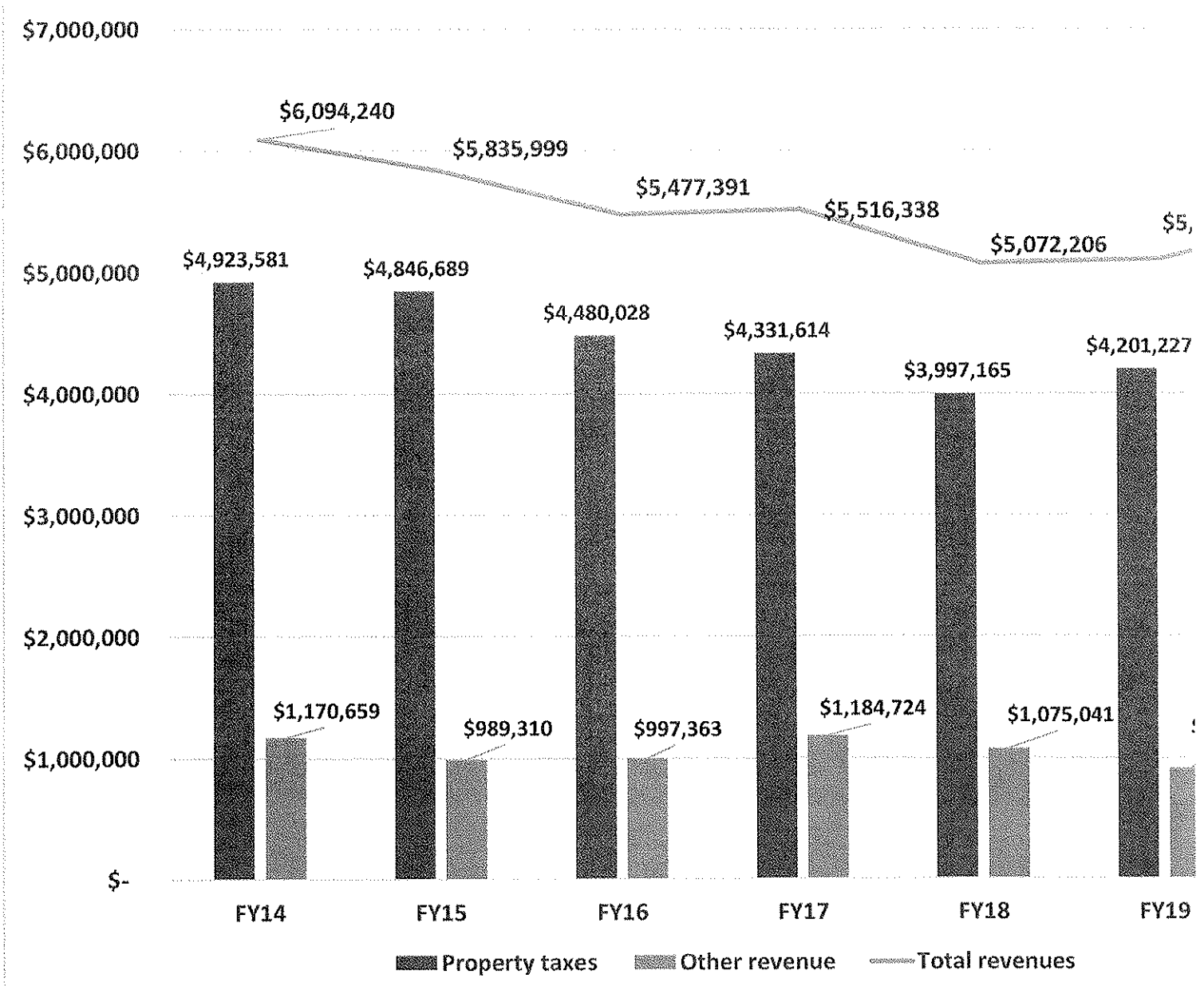
2. **Capital Investments** – once receivership claims were settled, the Board invested in capital equipment, engines, rescues, vehicles, and top-end medical equipment, growing capital assets net of depreciation

CCFD Audited Capital Assets (Net) FY14-FY20



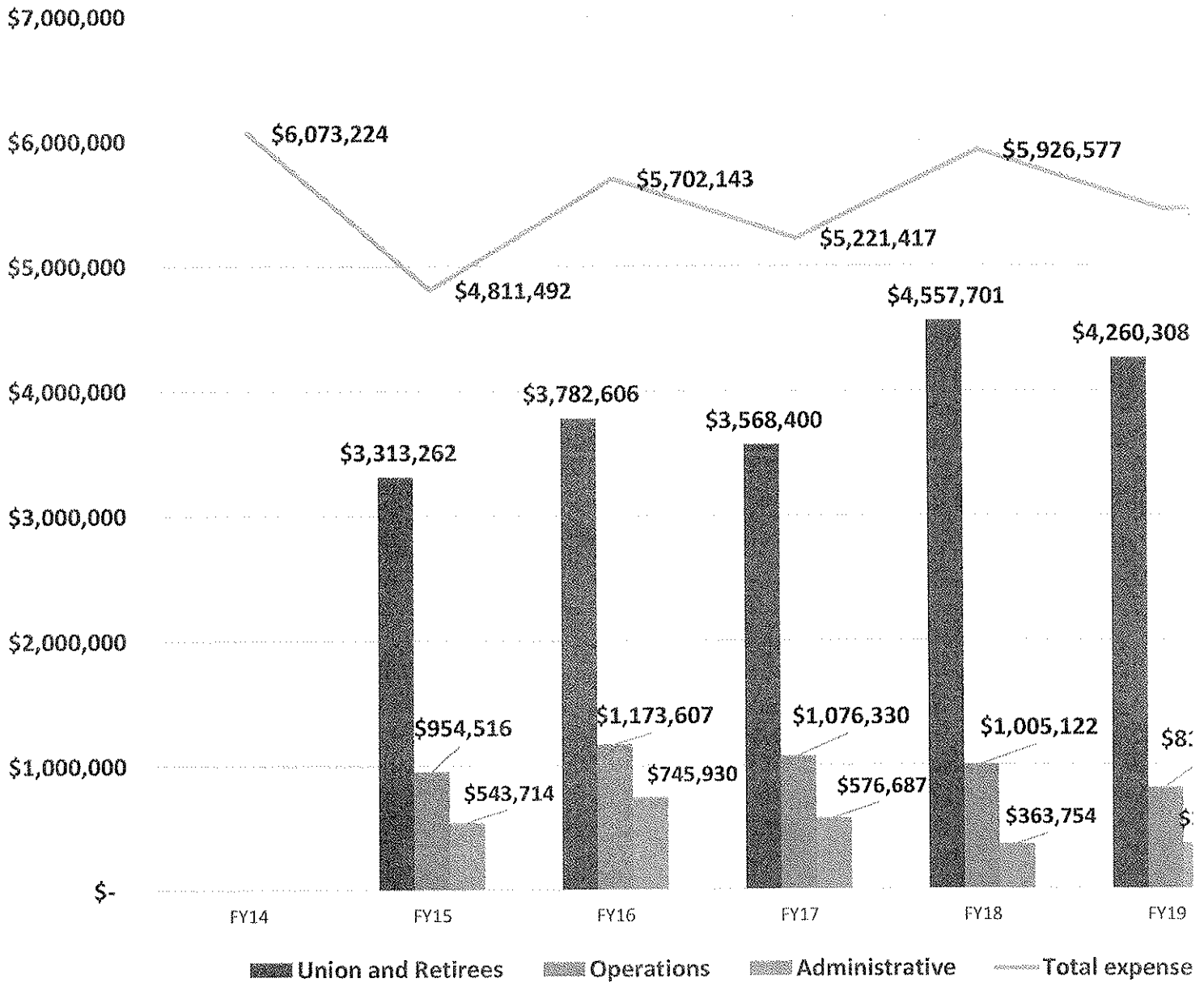
3. Revenues – tax levies, about 80% of revenues, were decreased and increased. Other revenue in rescue runs, fire marshal services, and asset sales. There are no future asset sales and rescue runs

CCFD Audited Revenues FY14 - FY20



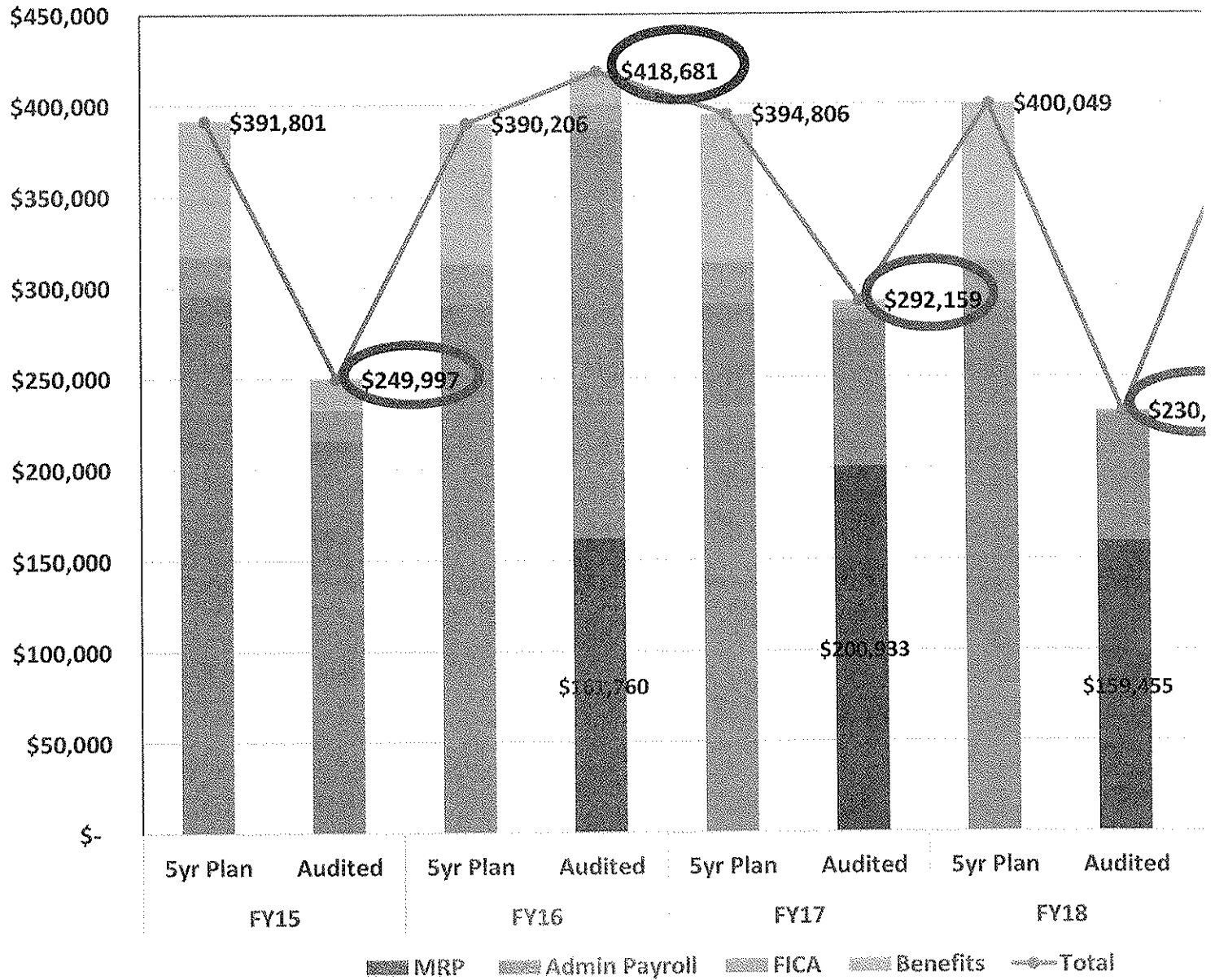
4a. Expenses – Union personnel expenses averaged 73%, operations 18% and administrative 9% o

