



**Central Coventry Fire District  
Regular Board of Directors Meeting**  
Westwood Estates Clubhouse, 1A Liena Rose Way, Coventry, RI 02816  
December 21, 2017 at 7:00 PM

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**Agenda**

Call to Order	Fred Gralinski, Chairman
Pledge of Allegiance	Fred Gralinski, Chairman
Roll Call – Quorum Determination	Fred Gralinski, Chairman
Safety Instructions	Fred Gralinski, Chairman

**APPROVAL OF MEETING MINUTES:**

- Regular Board Meeting – November 16, 2017.
- Special Board Meeting – December 1, 2017.

**DEPARTMENT REPORTS:**

1. Fire Chief's Report.
2. District Manager's Report (including the Tax Collection Report).

**NEW BUSINESS:**

1. Ratification of Memorandum of Agreement with Local 3372 for elimination of one (1) personal day and conversation to one (1) vacation day, effective January 1, 2018. (Discussion/Action)
2. Authorization to issue letter of notice to National Grid to purchase street lights as per of the PRISM program. (Discussion/Action)
3. Authorization to execute participation agreement with PRISM. (Discussion/Action)
4. Authorization to issue letter of acknowledgment to PRISM to begin Phase II audit and LED design at a cost of \$8.00 per street light. (Discussion/Action)
5. Final Audit Presentation and approval. (Discussion/Action)
6. Authorization and reaffirmation of fire apparatus disposition to Town of Coventry. (Discussion/Action)
7. Ratification of MRP, Inc. contract for management and staffing services. (Discussion/Action)



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

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**SIGN-IN SHEET**

MEETING DATE: \_\_\_\_\_

Directors:

Ronald Flynn  
Richard P. Kelly  
Sandy Lukowicz  
Frank P. Lualaba  
John H. Turner  
\_\_\_\_\_  
\_\_\_\_\_

Fire Chief:

excused  
\_\_\_\_\_

District Manager:

[Signature]  
\_\_\_\_\_

Legal Counsel:

[Signature]  
\_\_\_\_\_

**CENTRAL COVENTRY FIRE DISTRICT**  
**Regular Meeting of the Board of Directors**  
**November 16, 2017 @ 7:00 PM**  
**Westwood Estates Clubhouse**

The meeting was called to order at 7:01 pm by Chairman Gralinski. A quorum was present consisting of: Dan Lantz, Ron Flynn, Fred Gralinski, Richard Polselli, Vice President Sandy Lukowicz, and, Cindy Fagan-Perry. Director Helen Quinn was excused. Fire Chief Frank Brown, District Manager Gayle A. Corrigan and legal counsel David M. D'Agostino, Esq., of Gorham & Gorham, Inc. were also present. After the pledge, the Chairman reviewed safety instructions.

A motion to approve the October 19, 2017 meeting minutes was made by Director Lantz, seconded by Vice President Lukowicz and unanimously approved (with Director Fagan-Perry abstaining as she was not at the meeting.) Chief Brown gave his monthly Departmental Report and noted that Division Chief Blanding was present at the meeting. Director Fagan-Perry made a motion to accept the Chief's report, seconded by Director Polselli and unanimously approved. Ms. Corrigan presented the District Manager's Report which included the Tax Collection Report. Director Fagan-Perry made a motion to accept the District Manager's Report, seconded by Director Flynn, and unanimously approved.

Under New Business, for discussion only, Jeff Broadhead from PRISM (a consortium that helps municipalities reduce street lighting costs with maintenance agreements and LED conversions) gave a lengthy presentation about PRISM. Ms. Corrigan then presented an update on the Audit status. Ms. Corrigan pointed out that CCFD was going to have a surplus of approximately \$750,000 and receive a "clean opinion" from the auditors. Chairman Gralinski noted the excellent job and the work coming in in three (3) months, which is three (3) months ahead of schedule.

During the Public Comment section, it was noted that Chief Brown has proved to be an excellent fit for the CCFD and that in the five (5) months since he was engaged operationally, things have improved significantly. Chairman Gralinski noted that the success of the CCFD is attributed to a team effort of the Board, the Chief and management.