CCFD Audited Expenses FY14-FY20



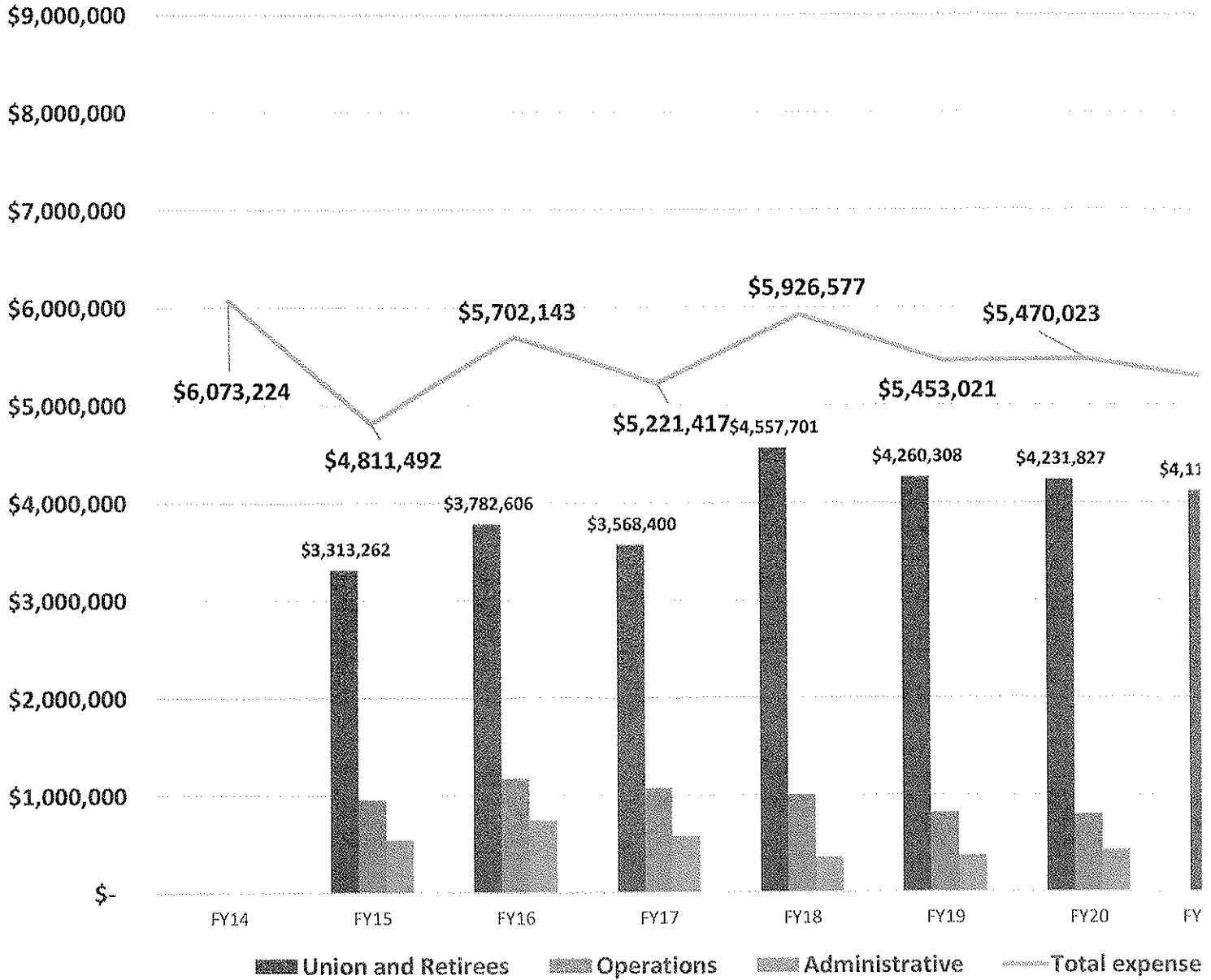
4b. Administrative Personnel Costs – In FY16 the Board strategically outsourced most administrative Management Resource Partners, Inc. (MRP), on average saving 27% or \$542,522 from the State's

Administrative Personnel Costs - 5-year Plan vs Audited

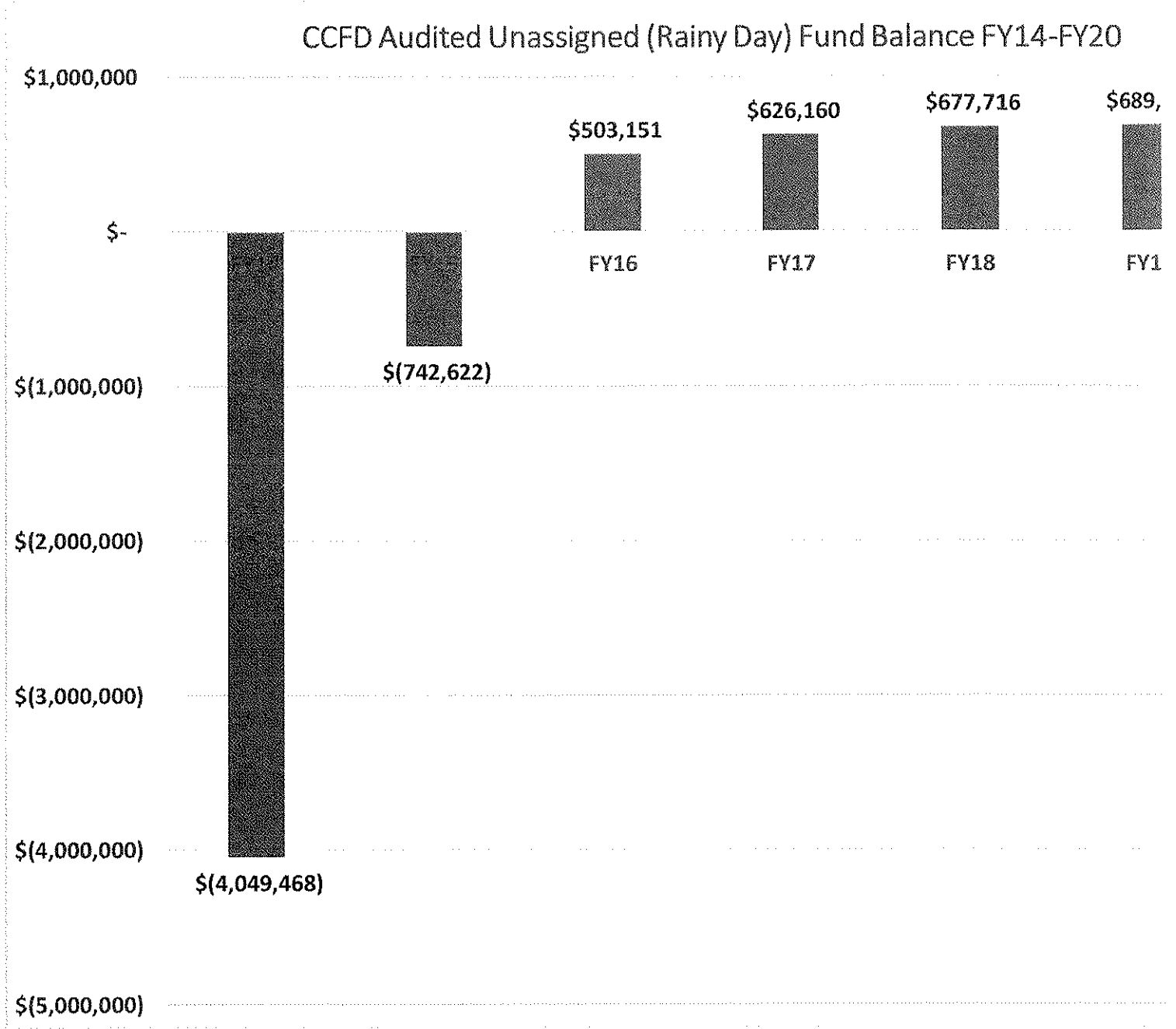


4c. Expenses – Pension costs, overtime law mandate, and union demands potentially increase unit costs, overall expenses double to \$7.9m, necessitating a 65% increase in tax levy.

CCFD Expenses FY14-FY20 Audited + FY21 Union Ask



5. **Rainy Day Fund** – while the Board was able to establish a positive rainy day fund, pension costs, union demands will eliminate it.



***CENTRAL COVENTRY FIRE
DISTRICT***

FINANCIAL STATEMENTS

***FOR THE FISCAL YEAR ENDED
August 31, 2020***

COVENTRY, RHODE ISLAND

**CENTRAL COVENTRY FIRE DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2020**

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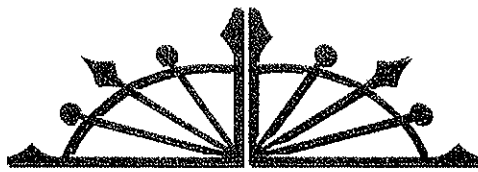
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concluded

FINANCIAL SECTION

This Section Contains the Following Subsections:

Independent Auditors' Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable President
and Members of the Board of Directors
Central Coventry Fire District
Coventry, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Central Coventry Fire District (District) as of and for the fiscal year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
Major Governmental Fund	Unmodified

Basis for Qualified Opinion – Governmental Activities

The Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, requires that the net pension asset and/or liability and various components related to the net pension asset and/or liability be reported utilizing a measurement date which is no earlier than the end of the prior fiscal year. However, the District participates in the retirement plans administered by the State of Rhode Island and as such, the measurement date utilized by those plans was June 30, 2019, which is a date earlier than the District's prior fiscal year end. The amount by which this departure would affect the net pension assets, deferred outflow of resources, net pension liabilities, deferred inflows of resources, net position, and expenses of the Governmental Activities has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Central Coventry Fire District as of August 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Central Coventry Fire District as of August 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 45-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2021 on our consideration of the Central Coventry Fire 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Central Coventry Fire District's internal control over financial reporting and compliance.

Baxter Dansereau & Associates, LLP
West Warwick, Rhode Island
February 3, 2021

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MANAGEMENTS' DISCUSSION AND ANALYSIS

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CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

Management of the Central Coventry Fire District provides this Management's Discussion and Analysis of the Central Coventry Fire District's Annual Financial Report for the readers of the District's financial statements. This narrative overview and analysis of the financial statements of the Central Coventry Fire District is for the fiscal year ended August 31, 2020. We encourage readers to consider this information in conjunction with the District's financial statements that follow.

Financial Highlights

- ❖ The District's primary government net position increased by the amount of \$8,864 as a result of this year's current operations. On a government-wide basis the liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$3,566,452.
- ❖ The District's Government-wide operating expenses were \$5,470,023 while revenues were \$5,478,887 for the 12-month fiscal year ended 8/31/2020.
- ❖ As of the close of the fiscal year, the District's governmental fund reported a deficit of \$157,248 to end the year with a cumulative surplus in its fund balance of \$805,292 and its unassigned fund balance of \$474,542.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements consist of three components:

- Government – wide financial statements
- Fund financial statements
- Notes to financial statements

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.

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

CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows, liabilities and deferred inflows with the difference between them reported as net position. As comparisons become possible over the years, 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 which shows how the District's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the District, which are supported by taxes and intergovernmental revenues which are presented as governmental activities. The District's governmental activities include personal services and benefits, materials and services, public safety and interest expense.

The government wide financial statements are reported on pages 10 and 11.

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, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances 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, Expenditures, and Changes in Fund Balances for the General Fund which is considered to be a major fund.

CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

Notes to 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 are presented on pages 15 through 45.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertinent to the District's operations. Required Supplementary Information is presented on pages 46 through 52.

Government-wide Financial Analysis

Analysis of the District's Net Position

As noted earlier, net position may serve over time as a useful indicator of a District's financial position and an important determinant of its ability to finance services in the future. The District's governmental activities liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$3,566,452 as of August 31, 2020.

Listed below is the current year's net asset position:

	Governmental Activities 2020	Governmental Activities 2019
Current and other assets	\$ 1,379,913	1,564,037
Capital assets (net)	1,780,499	1,533,265
Total assets	3,160,412	3,097,302
Deferred outflow of resources:	2,101,232	2,294,942
Other liabilities	141,924	143,481
Receivership claims (1)	-	11,001
Long-term liabilities	7,851,958	7,735,913
Total liabilities	7,993,882	7,890,395
Deferred inflow of resources:	834,214	1,077,165
Net position:		
Net investment in capital assets	1,780,499	1,533,265
Unrestricted	(5,346,951)	(5,108,581)
Total net position	\$ (3,566,452)	\$ (3,575,316)

CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

The District has presented the governmental activities "Net Investment in Capital Assets" most current schedule which consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment less any debt used to acquire these assets, which is still outstanding. 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 would be reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

Analysis of the District's Operations

The following analysis provides a summary of the District's operations for the year ended August 31, 2020. The following table presents a schedule of the activity that accounted for the decrease in the District's net position.

CENTRAL COVENTRY FIRE DISTRICT
CHANGE IN NET POSITION

	Governmental Activities 2020	Governmental Activities 2019
Revenues:		
Program revenues:		
Charges for services	619,913	755,793
General revenues:		
Property taxes	4,248,115	4,201,227
Penalties and interest	105,900	121,157
Miscellaneous revenue	504,959	31,252
Total revenues	<u>5,478,887</u>	<u>5,109,429</u>
 Expenses:		
Administrative	434,397	374,452
Personnel - Union and Retirees	4,231,827	4,260,308
Operations, Hydrants and Lighting	788,609	800,862
Interest	15,190	17,399
Total expenses	<u>5,470,023</u>	<u>5,453,021</u>
 Increase (decrease) in net position	8,864	(343,592)
 Net position - beginning	(3,575,316)	(3,231,724)
 Net position - ending	<u>(3,566,452)</u>	<u>(3,575,316)</u>

CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

Financial Analysis of the District's Funds

The District implemented the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) in fiscal year 2014. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies the definitions for governmental funds. GASB 54 defines the following five categories of fund balance:

Nonspendable – items that cannot be spent because they are not in a spendable form or legally or contractually required to be maintained intact.

Restricted – items that are restricted by external parties or imposed by grants, laws or legislation.

Committed – items that have been committed by formal action by the entity's highest level of decision-making authority.

Assigned – items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose.

Unassigned – items that have no restrictions placed on them.

The focus of the 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 unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The Fund Balance section of the Balance Sheet for Governmental Funds is presented in the format required by GASB Statement 54.

CENTRAL COVENTRY FIRE DISTRICT
FUND BALANCES

	<u>August 31, 2020</u>	<u>August 31, 2019</u>	
	Total Governmental Funds	Total Governmental Funds	Increase (Decrease)
Nonspendable	23,882	66,171	(42,289)
Assigned	306,868	207,051	99,817
Unassigned	474,542	689,318	(214,776)
Total	<u>805,292</u>	<u>962,540</u>	<u>(157,248)</u>

CENTRAL COVENTRY FIRE DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended August 31, 2020
(Un-audited)

The District's Capital Assets

The District's investment in capital assets for its governmental activities amounts to \$1,788,089 net of accumulated depreciation at August 31, 2020. Included are land, building and improvements, motor vehicles, furniture and equipment. It should be noted that all capital assets are valued at historical or estimated historical cost as required by Generally Accepted Accounting Principles.

Additional information on the District's capital assets are located in Note 6 of the notes to the financial statements.

Central Coventry Fire District
Capital Assets (Net of Accumulated Depreciation)

	August 31, 2020	August 31, 2019
	Govern- mental Activities	Govern- mental Activities
Land	\$ 33,703	\$ 41,293
Buildings and improvements	127,679	87,914
Vehicles	1,510,727	1,272,086
Machinery and equipment	108,390	131,972
Total	\$ 1,780,499	\$ 1,533,265

Request for Information

The financial report is designed to provide 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 Central Coventry Fire District, District Manager Office 240 Arnold Road, Coventry RI 02816.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements include
the Government-Wide Financial Statements,
the Fund Financial Statements and the
Notes to the Financial Statements

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Government Wide Financial Statements

The Government Wide Financial Statements include
the Statement of Net Position and the
Statement of Activities

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CENTRAL COVENTRY FIRE DISTRICT
Statement of Net Position
August 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 921,946
Accounts receivable	
Taxes receivable	432,697
Other receivables	1,388
Prepaid	23,882
Capital Assets:	
Property & equipment - net	<u>1,780,499</u>
TOTAL ASSETS	<u><u>3,160,412</u></u>
Deferred outflow of resources:	
Deferred outflow of resources related to pensions	2,101,232
LIABILITIES	
Accounts payable	141,924
Long-term liabilities	
Compensated absences	210,622
Net OPEB liability	984,554
Net pension liability	<u>6,656,782</u>
TOTAL LIABILITIES	<u><u>7,993,882</u></u>
Deferred inflow of resources:	
Deferred inflow of resources related to pensions	834,214
NET POSITION	
Net investment in capital assets	1,780,499
Unrestricted	<u>(5,346,951)</u>
TOTAL NET POSITION	<u><u>\$ (3,566,452)</u></u>

See auditor's report and
 accompanying notes to these financial statements

CENTRAL COVENTRY FIRE DISTRICT
Statement of Activities
For the Year Fiscal Ended August 31, 2020

	<u>Program revenues</u>	<u>Expenses</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/Programs				
Primary government				
Public safety - fire protection and rescue:				
Administrative	\$ 434,397	\$ 434,397		\$ 185,516
Personnel - Union and Retirees	-	-	Charges for Services	(4,231,827)
Operations, Hydrants and Lighting	-	-		(788,609)
Interest	-	-		(15,190)
Total governmental activities	<u>\$ 540,023</u>	<u>\$ 619,913</u>		<u>(4,850,110)</u>
			General revenues:	
			Property taxes	4,248,115
			Penalties and interest	105,900
			Miscellaneous	442,591
			Gain on extinguished debt	62,368
			Total general revenues	<u>4,858,974</u>
			Change in net position	8,864
			Net position - beginning of the year	(3,575,316)
			Net position - end of the year	<u>\$ (3,566,452)</u>

See auditor's report and accompanying notes to these financial statements

Fund Financial Statements

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CENTRAL COVENTRY FIRE DISTRICT
Balance Sheet
Governmental Funds
August 31, 2020

	General Fund	Totals
ASSETS		
Cash and Investments	\$ 921,946	\$ 921,946
Receivables		
Taxes receivable (net)	432,697	432,697
Other receivables	1,388	1,388
Prepaid	23,882	23,882
TOTAL ASSETS	\$ 1,379,913	\$ 1,379,913
LIABILITIES		
Accounts payable and accrued expenses	\$ 141,924	\$ 141,924
TOTAL LIABILITIES	141,924	141,924
DEFERRED INFLOW OF RESOURCES		
Unavailable tax revenue	432,697	432,697
FUND BALANCES		
<i>Nonspendable:</i>		
Prepaid	23,882	23,882
<i>Assigned:</i>		
Streetlights	294,265	294,265
Capital	12,603	12,603
<i>Unassigned:</i>		
	474,542	474,542
TOTAL FUND BALANCES	805,292	805,292
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,379,913	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (see note 7)	1,780,499
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 7)	432,697
Some liabilities, pension liabilities and deferred amounts, are not due and payable in the current period and therefore are not reported in the funds. (see note 7)	(6,584,940)
Net position of governmental activities	\$ (3,566,452)

See auditor's report and
accompanying notes to these financial statements

CENTRAL COVENTRY FIRE DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended August 31, 2020

	<u>General Fund</u>
Revenues:	
Property Tax Revenue	\$ 4,262,433
Rescue - Charges for Services	594,948
Fire Recovery	24,965
Penalties and Interest	105,900
Other Revenues	450,181
Total general revenues	<u>5,438,427</u>
Expenditures:	
Public safety - fire protection and rescue	
Administrative	434,397
Personnel - Union and Retirees	3,704,260
Operations, Hydrants and Lighting	640,814
Capital Purchases	402,619
Lease Payments	398,395
Interest Expense	15,190
Total expenditures	<u>5,595,675</u>
Excess of revenues over (under) expenditures	<u>(157,248)</u>
Net change in fund balance	(157,248)
Fund balance - beginning of the year	<u>962,540</u>
Fund balance - end of the year	<u><u>\$ 805,292</u></u>

See auditor's report and accompanying notes to these financial statements

CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended August 31, 2020

Net change in fund balances - total governmental funds \$ (157,248)

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays and adjustments in the current period.

Capital outlay	402,619	
Depreciation expense	<u>(147,795)</u>	254,824

Property taxes that are not collected in the current period and do not represent current financial resources are deferred in the fund financial statements, however they are recognized as revenues in the statement of activities. (14,318)

Changes in the District's Net Pension Assets, Deferred Outflows of Resources related to pension plans or Net Pension Liability and Deferred Inflows of Resources related to pension plans result in an increase or decrease to the pension expense reported in the Statement of Activities. The effect of these adjustments resulted in a decrease in pension expense reported in the Statement of Activities.

Also, under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the full accrual basis, expenses and liabilities are recorded regardless of when financial resources are available.

Net decrease in compensated absences	(55,868)	
Decrease in captial lease	460,763	
Net (increase) decrease in the net pension liability	(400,640)	
Net (increase) decrease in the net OPEB liability	(120,300)	
Net increase (decrease) in deferred outflows	(193,710)	
Net (increase) decrease in deferred inflows	<u>242,951</u>	(66,804)

Change in net position of governmental activities \$ 8,864

Please see Note 8 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

See auditor's report and accompanying notes to these financial statements

Notes to Financial Statements

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CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 1 – REPORTING ENTITY

The financial statements of the Central Coventry Fire District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

In accordance with the requirements of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the accompanying basic financial statements present the Central Coventry Fire District (District) (the primary government). The activities discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Primary Government

The Central Coventry Fire District, created by legislative charter in 1959, is a quasi-governmental entity that provides primary fire protection, emergency medical assistance, and other services, such as some street lighting and usage and rental for fire hydrants from Kent County Water Authority for all properties located within the geographical boundaries of the Central Coventry Fire District. The Central Coventry Fire District (CCFD) is the largest of the four fire districts within the Town of Coventry, with an emergency response area over 26 square miles of land. In order to be able to provide such essential services, the District is enabled by Rhode Island General Law to levy a separate tax, which is called a "Fire Tax". This fire tax is used 100% to operate the Fire District and to provide the essential services to the public.

In accordance to its Charter, District oversight is provided by a seven-member Board of Directors, residents of the District, and elected in staggered terms by the District's taxpayers at the annual meeting. The CCFD Charter provides for a president and vice-president of the Board of Directors.

The more significant of the District's current accounting policies are described below.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Recently Issued Accounting Standards

On May 8, 2020, the Government Accounting Standards Board (GASB) which is the standard setter for governmental financial reporting released Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. This statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The guidance postpones by one year the effective dates of certain provisions in issued pronouncements. Statement 95 and how it relates to these provisions is available on the GASB website, www.gasb.org.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting entity as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, receivables and payables.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which, is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

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

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF PRESENTATION

In addition to funds that meet the major fund criteria, any other governmental fund that the District's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund. The funds of the financial-reporting entity are described below:

Governmental Fund Types

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

General Fund – is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities, except those that are legally or administratively required to be accounted for in other funds.

Special Revenue Funds – are used to account for restricted or committed revenues that comprise a substantial portion of the *inflows* of a fund. For this reporting period the District does not present any special revenue funds.

BASIS OF ACCOUNTING

Measurement Focus – Government Wide Financial Statements

In the government wide financial statements, the Statement of Net Position and Statement of Activities (governmental and business-type activities) are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between fiduciary fund types. These charges have been reclassified as other receivables or other liabilities.

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

Measurement Focus – Fund Financial Statements

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Governmental Fund Types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

In applying the "susceptible to accrual" concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, amounts must be expended on the specific purpose or project before any amounts will be paid to the District; therefore revenues are recognized based upon the expenditures recorded.

Cash and Cash Equivalents

For the purpose of the Financial Statements Fund Types consider all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value in accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include fire taxes.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as fire taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable.

Prepaid items

Prepaid items are accounted for under the consumption method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Property, Plant and Equipment

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold is any individual item with a total cost of greater than \$5,000.

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

<u>Classes</u>	<u>Useful Life</u>
Land improvements	5-30 years
Buildings and improvements	5-50 years
Motor vehicles	5-15 years
Machinery and equipment	5-30 years
Office furniture and equipment	3-20 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Equity Classifications

Government-Wide Statements

Government-Wide Statements - Equity is classified as net position and displayed in three components:

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- *Unrestricted* - All other net position that do not meet the definition of "restricted" or "net investment in capital assets"

Governmental Fund Financial Statements

The District has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the District's presentation of the elements of fund balances, a key indicator of inter-period equity. Listed below are the new fund balance categories and their definitions.

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
- *Restricted* – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions.
- *Committed* – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action.
- *Assigned* – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances.
- *Unassigned* – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Fire Taxes

The District is permitted by state law to levy and collect fire taxes. Taxes are recognized as revenue when they are collected. Taxes are levied each October on (a) 100% of the full and fair value of real and tangible personal property owned within the District on the previous December 31. Taxes levied during October are payable in quarterly installments on November 15, February 15, May 15 and August 15. Unpaid property taxes at August 31, 2020, include delinquent installments of the current and prior years. The District does not record interest earned on delinquent taxes until payment is received.

Vacation, Sick Leave, and Other Compensated Absences

See Note 9 for a detail of the Districts vacation and sick leave policies.

Uses of Estimates

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

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Inter-fund Transactions

Quasi-external transactions are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements to a fund for expenditures or expenses initially made from it, which are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. All inter-fund transactions except advances, quasi-external transactions and reimbursements are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered equity transfers. All other inter-fund transactions are treated as operating transfers. The Districts policy is to eliminate inter-fund liabilities when assets become available or through approved equity transfers. In the Government-Wide financial statements these inter-fund balances are eliminated so not to "gross up" the assets and or liabilities of the primary government.

Deferred Outflows of Resources

Represent a consumption of net position or fund balance by a government that is applicable to a future reporting period. In the government-wide financial statements the District recognized deferred pension related outflows of \$2,101,232.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and/or balance sheet can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At August 31, 2020 the District had one item qualifying as a deferred inflow of resources in the governmental funds balance sheet. Unavailable tax revenue represents property taxes receivables which are assessed on December 31, 2019 and prior. Net unavailable tax revenue included in the fund financial statements was \$432,697 at August 31, 2020 and in the government-wide financial statements deferred pension related inflows of \$834,215 were recognized.

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.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 3 - FUND EQUITY

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at August 31, 2020:

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as inventories and prepaid items.
- *Assigned* – are balances that are designated by the board to be used for a specific purpose in the future.
- *Unassigned* – are balances available for any purpose. They are not precluded by a management decision, law, constitutional provision in the general fund.

NOTE 4 - CASH AND INVESTMENTS

Deposits: The District maintains deposits in a single financial institution that are carried at cost. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and cash equivalents".

Investments: Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of the institution or institutions are verifiable and can be monitored. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

Interest Rate Risk: The District does not have an established policy as it does not carry investments.

Concentrations: The District does not have an established policy as it does not carry investments.

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of August 31, 2020, \$-0- of the District's bank balance of \$1,348,210 was uninsured and uncollateralized.

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 4 - CASH AND INVESTMENTS *(continued)*

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the District consist of the following at August 31, 2020

<i>Cash and cash equivalents</i>	
Deposits with financial institutions	\$ 921,946
<i>Total cash and investments</i>	<u><u>\$ 921,946</u></u>

Cash and investments are classified in the accompanying financial statements as follows:

<i>Statement of net assets</i>	
Cash and cash equivalents	\$ 921,946
<i>Total cash and investments</i>	<u><u>\$ 921,946</u></u>

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District does not have any investments that are subject to interest rate risk for the fiscal year ended August 31, 2020.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The District did not have any debt type investments that were exposed to credit risk as defined by GASB 40 as of August 31, 2020.