Director Flynn made a motion to adjourn, seconded by Vice President Lukowicz and unanimously approved. The meeting was adjourned at 8:26 PM.

Respectfully submitted,

*David M. D'Agostino*

David M. D'Agostino, Esq.  
Acting Recording Secretary



**CENTRAL COVENTRY FIRE DISTRICT**  
**Special Meeting of the Board of Directors**  
**December 1, 2017 @ 6:00 PM**  
**Washington Fire Station**

The special meeting was called to order at 6:01 pm by Chairman Gralinski. A quorum was present consisting of: Dan Lantz, Ron Flynn, Fred Gralinski, Vice President Sandy Lukowicz, Cindy Fagan-Perry and Helen Quinn. Fire Chief Frank Brown, District Manager Gayle A. Corrigan and legal counsel David M. D'Agostino, Esq., of Gorham & Gorham, Inc. were also present. After the pledge, the Chairman reviewed safety instructions, which included exiting through the garage bay door(s).

Chairman Gralinski explained the purpose of the meeting, that the MRP contract expired December 1<sup>st</sup> and needed to be extended (at a pro-rata rate) until a suitable contract can be negotiated between the CCFD and MRP. A motion to extend the MRP contract for not more than 45-days, so the Board can review an amended agreement, with the cost pro-rated was made by Vice President Lukowicz, seconded by Director Flynn and voted 4:2 to approve. (Directors Quinn and Fagan-Perry voted in the negative.) President Gralinski noted that he planned to address this on or before the regular December 21, 2017 meeting.

A motion to adjourn was made by Director Flynn, seconded by Vice President Lukowicz and unanimously approved. The meeting was adjourned at 6:10 PM.

Respectfully submitted,

*David M. D'Agostino*

David M. D'Agostino, Esq.  
Acting Recording Secretary



# **CENTRAL COVENTRY**

## **FIRE DISTRICT**

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

**FIRE – RESCUE – EMS – FIRE PREVENTION**

**OFFICE of the CHIEF of DEPARTMENT**

December 21, 2017

### **FIRE CHIEF'S DECEMBER REPORT**

Please excuse my absence tonight.

As I have reported we continue to move forward on multiple fronts. Here is a summary of those activities:

#### **PERSONNEL**

Currently we have 27 members on staff. 3 members are on long term injury (OJI).  
TOTAL PERSONNEL - 30

#### **EMERGENCY INCIDENTS**

\*Crews assisted Western Coventry Fire District with a CPR of an 8 month old. This was a very traumatic incident for all personnel that were involved. A subsequent finding was that the child was found to have Fentanyl in her system. All personnel involved were mandated to attend Critical Incident Stress Debriefing.

\*Assisted Western Coventry Fire District with a structure fire on Railroad Ave.

#### **APPARATUS**

\*Engine 7 is back in service. Generator was sent out to the manufacture to be rebuilt. Once that is completed New England Fire Equipment and Apparatus will complete the install here in Coventry.

\*Rescue 7 had a transmission issue. Problem was determined to be a computer module and wiring harness.



# ***CENTRAL COVENTRY***

## ***FIRE DISTRICT***

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

**FIRE – RESCUE – EMS – FIRE PREVENTION**

**OFFICE of the CHIEF of DEPARTMENT**

### **EQUIPMENT**

Two new Bullard Thermal Imaging Cameras have been received. They will go in-service once all personnel have been trained in their use.

### **STATIONS**

Work continues cleaning out the Station 3.

Contractor has completed installing 13 windows at Station 7

Left to complete at Station 7 would be some ceiling repairs that sustained water damage before roof was replaced.

On November 18 Engine 7 was responding to an EMS call when an overhead compartment door malfunction and struck the center divider between both apparatus room overhead doors. No personnel were injured but the building sustained heavy damage. Reserve Engine 5 was running in place of Engine 7 that day sustain very minor damage. Insurance company was notified and a claim was filed. Contractor is moving forward with repairs and overhead doors replacement is scheduled for Tuesday, December 26<sup>th</sup>. At this time we will be able to put Engine 7 back into the building which is currently being house next door at Coventry Millworks Building. I want to extent thanks to William Sheldon for use of this building.