NOTE 5 – PROPERTY FIRE TAXES

The District is responsible for assessing, collecting, and distributing property fire taxes in accordance with enabling state legislation. All property taxes for fund financial statement purposes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes), which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. The District does not recognize or record property tax revenue received after its fiscal year-end.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended August 31, 2020 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Increases	Adjustments	Decreases	
Governmental activities:					
Capital assets:					
Land	\$ 41,293	\$ -	\$ -	\$ (7,590)	\$ 33,703
Buildings and improvements	494,087	44,924	-	(96,999)	382,012
Vehicles	2,121,508	357,695	-	(40,000)	2,439,203
Machinery and equipment	421,380	-	-	-	421,380
Total other capital assets at historical cost	<u>3,018,268</u>	<u>402,619</u>	<u>-</u>	<u>(144,589)</u>	<u>3,276,298</u>
Less accumulated depreciation for:					
Buildings and improvements	346,173	5,189	-	(96,999)	254,333
Vehicles	849,422	119,054	-	(40,000)	928,476
Machinery and equipment	289,408	23,582	-	-	312,990
Total accumulated depreciation	<u>1,485,003</u>	<u>147,795</u>	<u>-</u>	<u>(136,999)</u>	<u>1,495,799</u>
Governmental activities capital assets, net	<u>\$ 1,533,265</u>	<u>\$ 254,824</u>	<u>\$ -</u>	<u>\$ (7,590)</u>	<u>\$ 1,780,499</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Public safety	<u>\$ 147,795</u>
Total governmental activities depreciation expense	<u>\$ 147,795</u>

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED August 31, 2020

NOTE 7. DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

"Total fund balances" of the Fire District's governmental funds \$805,292 differs from "net position" of governmental activities (\$3,566,452) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

	<u>Total Governmental Funds</u>	<u>Long-term Assets/ Liabilities (1)</u>	<u>Reclassifications and Eliminations (2)</u>	<u>Statement Net Position Totals</u>
Assets				
Cash and investments	\$ 921,946	\$ -	\$ -	\$ 921,946
Accounts receivable:				
Taxes receivable	432,697	-	-	432,697
Other receivables	1,388	-	-	1,388
Prepaid	23,882	-	-	23,882
Capital assets - net	-	1,780,499	-	1,780,499
Total assets	<u>1,379,913</u>	<u>1,780,499</u>	<u>-</u>	<u>3,160,412</u>
Deferred Outflows of Resources:	-	2,101,232	-	2,101,232
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	141,924	-	-	141,924
Long-term liabilities				
Due in more than one year	-	7,851,958	-	7,851,958
Total liabilities	<u>141,924</u>	<u>7,851,958</u>	<u>-</u>	<u>7,993,882</u>
Deferred inflow of resources:	432,697	401,517	-	834,214
Fund Balances/Net Position				
Total fund balances/net position	805,292	(4,371,744)	-	(3,566,452)
Total liabilities, deferred inflows of resources fund balances and net position	<u>\$ 1,379,913</u>	<u>\$ 3,480,731</u>	<u>\$ -</u>	<u>\$ 5,261,644</u>

(1) Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current period expenditures. Those assets (for example receivables) are offset by deferred inflows in the governmental funds and thus are not included in the fund balance. Also, some expenditures in the governmental activities do not reflect current period charges.

Adjustment of deferred inflows	\$ 432,697
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When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 3,276,298
Accumulated depreciation	(1,495,799)
	<u>\$ 1,780,499</u>

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.

Accrued compensated absences	\$ (210,622)
Net OPEB Liability	(984,554)
Net Pension Liability	(6,656,782)
	<u>\$ (7,851,958)</u>

Deferred inflows and outflows of resources are amounts used under GASB 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; such as changes of assumptions or differences in expected and actual investment returns. These amounts will be recognized in future periods.

Deferred inflows of resources - pensions	\$ (834,214)
Deferred outflows of resources - pensions	2,101,232
	<u>\$ 1,267,018</u>

**CENTRAL COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED August 31, 2020**

NOTE 8. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in the fund balances" for governmental funds (\$157,248) differs from the "change in net position" for governmental activities \$8,864 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities

	<u>Total Governmental Funds</u>	<u>Long-term Revenues/ Expenses (1)</u>	<u>Capital- related Items (2)</u>	<u>Long-term Debt Transactions (3)</u>	<u>Statement of Activities Totals</u>
Revenues					
Property taxes	\$ 4,262,433	\$ (14,318)	\$ -	\$ -	\$ 4,248,115
Rescue - charges for services	594,948	-	-	-	594,948
Fire recovery	24,965	-	-	-	24,965
Penalties & interest	105,900	-	-	-	105,900
Other revenue	450,181	-	(7,590)	-	442,591
Total revenues	\$ 5,438,427	(14,318)	(7,590)	-	5,416,519
Expenditures					
Public safety - fire protection and rescue:					
Administrative	434,397	-	-	-	434,397
Personnel - Union and Retirees	3,704,260	-	-	527,567	4,231,827
Operations, Hydrants and Lighting	640,814	-	147,795	-	788,609
Capital Purchases	402,619	-	(402,619)	-	-
Lease Payments	398,395	-	(398,395)	-	-
Interest Expense	15,190	-	-	-	15,190
Total expenditures	5,595,675	-	(653,219)	527,567	5,470,023
Other financing sources (uses)					
Net gain or (loss) on capital lease	-	-	62,368	-	62,368
Total other financing sources (uses)	-	-	62,368	-	62,368
Net change for the year	\$ (157,248)	\$ (14,318)	\$ 707,997	\$ (527,567)	\$ 8,864

- (1) Reductions in deferred inflows that provide current financial resources to governmental funds are not reported as revenues in the statement of activities.

Deferred inflow property tax	\$ (14,318)
	<u>\$ (14,318)</u>

- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position is decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 402,619
Depreciation expense	(147,795)
Difference	<u>\$ 254,824</u>

When a net gain is realized on the sale of capital assets it is not recognized on the governmental funds and is only recorded on the statement of activities.

Gain on sale of assets adjustment for land value	\$ (7,590)
	<u>\$ (7,590)</u>

- (3) Repayment of debt principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the Fire District as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities. Also long-term employee benefits that do not require the use current financial resources are not reported as expenditures in the governmental funds but are in the statement of activities.

Net (increase) decrease in the net pension liability	\$ (400,640)
Net (increase) decrease in the net OPEB liability	(120,300)
Net increase (decrease) in deferred outflows	(193,710)
Net (increase) decrease in deferred inflows	242,951
(Increase) decrease in accrued compensated absences	(55,868)
Net (increase) decrease in capital leases	460,763
	<u>\$ (66,804)</u>

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 9 – SICK LEAVE AND VACATION

1. SICK LEAVE

A. GENERAL:

Each firefighter accrues sick leave on a bi-weekly basis at a rate of 5.0768 hours every two (2) weeks.

B. CREDIT FOR SICK LEAVE UPON SEPARATION OF SERVICE

Upon separation of service, the District will pay the fire fighter for 50% of the accumulated, unused sick leave, provided that the employee has completed at least twenty (20) years of continuous service to the District. Upon separation of service, the District will pay the fire fighter for 25% of the accumulated, unused sick leave, provided that the employee has completed at least fifteen (15) years of continuous service to the District. Upon the death of any active fire fighter, not occurring in the line of duty, the District will pay to the fire fighter's estate 50% of the fire fighter's accumulated, unused sick leave at the time of death. Dollar value shall be determined by multiplying the employee's most current hourly rate of pay by the number of unused accumulated hours of sick leave.

2. VACATION

A. GENERAL

Vacation is credited on the first day of January each year according to the following schedule:

VACATION SCHEDULE

1-2 Years	48 hours
2-3 Years	96 hours
3-4 Years	120 hours
4-10 Years	168 hours
10-15 Years	216 hours
15-20 Years	264 hours
20 Years & over	312 hours

For a new employee, vacation will be credited on the day after the employee's one (1) year anniversary. The employee will be credited at that time with one (12) hours of vacation for each seven and one-half (7-1/2) weeks left between the employee's anniversary date and January 1st. On January 1st of the upcoming year, the employee will be credited with vacation in accordance with the schedule above.

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 9 – SICK LEAVE AND VACATION (continued)

Vacation time credited on January 1st should be used by the end of that year but may be carried over to the next year with the approval of the Chief. This vacation must be used within a two (2) year period.

B. ACCUMULATED VACATION LEAVE UPON SEPARATION OF SERVICE

Upon separation of service, full-time employees who have worked for the District for at least one (1) year may elect to have such unused accumulated vacation leave paid out in one of the following methods:

1. A one-time lump sum payment made to the employee in his/her final paycheck.
2. Deposited into the employee's PHEP account, to the extent permitted under IRS tax codes.
3. Deposited into the employee's Deferred Compensation account, to the extent permitted under IRS tax codes.

The terms of the disbursement shall be selected by the employee, in writing within seven (7) working days of separation of service.

NOTE 10 – LONG TERM LIABILITIES

The District reports long-term liabilities of the primary government in the governmental type activities. Long-term liability activity for the fiscal year ended August 31, 2020 was as follows:

	<u>Balance</u> <u>9/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>8/31/2020</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Other liabilities:					
Accrued compensated absences	154,754	55,868	-	210,622	-
Capital lease	460,763	-	460,763	-	-
Net pension liability	6,256,142	400,640	-	6,656,782	-
Net OPEB liability	864,254	120,300	-	984,554	-
Total other liabilities	<u>7,735,913</u>	<u>576,808</u>	<u>460,763</u>	<u>7,851,958</u>	-
Governmental Activities long-term liabilities	<u>\$ 7,735,913</u>	<u>\$ 576,808</u>	<u>\$ 460,763</u>	<u>\$ 7,851,958</u>	<u>\$ -</u>

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

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

Benefits provided – General employees, police officers and firefighters employed by electing entities 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 (FAC): Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

General employees

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

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 in (a) 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.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

Police and Fire employees

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

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

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

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

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).

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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 in (a) and (b) 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).

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

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

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees covered by benefit terms

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

Fire Employees	
Retirees and Beneficiaries	27
Inactive, Nonretired Members	6
Active Members	30
Total	63

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% (2% if the employer opted to provide a COLA) 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% (10% if employer opted to provide a COLA) of their salaries. The Central Coventry Fire District 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 Central Coventry Fire District contributed \$545,786 in the year ended August 31, 2020 which was 29.4% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)	
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	7.50%
Projected Salary Increases	General Employees - 3.5% to 7.5% ; Police & Fire Employees - 4.0% to 14.0%
Inflation	2.5%
Mortality	Mortality - variants of the RP - 2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP - 2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	22.10%	6.16%
International Developed	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core Real Estate	2.25%	5.51%
Opportunistic Private Credit	1.50%	9.81%
Sub-total	15.00%	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	8.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.90%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	21.00%	
Total	100.00%	

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

Discount rate - The discount rate used to measure the total pension liability 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.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

Changes in Net Pension Liability (Asset) - Fire Employees

	Increase (Decrease)		Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances as of June 30, 2018	\$ 15,663,897	\$ 9,407,755	\$ 6,256,142
Changes for the Year			
Service Cost	379,055		379,055
Interest on the total pension liability	1,080,973		1,080,973
Difference between expected and actual	333,545		333,545
Changes in assumptions	-		-
Employer contributions		495,657	(495,657)
Employee contributions		185,086	(185,086)
Net investment income		623,512	(623,512)
Benefit payments, including employee refunds	(821,902)	(821,902)	-
Administrative expense		(9,746)	9,746
Other changes		98,424	(98,424)
Net changes	<u>971,671</u>	<u>571,031</u>	<u>400,640</u>
Balances as of June 30, 2019	<u>\$ 16,635,568</u>	<u>\$ 9,978,786</u>	<u>\$ 6,656,782</u>

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.

Sensitivity Summary for Net Pension Liability

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Plan:			
Fire	8,404,944	6,656,782	5,226,014

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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 August 31, 2020 the employer recognized pension expense of \$545,786. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Fire Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 545,786	\$ -
Changes in assumptions	479,619	21,710
Net difference between projected and actual earnings on pension plan investments	165,564	176,318
Difference between expected and actual exp.	910,263	636,186
Total	\$ 2,101,232	\$ 834,214

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

A. MUNICIPAL EMPLOYEES RETIREMENT PLAN

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

Year Ending August 31	Net Deferred (outflows)/inflows of resources
2021	\$ 273,539
2022	146,094
2023	214,669
2024	58,385
2025	172
Thereafter	28,373
Total	\$ 721,232

B. POST RETIREMENT BENEFITS

Plan Description and Eligibility

Since September 1, 2015 the District has replaced these benefits by enrolling employees in a Post-Employment Health Plan (PEHP). The plan is in accordance with the guidelines of the Nationwide Retirement Solutions Post Employment Health Plan, Insurance Premium Reimbursement Account and applicable IRS, federal, and state regulations. The District contributes between 1.0%, 1.75% or 3.0% of the employee's annual base salary, depending on the employee's date of employment, to the individual's PEHP account.

Prior to the current collective bargaining agreement, the District provided employees that were vested and retired with twenty (20) or more years of service at any age, for up to ten (10) years or age sixty-five (65), whichever was first, with an individual high-deductible medical and dental plan – the same as offered to employees. The District pays the monthly premiums, but not the deductibles, for a discrete set of retirees who have retired or elected this plan prior to September 1, 2015.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

B. POST RETIREMENT BENEFITS continued

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.

Under GASB Statements Number 43 and 45, employers providing other post-employment benefits are required to obtain actuarial valuation for the plan at least every two years for 200 or more total members and at least every three years for less than 200 total members. The Plan has 10 members and is allowed to use the *alternative measurement method*, which it has elected to do so.

Plan Type

The 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 August 31, 2020, the District contributed \$122,782 to the plan for current premiums. The District did not contribute any amount towards prefunding benefits. Plan members receiving benefits do not contribute any amount toward the total premiums.

Investment Policy

There was no investment policy for the other post-employment benefits as of August 31, 2020.

Concentration

There was no concentration noted as of August 31, 2020.

The district provided individual health insurance to employees who retire with twenty (20) or more years of service at any age, for up to ten (10) years or until the retiree is eligible for Medicare, whichever occurs sooner. For the purposes of this provision, such eligible retirees shall receive the same health insurance plan (individual plan only) as active employees.

As of August 31, 2020, there are seven (7) retirees under this plan and one (1) current employee eligible for this plan. The plan is closed to new entrants.

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

B. POST RETIREMENT BENEFITS continued

There are currently two (2) spouses of an employee killed in the line of duty who receive other post-employment benefits. Such spouses shall receive full medical and dental insurance for twenty (20) years or until the spouse remarries, or until the spouse is eligible for Medicare, whichever comes first, at the full cost provided by the District. After that time, the spouse will be allowed to remain in the medical plan at his or her expense at the current cost until such time as he/she may remarry. The District shall also provide such medical and dental insurance to the deceased member's dependent children for the life of the dependent child. If the child is not considered dependent at age eighteen (18), then the medical insurance shall end, or up to age twenty-five (25) as the law permits.

Membership as of September 1, 2019:

	Participants
Active employees	1
Retirees and beneficiaries	9
Total	10

Net OPEB Liability of the District

The components of the net OPEB liability of the District at August 31, 2020, were as follows:

Total OPEB liability	\$ 984,554
Plan fiduciary net position	-
Town's net OPEB liability	\$ 984,554

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
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CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYMENT BENEFITS (continued)

B. POST RETIREMENT BENEFITS continued

Actuarial Methods and Assumptions

The total OPEB liability was determined by using an Alternative measurement method not an actuarial valuation as of August 31, 2020. This method is allowed by GASB Statement 75 when OPEB plans have fewer than 100 employees (active and inactive) that are provided OPEB through the Plan.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between employer and the plan members. 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 costs of the plan.

Description	Assumption
Valuation date	August 31, 2020
Actuarial cost method	Individual entry age normal
Asset-valuation method	None
Discount rate	4.00%
Assumed retirement age	65
Average salary increase	Not applicable
Retirement rates	The probability of remaining employed until retirement age from current and entry age by age comes from the US Office of Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Personnel	
Mortality	Life expectancy by gender comes from the Life Expectancy Table from National Center of Health Statistics updated in 2015.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.0%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contributions rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CENTRAL COVENTRY FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2020

NOTE 11 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)

B. POST RETIREMENT BENEFITS continued

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

The following represents the net OPEB liability of the District, as well as the District's net OPEB liability if calculated using a discount rate that is 1 percent lower (3%) or 1 percent higher (5%) than the current discount rate:

1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
1,081,793	\$ 984,554	\$ 963,652

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

The following represents the net OPEB liability of the District, as well as the District's net OPEB liability if calculated using healthcare cost trend rates that are 1 percent lower (4%) or 1 percent higher (6%) than the current healthcare cost trend rates:

1% Decrease	Current HCCTB	1% Increase
\$ 929,780	\$ 984,554	\$ 1,043,940

NOTE 12 – RISK MANAGEMENT

The Central Coventry Fire District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors; omissions; injuries to employees; and natural disasters. As a result, the District purchases various insurances, including commercial general liability(including emergency services liability and directors and officers liability), property coverage, umbrella or excess coverage, workers' compensation and injured on duty coverage, commercial automobile coverage, cyber-liability and crime coverage.

As of August 31, 2020, the District believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of its insurance policies.

CENTRAL COVENTRY FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 3, 2021, the date the financial statements were available to be issued, and found no material subsequent events.

NOTE 14 - INCOME TAXES

The District is chartered by the State legislature as a Special District (governmental) corporation and, accordingly, is not subject to federal and state income taxes.

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Required Supplementary Information

DRAFT

CENTRAL COVENTRY FIRE DISTRICT
Budgetary Comparison Schedule
General Fund
Schedule of Revenue and Expenditures
For the Year Ended August 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
General Revenues			
Tax levy - Current Year	\$ 4,080,522	\$ 4,063,007	\$ (17,515)
Tax Levy - Prior Years	240,000	199,426	(40,574)
Rescue Run Recovery	675,000	594,948	(80,052)
Fire Marshal Services	40,000	24,965	(15,035)
Detail Reimbursement	20,000	225	(19,775)
Interest and Penalties on Taxes	150,000	105,900	(44,100)
Asset Sales/Misc Revenue	1,000	449,956	448,956
Total revenue	<u>\$ 5,206,522</u>	<u>\$ 5,438,427</u>	<u>\$ 231,905</u>
Expenditures			
Administrative			
Audit/CPA Services	\$ 15,750	\$ 15,750	\$ -
Board Meetings	1,500	3,243	(1,743)
Board Member Stipends	14,000	14,000	-
Finance Director/Treasurer	117,000	117,000	-
Administrative Insurance and HR	550	274	276
Tax Collecting Expense	15,000	14,656	344
Legal - General	59,500	64,319	(4,819)
Office/Miscellaneous	500	1,153	(653)
Bank Fees	150	235	(85)
Dues and Subscriptions	2,000	722	1,278
Accounting and Payroll Costs	2,750	3,171	(421)
Administrative Service Contracts	8,000	7,905	95
Software and Hardware	15,000	24,006	(9,006)
Total Administrative	<u>\$ 251,700</u>	<u>\$ 266,434</u>	<u>\$ (14,734)</u>

CENTRAL COVENTRY FIRE DISTRICT
Budgetary Comparison Schedule
General Fund
Schedule of Revenue and Expenditures
For the Year Ended August 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>Variance Favorable (Unfavorable)</u>
Operations			
Rescue Recovery Fees	\$ 25,000	\$ 23,534	\$ 1,466
Fuel	43,000	41,842	1,158
Insurance - General Liability and Property	50,000	51,655	(1,655)
Repairs and Maintenance - Station	25,000	51,360	(26,360)
Repairs and Maintenance - Vehicles and Apparatus	75,000	81,797	(6,797)
Supplies - Fire	40,000	26,713	13,287
Supplies - Rescue	27,500	37,915	(10,415)
Supplies - Station	7,500	10,907	(3,407)
Telecommunication System	2,500	2,500	-
Telecommunications	10,000	11,789	(1,789)
Electric - Stations	5,250	16,035	(10,785)
Gas - Stations	3,500	1,855	1,645
Oil - Stations	15,000	11,406	3,594
Water - Stations	700	592	108
Total Operations	\$ 329,950	\$ 369,900	\$ (39,950)
Personnel Costs - Union			
Salaries	\$ 1,862,424	\$ 1,807,782	\$ 54,642
Collateral (Fire Marshall)	36,000	36,007	(7)
Overtime	500,000	361,702	138,298
Holiday	84,072	81,722	2,350
Detail	10,000	4,073	15,927
Out of Rank	2,500	4,365	(1,865)
Clothing Allowance	18,900	19,258	(358)
Health Opt-out	20,000	18,000	2,000
Payroll Tax	198,665	171,140	27,525
Municipal State Pension	564,162	545,280	18,882
Medical Insurance - Union	297,056	302,821	(5,765)
HRA/OJI Medical Costs	10,000	8,832	1,168
Dental Insurance - Union	27,734	27,382	352
HR/SA Account Fees	2,500	1,815	685
Life Insurance	5,208	5,494	(286)
PEHP	35,335	33,268	2,067
Injured on Duty Insurance	137,500	129,042	8,458
Training/Academy	15,000	16,710	(1,710)
Promotional Exams	1,750	2,307	(557)
Recruitment	1,500	1,085	415
Total Personnel Costs - Union	\$ 3,840,306	\$ 3,578,085	\$ 262,221

CENTRAL COVENTRY FIRE DISTRICT
Budgetary Comparison Schedule
General Fund
Schedule of Revenue and Expenditures
For the Year Ended August 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>Variance Favorable (Unfavorable)</u>
Personnel Costs - Administrative			
Administrative Salaries/Compensation	\$ 164,337	\$ 164,498	\$ (161)
Administrative Payroll Taxes	2,971	3,465	(494)
Total Personnel Costs - Administrative	<u>\$ 167,308</u>	<u>\$ 167,963</u>	<u>\$ (655)</u>
Retirees/Separation Costs			
Medical Insurance - Retiree	\$ 99,404	\$ 114,147	\$ (14,743)
Dental Insurance - Retiree	6,747	8,634	(1,887)
Unemployment/Separation Payouts	53,033	3,394	49,639
Total Retirees/Separation Costs	<u>\$ 159,184</u>	<u>\$ 126,175</u>	<u>\$ 33,009</u>
Other Expenditures			
Hydrants	\$ 270,915	\$ 270,914	\$ 1
Street Lights	102,265	-	102,265
Capital Purchases	-	402,619	(402,619)
Claims Payments/Other	11,000	-	11,000
Capital Lease	73,894	398,395	(324,501)
Interest Expense	-	15,190	(15,190)
Total Other Expenditures	<u>\$ 458,074</u>	<u>\$ 1,087,118</u>	<u>\$ (629,044)</u>
Total Expenditures	<u>\$ 5,206,522</u>	<u>\$ 5,595,675</u>	<u>\$ (389,153)</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ (157,248)</u>	<u>\$ (157,248)</u>

**CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2020**

The accompanying Statement of Revenues, Expenditures (GAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditure / expenses and other uses of financial resources for the year ended August 31, 2020 is presented below:

	General Fund GAAP Basis
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (Non-GAAP basis)	\$ (157,248)
<i>Adjustments:</i>	
No adjustment	-
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (GAAP basis)	\$ (157,248)

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**CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2020**

Central Coventry Fire District, Rhode Island Municipal Employee's Retirement System
Schedule of Changes in District Employee Net Pension Liability and Related Ratios
Last 10 Years as of June 30,

	Measurement Date Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A. Total pension liability										
1. Service Cost	\$ 379,055	\$ 371,843	\$ 344,441	\$ 328,131	\$ 384,281	\$ 448,689	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	1,080,973	1,099,110	1,000,552	962,470	865,808	825,629	-	-	-	-
3. Changes of benefit terms	-	-	-	-	473,200	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	333,545	(928,954)	917,508	17,229	516	-	-	-	-	-
5. Changes of assumptions	-	-	893,988	-	-	(121,538)	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(821,902)	(787,551)	(831,085)	(785,391)	(654,130)	(520,932)	-	-	-	-
7. Net change in total pension liability	971,671	(245,532)	2,325,424	528,439	1,385,202	391,858	-	-	-	-
8. Total pension liability - beginning	15,663,897	15,909,429	13,584,005	13,060,466	676,364	1,044,506	-	-	-	-
9. Total pension liability - ending (a)	\$ 16,635,568	\$ 15,663,897	\$ 15,909,429	\$ 13,584,005	\$ 1,385,202	\$ 1,436,364	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions - employer	\$ 495,657	\$ 337,778	\$ 282,940	\$ 282,940	\$ 385,835	\$ 374,043	\$ -	\$ -	\$ -	\$ -
2. Contributions - employee	185,086	183,081	168,577	170,090	144,575	204,376	-	-	-	-
3. Net investment income	623,512	703,954	962,738	(2,970)	219,294	1,232,637	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(821,902)	(787,551)	(831,085)	(785,391)	(654,130)	(520,932)	-	-	-	-
5. Pension Plan Administrative Expense	(9,746)	(9,372)	(9,684)	(9,372)	(8,793)	(7,719)	-	-	-	-
6. Other	98,424	(81,438)	(68,101)	54,221	(14,074)	(22,631)	-	-	-	-
7. Net change in plan fiduciary net position	571,031	346,461	(33,442)	(262,778)	102,707	1,259,774	-	-	-	-
8. Plan fiduciary net position - beginning	9,407,755	9,061,294	9,394,736	9,357,514	9,254,807	7,995,033	-	-	-	-
9. Plan fiduciary net position - ending (b)	\$ 9,978,786	\$ 9,407,755	\$ 9,061,294	\$ 9,094,736	\$ 9,357,514	\$ 9,254,807	\$ -	\$ -	\$ -	\$ -
C. Net pension liability - ending (a) - (b)	\$ 6,656,782	\$ 6,256,142	\$ 6,848,135	\$ 4,489,269	\$ 3,704,052	\$ 2,421,557	\$ -	\$ -	\$ -	\$ -
D. Plan fiduciary net position as a percentage of the total pension liability	59.98%	60.06%	56.96%	66.95%	71.64%	79.26%	-	-	-	-
E. Covered employee payroll	1,796,342	1,771,630	1,759,772	1,785,262	2,182,175	2,547,979	-	-	-	-
F. Net pension liability as a percentage of covered payroll	370.87%	352.50%	391.14%	251.46%	169.74%	95.04%	-	-	-	-

Schedule of Changes in the Central Coventry Fire District's Employee Contributions Multiyear
Last 10 Years as of June 30,

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 545,786	\$ 495,656	\$ 354,727	\$ 282,880	\$ 299,951	\$ 385,835	\$ 374,043	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	545,786	495,656	354,727	282,880	299,951	385,835	374,043	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	1,850,856	1,796,342	1,774,790	1,796,772	1,785,262	2,182,175	2,547,979	-	-	-
Contributions as a percentage of covered-employee payroll	29.49%	27.59%	19.99%	15.74%	16.80%	17.68%	14.68%	0%	0%	0%

Notes:
1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
2.) These schedules are intended to show information for 10 years - additional years will be displayed as they become available.

**CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2020**

Central Coventry Fire District, Rhode Island
Schedule of Changes in the Districts Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

	Fiscal Year Ending August 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
A. Total OPEB liability										
1. Service Cost	\$ 34,570	\$ 40,791	\$ 34,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total OPEB Liability	-	-	-	-	-	-	-	-	-	-
3. Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total OPEB Liability	-	-	-	-	-	-	-	-	-	-
5. Changes of assumptions	208,512	107,959	-	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(122,782)	(95,234)	(95,724)	-	-	-	-	-	-	-
7. Net change in total OPEB liability	120,300	52,516	(60,822)	-	-	-	-	-	-	-
8. Total OPEB liability - beginning	864,254	811,738	872,560	-	-	-	-	-	-	-
9. Total OPEB liability - ending (a)	\$ 984,554	\$ 864,254	\$ 811,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B. Plan fiduciary net position										
1. Contributions - employer	\$ 122,782	\$ 95,234	\$ 96,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions - employee	-	-	-	-	-	-	-	-	-	-
3. Net investment income	-	-	-	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(122,782)	(95,234)	(95,724)	-	-	-	-	-	-	-
5. OPEB Plan Administrative Expense	-	-	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-	-
8. Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-	-	-
9. Plan fiduciary net position - ending (b)	-	-	-	-	-	-	-	-	-	-
C. Net OPEB liability - ending (a) - (b)	\$ 984,554	\$ 864,254	\$ 811,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	-	-	-	-	-	-	-
E. Covered employee payroll	N/A	N/A	N/A	-	-	-	-	-	-	-
F. Net OPEB liability as a percentage of covered payroll	0.00%	0.00%	0.00%	-	-	-	-	-	-	-

Notes:
1.) This schedule is intended to show information for 10 years - additional years will be displayed if they become available.

**CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2020**

**Schedule of Plan Contributions
Last 10 Fiscal Years
Central Coventry Fire District OPEB Plan**

	Fiscal Year Ending August 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	**	**	\$	-	\$	-	\$	-	\$	-
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll per employee	-	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	-	-	-	-	-	-	-	-	-	-

Notes:

1.) This schedule is intended to show information for 10 years - additional years will be displayed as they become available.

** The District does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis.

**Schedule of Investment Returns
Last 10 Fiscal Years
Central Coventry Fire District OPEB Plan**

	Fiscal Year Ending August 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual money-weighted rate of return, net of investment expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The money-weighted rate of return considers the changing amounts actually invested during the period and weights the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period.

**CENTRAL COVENTRY FIRE DISTRICT
TAX COLLECTOR'S ANNUAL REPORT
For the Fiscal Year Ended August 31, 2020**

FISCAL YEAR END	BALANCE September 1, 2019	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE August 31, 2020
2020	\$ -	\$ 4,291,070	\$ 550	\$ (3,090)	\$ 2,940	\$ 4,285,590	\$ 4,015,645	\$ 269,945
2019	291,087	-	-	1,457	197	292,347	247,859	44,488
2018	33,360	-	-	-	722	32,638	8,529	24,109
2017	31,525	-	-	-	1,171	31,078	28,239	28,239
2016	31,255	-	-	16	523	30,748	1,580	29,168
2015	31,423	-	-	-	1,259	30,164	1,438	28,726
2014	34,717	-	-	-	6,352	28,365	1,451	26,914
2013	3,644	-	-	-	2,874	770	1,099	(329)
2012	6,926	-	-	-	1,810	5,116	590	4,526
2011 & prior	23,883	-	-	100	6,411	17,942	1,030	16,912
	<u>\$ 487,820</u>	<u>\$ 4,291,070</u>	<u>\$ 550</u>	<u>\$ 23,165</u>	<u>\$ 23,165</u>	<u>\$ 4,754,758</u>	<u>\$ 4,282,060</u>	<u>\$ 472,698</u>

Allowance for
Uncollectible Accounts: (40,000)
Net Property Tax Receivable: \$ 447,820

SCHEDULE OF NET ASSESSED PROPERTY VALUE BY CATEGORY

DESCRIPTION OF PROPERTY	VALUATIONS		LEVY	
	December 31, 2018	September 30, 2019	Sept. 16, 2019	Sept. 16, 2019
Real property residential	\$ 1,503,370,469	\$ 3,262,034		
Real property commercial	281,029,368	913,347		
Tangible personal	53,796,150	145,690		
TOTAL	<u>1,838,195,610</u>	<u>4,421,070</u>		
Less exemptions	-	-		
NET ASSESSED VALUE	<u>\$ 1,838,195,610</u>	<u>\$ 4,421,070</u>		

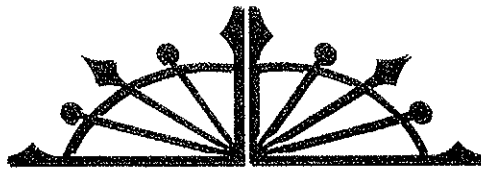
RECONCILIATION OF CURRENT YEAR PROPERTY TAX REVENUE

Current year collections	\$ 4,282,060
Sept. - October 2020 Collections Subject to 60 - day FY 2020 Accrual	\$ -
Subtotal	\$ 4,282,060
Sept. - October 2019 Collections Subject to 60 - day FY 2019 Accrual	\$ -
CURRENT YEAR RE PROPERTY TAX	\$ 4,282,060

CENTRAL COVENTRY FIRE DISTRICT

*AUDITOR'S REPORT AS REQUIRED BY
GOVERNMENT AUDITING STANDARDS*

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BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners
William J. Baxter, Jr., CPA
Paul L. Dansereau, CPA

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*

INDEPENDENT AUDITOR'S REPORT

The Honorable President
and Members of the Board of Directors
Central Coventry Fire District
Coventry, 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 and each major fund of the Central Coventry Fire District, Rhode Island (District) as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the Central Coventry Fire District's basic financial statements, and have issued our report thereon dated February 3, 2021.

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from 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 determination of financial statement amounts. 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.

Baxter Dansereau & Associates, LLP
West Warwick, RI
February 3, 2021

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Central Coventry Fire District
Schedule of Findings
For The Fiscal Year Ended August 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors report issued: Unmodified

Internal control over financial reporting:

Significant deficiency (ies) identified? yes X no

Significant deficiency (ies) identified that are
considered material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

 yes X none

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	FY 13		FY 14					FY 15		FY 16	
	10 Month Actual	Projected Actual	Budget (per Fred Gralinski)	Baseline (Full Contract)	Actual - 11 Months (per Quicken)	Actual	Projected (program based)	Budget	Projected (program based)	Budget	Projected (program based)
General Fund Revenues											
Tax Revenue:											
Tax Revenue (Current Year)	4,049,161	4,858,994	4,950,100	4,801,597	4,353,177	4,353,177	4,801,597	4,316,524	4,316,524	4,413,656	4,413,656
Tax Revenue (Prior Years)	360,167	432,201	0	142,599	1,079,626	1,079,626	142,599	375,403	375,403	519,483	519,483
Total Tax Revenue:	4,409,329	5,291,195	4,950,100	4,944,196	5,432,804	5,432,804	4,944,196	4,691,927	4,691,927	4,933,139	4,933,139
Department Revenue											
Fire Marshal- Plan Review	10,671	12,805		10,000	69,844	69,844	10,000	10,000	10,000	10,000	10,000
Fire Marshall - Inspection	2,570	3,084	10,000	10,000	10,138	10,138	10,000	10,000	10,000	10,000	10,000
Rescue Run Recovery	623,171	747,805	750,000	750,000	894,786	894,786	750,000	894,786	894,786	894,786	894,786
Total Departmental Revenue	636,412	763,694	760,000	770,000	974,767	974,767	770,000	914,786	914,786	914,786	914,786
Revenue - Other											
Interest on Taxes	124,852	149,823	0	0	185,872	185,872	0	52,101	52,101	53,273	53,273
Investment Interest			0	0			0	20,000	20,000	20,000	20,000
Detail Reimbursement	2,880	3,456	0	0	4,208	4,208	0	4,292	4,292	4,377	4,377
Misc. Other Rev (Tax Redemption)	4,774	5,729	0	0	79,144	79,144	0	1,000	1,000	1,000	1,000
Total Other Revenue	132,507	159,008	0	0	269,223	269,223	0	77,393	77,393	78,651	78,651
Total General Fund Revenues	5,178,247	6,213,897	5,710,100	5,714,196	6,676,794	6,676,794	5,714,196	5,684,105	5,684,105	5,926,575	5,926,575
General Fund Appropriations											
Personnel											
Salaries - Non Union	125,231	150,277	182,960	190,622	171,133	171,133	190,622	293,694	293,694	288,902	288,902
Salaries - Union	2,250,574	2,700,688	2,267,711	2,455,722	2,298,546	2,234,236	2,158,804	1,906,039	1,906,039	1,906,039	1,906,039
Overtime - Union	379,902	455,883	301,351	301,351	323,474	387,785	387,785	718,656	718,656	718,656	718,656
Overtime - Non-Union	122	147	8,000		1,796	1,796	1,796	1,796	1,796	1,796	1,796
Holiday Pay			156,811	156,007	119,192	119,192	139,401	123,008	123,008	125,099	125,099
Longevity Pay			116,944	157,145	105,694	105,694	157,145	141,577	141,577	179,316	179,316
Out of Rank & Collateral				8,946	8,946	8,946	8,946	8,946	8,946	8,946	8,946
Detail				11,000	8,210	8,210	8,210	4,163	4,163	4,163	4,163
Clothing	1,417	1,701	49,200	55,200	63,142	63,142	47,627	35,000	35,000	35,000	35,000
Payroll Tax	176,301	211,562	231,966	233,486	231,775	231,775	207,640	196,377	196,377	199,097	199,097
Pensions - MERS	349,694	419,633	393,813	448,048	369,644	369,644	388,429	366,959	366,959	440,886	440,886
Life Insurance	12,000	14,400	9,250	12,000			10,250	9,500	9,500	9,500	9,500
Vision Care	0	0		8,800	7,800	7,800	7,766	6,800	6,800	6,800	6,800
Medical Insurance (Net of Co-Share)	478,300	573,960	594,629	487,031	470,397	459,468	384,297	421,317	421,317	449,362	449,362
HRA/HSA Contribution Cost	115,073	138,088		123,900	112,774	112,774	136,520	122,000	122,000	124,000	124,000

Dental Insurance (Net of Co-Share)				58,265	46,566	50,800	46,473	57,025	57,025	60,424	60,424
Health Care Buyback & Single/Fam Var				68,976			68,976	65,981	65,981	69,280	69,280
Health Care - Retirees					73,659	80,355	103,328	119,551	119,551	125,528	125,528
PEHP - (Employer % per contract)	71,677	86,012	168,451	259,429			224,908	229,752	229,752	237,439	237,439
OPEB ARC				0			0	11,672	11,672	12,139	12,139
Training - In House	0	0	17,000	15,000	17,222	7,222	15,000	10,050	10,050	10,050	10,050
Training - Continuing Education (Union)						10,000	10,000	10,000	10,000	10,000	10,000
Promotional Exams				3,000			0	3,000	3,000	0	0
Unemployment	0	0		3,357	2,338	2,338	2,911	2,710	2,710	2,777	2,777
Employee Assistance program	375	450		1,500	1,125	1,125	1,500	1,530	1,530	1,561	1,561
Insurance - VFIS	77,763	93,316	98,963	84,108	144,290	144,290	84,108	175,004	175,004	176,754	176,754
Insurance - Cooke	0	0		49,098	32,269	32,269	32,269	0	0	0	0
Insurance - Beacon	324	389	72,478	328	482	482	328	328	328	328	328
Insurance - London	10,265	12,318	4,830	2,433	6,080	6,080	2,433	2,433	2,433	2,433	2,433
Leave Accrual Fund								160,654	160,654	160,654	160,654
Total Personnel	4,049,020	4,858,823	4,674,357	5,559,011	4,616,553	4,616,553	4,807,471	5,205,522	5,205,522	5,366,927	5,366,927
Administrative											
Payroll Service	24,582	29,498	4,500	4,500	5,707	5,707	5,707	10,000	10,000	10,200	10,200
Tax Collector Expense				10,000			10,000	10,000	10,000	10,200	10,200
Professional Services - (Audit)	0	0	50,000	24,000	22,248	22,248	24,000	50,000	50,000	10,000	10,000
Dues and Subscriptions	0	0	2,980	1,344	910	910	1,344	928	928	947	947
Interest	16,839	20,207		0	48,671	48,671	48,671	60,590	60,590	50,408	50,408
Legal	7,762	9,314		25,000	38,258	38,258	38,258	38,258	38,258	19,129	19,129
Board Compensation			12,000	10,200			10,200	8,000	8,000	8,000	8,000
Service Contracts - Alarm	675	810	13,000	13,295	3,240	3,240	3,240	3,305	3,305	3,371	3,371
Service Contracts - Dawson	31,048	37,257		50,000	48,670	48,670	48,670	53,687	53,687	53,687	53,687
Telecommunications	8,312	9,974	11,600	10,038	10,441	10,441	10,441	10,650	10,650	10,863	10,863
Total Administrative	89,217	107,061	99,080	153,377	178,145	178,145	200,531	245,417	245,417	176,804	176,804
Operational											
Repairs - Office	3,279	3,935		1,655	1,655	1,655	1,655	1,688	1,688	1,722	1,722
Repairs - Station	2,943	3,532	10,000	12,982	12,982	12,982	12,982	13,241	13,241	13,506	13,506
Repairs - Truck	46,249	55,498	25,000	111,538	111,538	111,538	111,538	89,231	89,231	80,308	80,308
Radios	2,500	3,000	9,000	8,975	8,975	8,975	8,975	9,155	9,155	9,338	9,338
Truck Fuel	35,024	42,028	45,000	38,544	38,544	38,544	38,544	39,315	39,315	40,101	40,101
Hydrants	7,026	8,431	225,000	175,000	175,000	175,000	175,000	178,500	178,500	182,070	182,070
Election and Details	6,261	7,513		7,083	7,083	7,083	7,083	7,225	7,225	7,369	7,369
Returned Checks/Refunds	8,173	9,808		13,244	13,244	13,244	13,244	13,509	13,509	13,779	13,779
Office - Bank Fees	4,008	4,809		5,177	5,177	5,177	5,177	5,280	5,280	5,386	5,386
Septic			500	0			0	0	0	0	0
Software	12,148	12,148	4,000	12,148	12,148	12,148	12,148	12,391	12,391	12,639	12,639