### **FIRE MARSAL'S OFFICE**

Department Fire Marshal's continue to work countless hours on Smoke Detector Inspections, Plan Reviews, Fire Alarm Reviews, Fire Investigations and Re-inspection on issued violations.

Also, 55 Town of Coventry Business License Inspections and 3 School Inspections have been completed.



# ***CENTRAL COVENTRY***

## ***FIRE DISTRICT***

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

**FIRE – RESCUE – EMS – FIRE PREVENTION**

**OFFICE of the CHIEF of DEPARTMENT**

### **TRAINING**

Training continues to be on going on multiple fronts to include: new personnel, SCBA's, Radios, Reserve Engine and new Rescue equipment.

All personnel will need to complete EMT Recertification by the end of December 2018. We have are working with a company called Target Solutions to help us archive this deadline. I would like to thank Lieutenant Kenneth Marcotte for all of his time and commitment in seeing this program through.

In closing, I would like to thank the Officers and Firefighters for all that they continue to do on a daily basis.

Wising everyone a very Merry Christmas and healthy New Year!

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frank M. Brown", with a long, sweeping underline.

Frank M. Brown  
Chief

CENTRAL COVENTRY FIRE DISTRICT

TAX COLLECTOR REPORT

NOVEMBER 2017

The following is the activity for the month of November, 2017

**Taxes Collected**

2017	\$598,376.89
2016	\$ 32,431.72
2015	\$ 215.89
2015 (2)	\$ 475.81
Prior Years	\$ 205.44

Interest/Penalty Collected	\$ 4,826.43
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<b>Total</b>	<b>\$636,326.74</b>
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**Outstanding Taxes**

2017	\$2,693,396.61
2016	\$ 250,756.84
2015	\$ 19,192.27
2015 (2)	\$ 21,943.57
Prior	<u>\$ 80,591.15</u>
Total	\$ 3,065,880.44



Central Coventry Fire District Fiscal Year 2018 Budget to YTD November, 2017

	FY18 (Approved)	November, 2017 YTD	Remaining	% YTD 25%	Notes
<b>39000 Tax Revenue</b>					
39100 Tax Levy - Current Year	3,666,874	1,298,854	2,368,020	35%	
39201 Tax Levy - Prior Years	300,000	133,180	166,820	44%	
<b>Total 39000 Tax Revenue</b>	<b>3,966,874</b>	<b>1,432,034</b>	<b>2,534,840</b>	<b>36%</b>	
<b>39500 Department Revenue</b>					
39600 Rescue Run Recovery	775,000	175,464	599,536	23%	
39700 Fire Marshal Services	20,000	3,603	16,397	18%	
39800 Detail Reimbursement	12,000	2,065	9,935	17%	
<b>Total 39500 Department Revenue</b>	<b>807,000</b>	<b>181,132</b>	<b>625,868</b>	<b>22%</b>	
<b>39900 Other Revenue</b>					
39930 Interest & Penalties on Taxes	60,000	16,157	43,843	27%	
39940 Asset Sales/Misc Revenue	251,000	24,331	226,669	10%	\$25k Harris deposit offset by \$1.1k surveyor expense
<b>Total 39900 Other Revenue</b>	<b>311,000</b>	<b>40,488</b>	<b>270,512</b>	<b>13%</b>	
<b>TOTAL DISTRICT REVENUE</b>	<b>\$ 5,084,874</b>	<b>\$ 1,653,654</b>	<b>\$ 3,431,220</b>	<b>33%</b>	
<b>40000 Administrative</b>					
40100 Audit/CPA Services	15,000	10,875	4,125	73%	
40200 Board Meetings	4,250	2,880	1,370	68%	
40210 Board Member Stipends	14,000	-	14,000	0%	
40220 Finance Director/Treasurer	73,125	29,250	43,875	40%	
40230 Administrative Insurance and HR Initiatives	4,500	-	4,500	0%	
40300 Tax Collecting Expense	12,500	7,384	5,116	59%	
40400 Legal - General	45,000	4,285	40,715	10%	
40500 Office/Miscellaneous	3,000	305	2,695	10%	
40510 Bank Fees	250	64	186	26%	
40600 Dues and Subscriptions	500	288	212	58%	
40700 Accounting and Payroll Costs	2,500	309	2,191	12%	
40800 Administrative Service Contracts	12,500	-	12,500	0%	
40850 Software and Hardware	10,500	424	10,076	4%	
<b>Total 40000 Administrative</b>	<b>197,625</b>	<b>56,063</b>	<b>141,562</b>	<b>28%</b>	

Central Coventry Fire District Fiscal Year 2018 Budget to YTD November, 2017

	FY18 (Approved)	November, 2017 YTD	Remaining	% YTD	Notes
<b>50000 Operations</b>					
50200 Rescue Recovery Fees	32,726	5,572	27,153	17%	
50250 Fuel	35,000	6,905	28,095	20%	
50300 Insurance - General Liability and Property	40,000	28,205	11,795	71%	
50720 Repairs and Maintenance - Station	40,000	8,869	31,131	22%	
50730 Repairs and Maintenance - Vehicles and Apparatus	90,000	50,750	39,250	56%	
50810 Supplies - Fire and Gear	60,000	8,667	51,333	14%	
50830 Supplies - Rescue	21,196	7,385	13,811	35%	
50840 Supplies - Station	5,000	1,685	3,315	34%	
50845 Telecommunication System	2,500	2,500	-	100%	
50850 Telecommunications	11,000	1,360	9,640	12%	
50920 Electric - Stations	4,000	785	3,215	20%	
50930 Gas - Stations	2,500	727	1,773	29%	
50940 Oil - Stations	10,000	-	10,000	0%	
50960 Water - Stations	500	150	350	30%	
<b>Total 50000 Operations</b>	<b>354,422</b>	<b>123,560</b>	<b>230,862</b>	<b>35%</b>	
<b>60000 Personnel Costs-Union</b>					
60105 Salaries	1,794,199	346,502	1,447,697	19%	
60110 Collateral (Fire Marshal)	27,500	11,300	16,200	41%	
60120 Overtime	350,000	137,801	212,199	39%	
60130 Holiday	82,633	20,196	62,437	24%	
60150 Detail	11,000	2,079	8,921	19%	
60170 Out of Rank	500	1,074	(574)	215%	
60180 Clothing Allowance	19,600	3,850	15,750	20%	
60190 Health Opt-out	16,000	-	16,000	0%	
60200 Payroll Tax	176,060	35,962	140,097	20%	
60210 Municipal State Pension	377,337	54,307	323,030	14%	
61000 Medical Insurance - Union	291,948	60,555	231,393	21%	
61100 HRA Medical Costs	5,000	-	5,000	0%	
61200 Dental Insurance - Union	27,113	5,715	21,398	21%	
61300 HR/SA Account Fees	2,000	860	1,140	43%	
61400 Life Insurance	5,208	-	5,208	0%	
61500 PEHP	36,365	-	36,365	0%	
62000 Injured On Duty Insurance	137,281	34,320	102,961	25%	
63000 Training/Academy	20,000	7,940	12,060	40%	
63100 Promotional Exams	5,000	4,574	426	91%	
63200 Recruitment	2,500	542	1,958	22%	
<b>Total 60000 Personnel Costs-Union</b>	<b>3,387,244</b>	<b>727,577</b>	<b>2,659,667</b>	<b>21%</b>	