Street lights	178,004	213,605	166,000	181,783	181,783	181,783	181,783	185,419	185,419	189,127	189,127
Supplies - Fire	682	819	29,550	5,710	5,710	5,710	5,710	5,825	5,825	5,941	5,941
Supplies - Office	20,816	24,979	14,800	11,990	11,990	11,990	11,990	12,230	12,230	12,474	12,474
Supplies - Rescue	4,955	5,946	29,034	25,492	25,492	25,492	25,492	26,002	26,002	26,522	26,522
Supplies - Station	2,236	2,684	14,000	3,316	3,316	3,316	3,316	3,382	3,382	3,450	3,450
Utilities - Electric	12,923	15,507	14,700	16,827	16,827	16,827	16,827	17,164	17,164	17,507	17,507
Utilities - Cable	8,149	9,779		12,742	12,742	12,742	12,742	12,997	12,997	13,257	13,257
Utilities - Oil	19,391	23,269	18,700	25,532	25,532	25,532	25,532	26,043	26,043	26,564	26,564
Utilities - Gas	8,149	9,779		7,315	7,315	7,315	7,315	7,461	7,461	7,610	7,610
Utilities - Station Water	811	973	1,800	19,550	19,550	19,550	19,550	19,941	19,941	20,340	20,340
Tax Sale Expense	15,806	18,967		74,073	74,073	74,073	74,073	0	0	0	0
Bankruptcy Expense								60,000	60,000	60,000	60,000
DMF/Consultants Expense								150,000	150,000	50,000	50,000
Special Master/Consultants	355,275	426,330		353,820	353,820	353,820	353,820	100,000	100,000	0	0
Total Operational	754,807	903,339	607,084	1,124,497	1,124,497	1,124,497	1,124,497	995,997	995,997	799,009	799,009
Debt Service and Lease Obligations											
Lease - Defibrillator	41,723	50,067	10,464	10,286	10,286	10,286	10,286	875	875		
Line of Credit				0			0	0	0	0	0
Capital Purchases											
N/P - Current Year			28,000					105,900	105,900	204,580	204,580
N/P - Prior Years				0						49,500	49,500
Total Debt Service and Lease Obligations	45,644	54,773	38,464	10,286	10,286	10,286	10,286	106,775	106,775	254,080	254,080
Claims											
Claims to be Paid in Full			400,000	288,767			288,767	288,767	288,767	288,767	288,767
Claims paid by Percentage				370,174			370,174	370,174	370,174	370,174	370,174
Total Claims	0	0	400,000	658,940	0	0	658,940	658,940	658,940	658,940	658,940
Total General Fund Appropriations	4,938,688	5,923,996	5,818,985	7,506,112	5,929,482	5,929,482	6,801,726	7,212,652	7,212,652	7,255,761	7,255,761

SUMMARY											
Total Revenues	5,178,247	6,213,897	5,710,100	5,714,196	6,676,794	6,676,794	5,714,196	5,684,105	5,684,105	5,926,575	5,926,575
Total Expenditures	4,938,688	5,923,996	5,818,985	7,506,112	5,929,482	5,929,482	6,801,726	7,212,652	7,212,652	7,255,761	7,255,761
Net Annual Operating Surplus/(Deficit)	239,559	289,900	(108,885)	(1,791,916)	747,312	747,312	(1,087,531)	(1,528,547)	(1,528,547)	(1,329,185)	(1,329,185)

Cash on Hand - Balance											
Beginning Cash on Hand - Balance	(1,807,680)	(1,807,680)	689,747	680,747	680,747	680,747	680,747	1,428,059	1,428,059	(100,488)	(100,488)
Annual Surplus/(Deficit)	239,559	289,900	(108,885)	(1,791,916)	747,312	747,312	(1,087,531)	(1,528,547)	(1,528,547)	(1,329,185)	(1,329,185)
Ending Cash on Hand - Balance	(1,568,121)	(1,517,780)	571,862	(1,111,170)	1,428,059	1,428,059	(406,784)	(100,488)	(100,488)	(1,429,673)	(1,429,673)

Financial Implications of IAFF 3372 Proposals for Contract Year 2020-2021

Name	Position	Annual PR21	Overtime	FICA	Incentive PR21	Longevity PR21	Holiday FY21	MERS FY21	PEHP FY21	Clothing PR21	Life Ins PR21	OJI PR21	Medical FY20	ME EE
Division Chief		77,930.06		6,976.23	2,080.00	6,300.00	3,532.54	29,594.15	2,337.90	1,350.00	250.00	3,801.03	13,743.92	
Division Chief		77,930.06		6,976.23	2,080.00	6,300.00	3,532.54	29,594.15	2,337.90	1,350.00	250.00	3,801.03	13,743.92	
Captain		74,123.92		6,671.87	2,080.00	6,300.00	3,360.01	28,283.58	2,223.72	1,350.00	250.00	3,801.03	4,000.00	
Captain		74,123.92		6,671.87	2,080.00	6,300.00	3,360.01	28,283.58	2,223.72	1,350.00	250.00	3,801.03	19,241.49	
Captain		74,123.92		6,518.87	2,080.00	4,300.00	3,360.01	27,624.78	1,297.17	1,350.00	250.00	3,801.03	13,743.92	
Captain		74,123.92		6,595.37	2,080.00	5,300.00	3,360.01	27,954.18	1,297.17	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		5,155.79	3,120.00	6,300.00	3,022.38	26,061.41	2,000.26	1,350.00	250.00	3,801.03	6,871.96	
Lieutenant		66,675.44		5,988.05	2,080.00	5,300.00	2,869.68	25,339.13	1,166.82	1,350.00	250.00	3,801.03	4,000.00	
Lieutenant		66,675.44		6,079.29	3,120.00	5,300.00	3,022.38	25,732.01	1,166.82	1,350.00	250.00	3,801.03	6,871.96	
Lieutenant		66,675.44		5,923.23	2,080.00	4,300.00	3,022.38	25,060.03	1,166.82	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		5,923.23	2,080.00	4,300.00	3,022.38	25,060.03	1,166.82	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		6,076.23	2,080.00	6,300.00	3,022.38	25,718.83	2,000.26	1,350.00	250.00	3,801.03	13,743.92	
Lieutenant		66,675.44		6,076.23	2,080.00	6,300.00	3,022.38	25,718.83	2,000.26	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		6,076.23	2,080.00	6,300.00	3,022.38	25,718.83	2,000.26	1,350.00	250.00	3,801.03	6,871.96	
Lieutenant		66,675.44		5,823.23	2,080.00	4,300.00	3,022.38	25,060.03	1,166.82	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		5,823.23	2,080.00	4,300.00	3,022.38	25,060.03	1,166.82	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		6,076.23	2,080.00	6,300.00	3,022.38	25,718.83	2,000.26	1,350.00	250.00	3,801.03	19,241.49	
Lieutenant		66,675.44		6,076.23	2,080.00	6,300.00	3,022.38	25,718.83	2,000.26	1,350.00	250.00	3,801.03	19,241.49	
Private		63,447.02		5,336.11	2,080.00	6,300.00	2,876.03	22,531.97	634.47	1,350.00	250.00	3,801.03	4,000.00	
Private		63,447.02		5,336.11	2,080.00	6,300.00	2,876.03	22,531.97	634.47	1,350.00	250.00	3,801.03	4,000.00	
Private		63,447.02		5,404.58	3,120.00	6,300.00	2,731.08	22,826.79	634.47	1,350.00	250.00	3,801.03	2,000.00	
Private		63,447.02		5,325.02	2,080.00	6,300.00	2,731.08	22,484.22	634.47	1,350.00	250.00	3,801.03	6,871.96	
Private		63,447.02		5,325.02	2,080.00	6,300.00	2,731.08	22,484.22	634.47	1,350.00	250.00	3,801.03	2,000.00	
Private		63,447.02		5,325.02	2,080.00	6,300.00	2,731.08	22,484.22	634.47	1,350.00	250.00	3,801.03	19,241.49	
Private		63,447.02		4,415.67	3,120.00	6,300.00	2,876.03	22,874.54	634.47	1,350.00	250.00	3,801.03	6,871.96	
Private		57,415.28		4,853.76	2,080.00	6,300.00	2,602.62	20,455.05	574.15	1,350.00	250.00	3,801.03	6,871.96	
Private		57,415.28		4,933.32	3,120.00	6,300.00	2,602.62	20,797.62	574.15	1,350.00	250.00	3,801.03	4,000.00	
Private		57,415.28		4,933.32	3,120.00	6,300.00	2,602.62	20,797.62	574.15	1,350.00	250.00	3,801.03	6,871.96	
Private		52,318.24		4,446.17	2,080.00	6,300.00	2,371.57	18,699.97	523.18	1,350.00	250.00	3,801.03	2,000.00	
Private		52,318.24		4,347.21	2,080.00	6,300.00	1,077.89	18,273.87	334.32	1,350.00	250.00	3,801.03	6,871.96	
Private		52,318.24		4,347.21	2,080.00	6,300.00	1,077.89	18,273.87	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 1	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 2	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 3	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 4	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 5	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 6	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 7	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 8	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	4,000.00	
New FF 9	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	2,000.00	
New FF 10	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 11	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	19,241.49	
New FF 12	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 13	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 14	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 15	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	4,000.00	
New FF 16	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 17	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	2,000.00	
New FF 18	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
New FF 19	Private	47,220.16		3,949.17	2,080.00	6,300.00	972.94	16,559.96	334.32	1,350.00	250.00	3,801.03	6,871.96	
Total		2,922,973.82		253,070.30	110,240.00	100,400.00	106,994.67	1,067,456.44	44,427.73	67,500.00	12,500.00	190,051.61	547,273.75	
Adjusted to FY21 As Is Base Line		1,823,799.38	500,000.00	185,532.15	-	-	80,457.45	649,786.48	33,397.83	21,000.00	5,040.00	117,831.93	314,777.42	
3% Incr. 32.84% FY21 MERS, 7.5% health		1,878,513.36	515,000.00	191,018.26	-	-	82,457.36	636,921.42	34,379.70	21,000.00	5,040.00	117,831.93	338,385.72	
Total \$		191,031.99	54,713.98	15,000.00	5,486.11	-	1,989.90	87,134.94	981.88	-	-	-	23,608.31	
Union Ask		2,922,973.82	920,600.00	253,070.30	110,240.00	100,400.00	106,994.67	1,067,456.44	44,427.73	67,500.00	12,500.00	190,051.61	547,273.75	
3% Incr. 32.94% FY21 MERS, 7.5% health		1,878,513.36	515,000.00	191,018.26	-	-	82,457.36	636,921.42	34,379.70	21,000.00	5,040.00	117,831.93	338,385.72	
\$		2,603,652.59	1,044,460.46	405,600.00	62,052.04	110,240.00	100,400.00	24,537.32	430,535.02	10,048.03	46,500.00	7,460.00	72,219.68	208,888.03

**STATE OF RHODE ISLAND
CENTRAL COVENTRY FIRE DISTRICT
RESOLUTION NO.: 2021-01**

**RESOLUTION TO REQUEST FIVE-YEAR EXEMPTION
FROM R.I. GEN. LAWS § 28-12-4.1 (c)**

WHEREAS, in 2019 the RI General Assembly passed, and Governor Raimondo signed into law, a bill which mandates overtime pay for hours scheduled over 42 hours per week rather than hours worked;

WHEREAS, this law increases available overtime pay for each of the 30 firefighters employed by the Central Coventry Fire District by between 6 and 30 hours per week as opposed to federal overtime guidelines. The federal guidelines establish an overtime threshold of 53 hours actually worked, based on the amount of downtime inherent in the firefighters' daily schedule;

WHEREAS, the Central Coventry Fire District has been employing the federal guidelines of 53 hours worked in conjunction with a three-platoon system as a contract provision negotiated in good faith with Firefighters Union Local 3372;

WHEREAS, the Central Coventry Fire District's Bylaws, as duly passed by the residents of the District, restrict budget growth to 4 % annually;

WHEREAS, third party analysis has estimated that this law will put \$275,000 or an average of \$9,167 into the pockets of 30 firefighters, without any betterment in service to the residents of the Central Coventry Fire District;

WHEREAS, annual pension payments for the past 3 years have grown by 67% costing an additional \$520,714 or \$16,727 per firefighter, without any betterment in service to the residents of the Central Coventry Fire District;

WHEREAS, in addition to the foregoing, because of the COVID-19 pandemic, the District will lose over \$215,000 in rescue billings;

WHEREAS, the increases in pension payments and the reduction in rescue billings has caused a structural deficit. Including adherence to the Mandated Overtime for Firefighters law will force the Board of the Central Coventry Fire District to propose a tax increase of approximately 16% to 20%, which is prohibited by the District Bylaws; and,

WHEREAS, since negotiations with Firefighters' Union Local 3372 have yielded no concessions which will alleviate the increased pension costs and overtime pay, the Central Coventry Fire District is facing bankruptcy. A large 20% tax increase will cause the residents of the Central Coventry Fire District serious financial harm, especially during the COVID-19 pandemic recession,

NOW THEREFORE, in consideration of the foregoing, the Board of Directors of the Central Coventry Fire District, at a meeting duly called on the 18th day of February, hereby requests that the RI General Assembly grant the Central Coventry Fire District a 5-year exemption to the Firefighters' Overtime Law.