Central Coventry Fire District Fiscal Year 2018 Budget to YTD November, 2017

	FY 18 November,				
	(Approved)	2017 YTD	Remaining	% YTD	Notes
<b>70000 Personnel Costs - Administrative</b>					
70100 Administrative Salaries/Compensation	157,352	37,001	120,351	24%	
70200 Administrative Payroll Taxes	2,450	532	1,918	22%	
<b>Total 70000 Personnel Costs - Administrative</b>	<b>159,802</b>	<b>37,533</b>	<b>122,269</b>	<b>23%</b>	
<b>80000 Retirees/Separation Costs</b>					
80100 Medical Insurance - Retiree	108,478	22,780	85,698	21%	
80200 Dental Insurance - Retiree	8,236	1,366	6,870	17%	
80700 Separation Payouts	20,000	-	20,000	0%	
<b>Total 80000 Retirees/Separation Costs</b>	<b>136,714</b>	<b>24,146</b>	<b>112,568</b>	<b>18%</b>	
<b>90000 Other Expenditures</b>					
90100 Hydrants	255,066	63,766	191,300	25%	
90200 Street Lights	210,000	28,530	181,470	14%	
91000 Capital Purchases	359,000	35,861	323,139	10%	Used pumper \$9.5k; monitor \$26.4k
95000 Claim Payments/Other	25,000	-	25,000	0%	
<b>Total 90000 Other Expenditures</b>	<b>849,066</b>	<b>128,157</b>	<b>720,909</b>	<b>15%</b>	
	<b>\$ 5,084,874</b>	<b>\$ 1,097,036</b>	<b>\$ 3,987,838</b>	<b>22%</b>	
<b>SURPLUS/(DEFICIT)</b>	<b>\$ 0</b>	<b>\$ 556,618</b>			
Adjustment Timing Tax Collection (25%)		(382,136)			
Adjusted Surplus/(Deficit)		\$ 174,483			

**MEMORANDUM OF AGREEMENT**  
**Between the**  
**CENTRAL COVENTRY FIRE DISTRICT**  
**And**  
**IAFF LOCAL 3372**

WHEREAS the Central Coventry Fire District (“District”) and the IAFF Local 3372 (“Union”) are desirous to clarify compensation practices concerning personal day and vacation day allocations and avoid disputes or grievances that may arise, from time to time; and,

WHEREAS the District and Union wish to memorialize their understanding as to said compensation practices;

NOW THEREFORE, it is understood and agreed that:

One (1) personal day will be eliminated and one (1) vacation day shall be added to the benefits provided in accordance with the benefits provisions of the September 1, 2015 - August 31, 2020 collective bargaining agreement (“CBA”). For purposes of this MOA, the parties acknowledge that “personal day” and “vacation day” equate to twenty-four (24) hours of time.

IN WITNESS WHEREOF, the Central Coventry Fire District and IAFF Local 3372 have caused this Memorandum of Agreement to be executed by their respective representatives who have actual authority to bind and enter into this agreement.

CENTRAL COVENTRY FIRE DISTRICT:

\_\_\_\_\_  
Fred Gralinski, President  
Board of Directors

IAFF LOCAL 3372:

\_\_\_\_\_  
James Almagno, President  
Executive Board

letterhead

Date

Mr. Timothy F. Horan, President  
National Grid Rhode Island  
280 Melrose Street  
Providence, RI 02907

Dear Mr. Horan,

This letter will serve as notice that the TOWN/CITY/FIRE DISTRICT has decided to proceed with the purchase of its streetlight system as provided by R.I.G.L. § 39-30 and/or per the Rhode Island Public Utilities Commission in Docket 4695. This includes all lights for which we pay bills as generally shown on the inventory supplied by the Company. The purchase will include all appropriate streetlights as specified in R.I.G.L. § 39-30-1 and we reserve our rights to adjust the purchase price if the inventory is shown to be inaccurate.

The TOWN / CITY/FIRE DISTRICT is a member of the Partnership for Rhode Island Streetlights Management (PRISM). Please provide PRISM representatives your full cooperation. PRISM should be afforded full access to any information that would be releasable to the TOWN / CITY/FIRE DISTRICT and can make any and all request for or about same.

Please finalize the purchase price and provide your drafts of the required closing documentation for our review prior to scheduling a closing. All documents should be sent electronically in editable Word and Excel formats. The information should be forwarded to me and to PRISM as soon as possible at the following addresses:

TOWN/CITY/FIRE DISTRICT		PRISM
contact		Att'n: Jeff Broadhead
address		Suite 200
address		344 Main Street
address		Wakefield, RI 02879
Telephone and email		jb@wcrpc.org, 410.792.9900

Notification of the intent to purchase the streetlight system has also been sent to the Rhode Island Public Utilities Commission as required by R.I.G.L. § 39-30-1.