EFFECTIVE DATE

This Resolution shall become effective upon passage.

ATTEST,

Danial Kaplan, District Clerk

Fred Gralinski, President,
Board of Directors

Date: _____

I hereby certify that the foregoing Resolution was adopted by the Honorable Board of Directors of the Central Coventry Fire District at their regular Board meeting on February 18, 2021

Attest:

Danny Kaplan, District Clerk

Fred Gralinski,
President, Board of Directors

**STATE OF RHODE ISLAND
CENTRAL COVENTRY FIRE DISTRICT
RESOLUTION NO.: 2021-02**

**RESOLUTION TO SUBMIT A
SUPPLEMENTAL TAX INCREASE TO VOTERS**

WHEREAS, in October, 2012, the Central Coventry Fire District (“CCFD”) filed a petition for a judicial receivership in Rhode Island Superior Court because the CCFD was in financial crisis, including, the inability to approve a budget for the 2012-2013 Fiscal Year; significant outstanding financial liabilities; little cash reserves; no contingency plan or reserve funds; and, the District was unable to pay its employees for more than three (3) weeks;

WHEREAS, in May, 2014, the State of Rhode Island appointed a State Receiver pursuant to R.I. Gen. Laws § 45-9-1, the so-called “Fiscal Stability Act” to assume management and control over the District;

WHEREAS, on December 23, 2014, the State Receiver filed a petition in the Federal Bankruptcy Court for a municipal bankruptcy of the District;

WHEREAS, the State Receiver abandoned the bankruptcy proceeding when it became clear, among other reasons, that the State Receiver’s 5-Year Plan of Debt Adjustment would require District voter approval; thereafter, management and control over the District was returned to the Board of Directors, (“Board”), the governing body of the CCFD;

WHEREAS, beginning in October 2015 and continuing to the present, the Board worked to: pay off the \$5.5 million District debt left over from the bankruptcy dismissal; stabilize labor relations; bring competent fiscal oversight to the management of the District; hire a Fire Chief to oversee fire suppression and EMS operations; purchase new rescue vehicles and apparatus; and, beginning in 2020, negotiate a new collective bargaining agreement with the Union fire personnel;

WHEREAS, the CCFD’s Bylaws, as duly passed by the residents of the District, restrict budget growth to 4 % annually; and,

WHEREAS, the District now faces unfunded statutory overtime mandates; pension payments that have grown by 67% over the past three years; a loss in rescue recovery funds due to the COVID-19 pandemic; and, unnegotiated and potentially-negotiated increases to labor costs for the District, creating significant fiscal pressure on the long-term viability of the District.

NOW THEREFORE, in consideration of the foregoing, the Board of Directors of the Central Coventry Fire District, at a meeting duly called on the 18th day of February, hereby Resolves to submit to the voters of the District a supplement tax increase request in an amount not to exceed twenty percent (20%) of the current tax levy, the specific amount to be set by the Board in advance of the date of the supplemental tax question.

EFFECTIVE DATE

This Resolution shall become effective upon passage.

ATTEST,

Danial Kaplan, District Clerk

Fred Gralinski, President,
Board of Directors

Date: _____

I hereby certify that the foregoing Resolution was adopted by the Honorable Board of Directors of the Central Coventry Fire District at their regular Board meeting on February 18, 2021

Attest:

Danny Kaplan, District Clerk

Fred Gralinski,
President, Board of Directors

**STATE OF RHODE ISLAND
CENTRAL COVENTRY FIRE DISTRICT
RESOLUTION NO.: 2021-03**

**RESOLUTION TO INSTRUCT NATIONAL GRID TO TURN OFF, OR IN THE
ALTERNATIVE, TO TURN OVER RESPONSIBILITY FOR, STREETLIGHTS ON
STATE-OWNED ROADS TO THE RHODE ISLAND DEPARTMENT OF
TRANSPORTATION**

WHEREAS, the Central Coventry Fire District (“CCFD”) is a quasi-municipal corporation and political subdivision of the State of Rhode Island, existing through a Charter issued by the Rhode Island General Assembly and is governed by its Board of Directors (“Board”);

WHEREAS, CCFD’s Charter in Section 13, authorizes the installation of streetlights on the streets and highways of the District, but since at least 2006, the Board has never authorized the installation of streetlights on the “streets and highways” of the District;

WHEREAS, the CCFD does not own or control state roads, streets, or highways within the geographic boundaries of the District;

WHEREAS, since November 28, 2018, the Board has withheld payment to National Grid for streetlights located in the District and is engaged in litigation with National Grid over the legal liability for both the installation of, and financial responsibility for, streetlights that have been installed in the District and for which National Grid has billed the District; and,

WHEREAS, notwithstanding the legal issues involved in the aforementioned litigation, it is the Board’s business judgment that it cannot have any liability to National Grid for streetlights installed on roads, streets, and highways that are owned and controlled by State of Rhode Island and located within the geographic boundaries of the District.

NOW THEREFORE, in consideration of the foregoing, the Board of Directors of the Central Coventry Fire District, at a meeting duly called on the 18th day of February, hereby Resolves to instruct and inform National Grid to turn off, or in the alternative, to turn over responsibility for, streetlights on state-owned roads in the District to the Rhode Island Department of Transportation.

EFFECTIVE DATE

This Resolution shall become effective upon passage.

ATTEST,

Danial Kaplan, District Clerk

Fred Gralinski, President,
Board of Directors

Date: _____

I hereby certify that the foregoing Resolution was adopted by the Honorable Board of Directors of the Central Coventry Fire District at their regular Board meeting on February 18, 2021

Attest:

Danny Kaplan, District Clerk

Fred Gralinski,
President, Board of Directors

CENTRAL COVENTRY FIRE DISTRICT FY 2021

January	FY21 (Approved)	January 2021 YTD	Remaining	% YTD 42%	
39000 Tax Revenue					
39100 Tax Levy - Current Year	4,105,348	2,022,209	2,083,139	49%	Received
39201 Tax Levy - Prior Years	175,000	181,714	(6,714)	104%	
Total 39000 Tax Revenue	4,280,348	2,203,923	2,076,425	51%	
39500 Department Revenue					
39600 Rescue Run Recovery	575,000	231,307	343,693	40%	
39700 Fire Marshal Services	25,000	4,488	20,512	18%	
39800 Detail Reimbursement	2,500	1,320	1,180	53%	Special I
Total 39500 Department Revenue	602,500	237,115	365,385	39%	
39900 Other Revenue					
39930 Interest & Penalties on Taxes	100,000	29,903	70,097	30%	
39935 Bank Interest Income	17,500	2,337	15,163	13%	
39940 Misc Revenue	1,000	11	989	1%	
39990 Transfers from Unrestricted Cumulative Surplus	234,532	-	234,532	0%	
Total 39900 Other Revenue	353,032	32,251	320,781	9%	
TOTAL DISTRICT REVENUE	\$ 5,235,880	\$ 2,473,289	\$ 2,762,591	47%	
40000 Administrative					
40100 Audit/CPA Services	15,000	15,000	-	100%	
40200 Board Meetings	3,500	4,111	(611)	117%	
40210 Board Member Stipends	14,000	4,667	9,333	33%	
40220 Finance Director/Treasurer	108,000	45,000	63,000	42%	
40230 Administrative Insurance and HR	550	268	282	49%	
40300 Tax Collecting Expense	15,000	9,005	5,995	60%	
40400 Legal - General	55,000	15,839	39,161	29%	
40450 Legal - Labor Negotiations	35,000	4,985	30,015	14%	
40475 Professional	15,000	-	15,000	0%	
40500 Office/Miscellaneous	500	395	105	79%	
40510 Bank Fees	150	155	(5)	103%	
40600 Dues and Subscriptions	1,000	165	835	17%	
40700 Accounting and Payroll Costs	3,250	766	2,484	24%	
40800 Administrative Service Contracts	8,000	175	7,825	2%	
40850 Software and Hardware	10,000	2,884	7,116	29%	
Total 40000 Administrative	283,950	103,415	180,535	36%	

January	FY21 (Approved)	January 2021 YTD	Remaining	% YTD	
50000 Operations					
50200 Rescue Recovery Fees	22,000	7,489	14,511	34%	
50250 Fuel	43,000	15,431	27,569	36%	
50300 Insurance - General Liability and Property	43,600	19,165	24,435	44%	
50720 Repairs and Maintenance - Station	20,000	9,952	10,048	50%	
50730 Repairs and Maintenance - Vehicles and Apparatus	80,000	36,974	43,026	46%	
50810 Supplies - Fire and Gear	27,500	8,228	19,272	30%	
50830 Supplies - Rescue	40,000	7,355	32,645	18%	
50840 Supplies - Station	11,000	4,840	6,160	44%	
50845 Telecommunication System	2,500	2,500	-	100%	Annual f
50850 Telecommunications	12,000	4,744	7,256	40%	
50920 Electric - Stations	5,250	6,551	(1,301)	125%	Underbu
50930 Gas - Stations	7,500	3,447	4,053	46%	
50940 Oil - Stations	6,500	2,105	4,395	32%	
50960 Water - Stations	600	146	454	24%	
Total 50000 Operations	321,450	128,927	192,523	40%	
60000 Personnel Costs-Union					
60105 Salaries	1,934,919	794,600	1,140,319	41%	
60110 Collateral (Fire Marshal)	36,000	13,661	22,339	38%	
60120 Overtime	425,000	144,875	280,125	34%	
60130 Holiday	89,091	54,012	35,079	61%	
60150 Detail	2,500	3,984	(1,484)	159%	Special f
60170 Out of Rank	4,500	1,902	2,598	42%	
60180 Clothing Allowance	21,700	8,458	13,242	39%	
60190 Health Opt-out	18,000	-	18,000	0%	
60200 Payroll Tax	197,947	74,438	123,509	38%	
60210 Municipal State Pension	680,599	261,513	419,086	38%	
61000 Medical Insurance - Union	330,361	116,824	213,537	35%	
61100 HRA Medical Costs	10,000	2,905	7,095	29%	
61200 Dental Insurance - Union	29,588	11,565	18,023	39%	
61300 HR/SA Account Fees	1,500	940	560	63%	
61400 Life Insurance	5,208	-	5,208	0%	
61500 PEHP	36,723	-	36,723	0%	
62000 Injured On Duty Insurance	123,634	55,067	68,567	45%	quarterly
63000 Training/Academy	14,000	8,014	5,986	57%	
63100 Promotional Exams	1,750	-	1,750	0%	
63200 Recruitment	1,500	-	1,500	0%	
Total 60000 Personnel Costs-Union	3,964,519	1,552,758	2,411,761	39%	

January	FY21 (Approved)	January 2021 YTD	Remaining	% YTD
70000 Personnel Costs - Administrative				
70100 Administrative Salaries/Compensation	166,702	72,527	94,175	44%
70200 Administrative Payroll Taxes	3,152	1,478	1,674	47%
Total 70000 Personnel Costs - Administrative	169,854	74,005	95,849	44%
80000 Retirees/Separation Costs				
80100 Medical Insurance - Retiree	87,498	31,724	55,774	36%
80200 Dental Insurance - Retiree	6,685	2,366	4,319	35%
80700 Separation Payouts	55,836	-	55,836	0%
Total 80000 Retirees/Separation Costs	150,019	34,090	115,929	23%
90000 Other Expenditures				
90100 Hydrants	243,823	123,251	120,572	51% Quarterly
90200 Street Lights	102,265	25,566	76,699	25% Escrow
91000 Capital Purchases	-	-	-	0%
92000 Lease/Interest Payment	-	-	-	0%
95000 Claim Payments/Other	-	-	-	0%
Total 90000 Other Expenditures	346,088	148,817	197,270	43%
	\$ 5,235,880	\$ 2,042,012	\$ 3,193,868	39%
SURPLUS/(DEFICIT)	\$ 0	\$ 431,277		
Adjustment Timing Tax Collection (42%)		\$ (311,647)		
Adjusted Surplus/(Deficit)		119,629		