Thank you for your assistance with this matter.

Sincerely,

Authorized Signatory

Cc:

Paula Roseen Outdoor Lighting & Attachments National Grid 40 Sylvan Road Waltham, MA 02451	Jeff Broadhead PRISM 344 Main Street Wakefield, RI 02879	Luly Massaro Commission Clerk RI Public Utilities Commission 84 Jefferson Blvd Warwick, RI 02888 Ref.: Docket 4442
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PARTNERSHIP FOR RHODE ISLAND  
STREETLIGHT MANAGEMENT

## **Participation Agreement**

Between the

Partnership for Rhode Island Streetlight Management (PRISM),

As Project Administrator,

And the

Central Coventry Fire District

Coventry, RI,

As Participant.



by collaboratively managing, maintaining, and upgrading municipal streetlighting systems statewide; and

WHEREAS, PRISM was established to help the Municipalities implement this transition to municipally controlled streetlight service; and

WHEREAS, Participants understand the opportunity for cost savings, improved streetlight operations, and enhanced efficiency that come from municipal control and collaborative management of the streetlight systems; and

WHEREAS, Participants, both as individual entities and as a collective group, wish to save money on energy related expenditures, increase the operating control of streetlight assets, acquire updated lighting and control technologies, and reduce carbon emissions by owning and better managing their streetlights. By acting in concert through PRISM, each participant will be guided by experienced management that can provide more effective and efficient implementation; and

WHEREAS, the role of Project Administrator is an energy-related service, and has been procured as specified in RIGL 45-55-13.2.

NOW THEREFORE, in consideration of the aforementioned goals and understandings, the Parties agree to the following:

**Article 1. Project Administrator**

Participant agrees that PRISM will be the Project Administrator throughout the streetlight purchase and conversion process and for streetlight management during the term of this agreement. PRISM agrees to ensure that each Participant is treated fairly and equitably, and to ensure that all projects are carried out as efficiently and cost-effectively as possible.

**Article 2: Governance, Oversight, and Management**

PRISM is a program-related entity founded by WCRPC and established as a Rhode Island nonprofit corporation.

PRISM is overseen by a PRISM Executive Board appointed from communities participating in PRISM, an elected executive committee, and an executive director who is also the executive director of the WCRPC. The PRISM Executive Board meets annually, in the month of March, when it elects its four-member executive committee. The executive committee has policy-making authority over the operation of the program, and approves all major contracts. The executive director has day-to-day financial and operational authority over the program. The executive committee meets with the executive director no less frequently than once every

delivery, transmission, distribution, systems benefit, and power charges) and all facility or fixture charges, corrected for any adjustments like Temporarily Turned-off lights. Threshold Savings calculations shall not include the one-time costs of purchasing the system from National Grid or capital improvements like LED conversion or control systems, although these are included in the Preliminary Streetlighting Plan.

If the Preliminary Streetlighting Plan does not demonstrate a Threshold Savings, Participant may terminate the work at no expense beyond the Initiation Fee explained in section 8. If the Preliminary Streetlighting Plan shows a Threshold Savings, PRISM will give Participant a fixed budget and work program for completing Phase Two and Participant will decide whether to proceed with Phase Two.

#### 4.1.2 Phase Two - System Design and Field Audit

In Phase Two, PRISM negotiates the acquisition of NGRID's streetlighting system by Participant, finalizes the cost estimates for such acquisition, designs the system, and prepares to process Purchase Orders for all the work.

#### 4.1.3 Phase Three - Implementation.

Once Participant approves, PRISM will coordinate the closing for the acquisition of the streetlights, in accordance with the process required by the Rhode Island Public Utilities Commission. Then, PRISM will implement all Statements of Work approved by Participant and added as the appendices to this Agreement at Exhibit A.

#### 4.3 *Project Financing*

PRISM will help any participant identify and obtain financing through any practical source (including grant funding) to the best of its ability, but cannot guarantee financing and will not take responsibility for lease payments or for the repayment of any loans, bonds, or the like. Participant has the sole responsibility to secure financing for the streetlight purchase and any subsequent improvement projects. This financing can be in whatever form is best for Participant, and may or may not be done collectively with other Participants.

PRISM will offer Participants a lease/purchase option whereby the Participant can lease to own their streetlight system, paying for it out of savings within their current streetlight budgets.

#### 4.4 *Streetlight Operations and Maintenance*

Once a Participant acquires its streetlight system, PRISM will provide the following services individually or by procuring qualified private contractors, as also expanded and specified in Exhibit A(1):

proper contractor is critical to the success of a municipality's system, and the PRISM program is designed to do just that.

The construction of new infrastructure and existing infrastructure maintenance is subject to prevailing wage provisions required by the Department of Labor and Training. The prevailing wage requirements are generally set forth in RIGL 37-13-1 *et seq.* These requirements mandate the prevailing rate of pay for any mechanic, utility technician or other type of worker performing work on municipal public works projects when state or municipal funds exceed one thousand dollars (\$1,000). These state regulations and laws, and the local ordinances that also apply, ensure a fair and cost-effective process of contract procurement. Whether done by Participant's purchasing department or coordinated through PRISM, the laws and regulations will be followed precisely.

#### 4.5 *Reporting*

PRISM will help Participant establish the following reporting procedures:

- Cumulative net savings from the project(s)
- Streetlight outage reporting via web, mobile app, and phone calls
- Inventory management and reporting
- Measurement and verification of the impacts of implemented streetlight improvements
- All reporting required by RIGL §39-30 and/or any Orders of the RI Public Utilities Commission

PRISM will also keep Participant informed of the latest technologies and strategies to reduce costs and/or improve effective streetlighting.

#### 4.6 *Policy Advocacy*

PRISM will represent Participants in legislative initiatives and Public Utility Commission dockets that may affect streetlight management or system upgrades.

PRISM will maintain its membership in the US Department of Energy's Municipal Solid State Streetlighting Consortium to ensure access to current information and streetlight initiatives.

PRISM will continue to liaison with the Department of Energy's Office of Solid State Lighting, Rhode Island's Office of Energy Resources and the RI Energy Efficiency and Resource Management Council to help provide for appropriate streetlight policies.

PRISM will continue to work and collaborate with the League on streetlighting matters.

The fee will be included in regular monthly or quarterly billings for all streetlight maintenance as specified in the appropriate Statement of Work.

Participant agrees to pay PRISM a 7% project administration fee on any materials procured for Participant in association with execution of the scope of work outlined in Article 4i, including but not limited to LED or other new lighting, control systems, and meters.

### *8.2 Other work and associated fees*

PRISM may, from time to time, be authorized by Participant to perform work that is outside the Scope of Services described in Section 4 of this agreement and the Statements of Work, and if so, shall be reimbursed for reasonable labor and non-overhead related out-of-pocket costs and expenses at one hundred percent (100%) of actual cost (and/or Standard Mileage Rates established by IRS for automobile transportation) incurred in fulfilling its duties and obligations under the terms of this Agreement. All expenses will be clearly outlined on each monthly payment invoice.

### *8.3 Invoicing*

PRISM will send Participant invoices for these fees each month until this Agreement is terminated, which invoices shall be due and payable thirty (30) days from date of invoice.

## **Article 9. Term**

This Participation Agreement will begin upon execution and will have a minimum three-year term that ends upon notification of termination by either party or renews and continues until either party terminates the agreement. If any work provided under this agreement is covered by a specific warranty, the terms of any such warranty may survive this agreement.

## **Article 10. Other Contracts**

If Participant elects to acquire its streetlights, Participant will contract with the electric distribution company regarding the terms of any streetlight purchase and the license to connect to and occupy the electric distribution company's (or other owner) poles and distribution system. The forms of those contracts are attached as Exhibit B, as approved by the RI Public Utilities Commission after thorough advocacy by the Rhode Island League of Cities and Towns and WCRPC. Electricity will be distributed to the Participant-owned streetlights pursuant to National Grid's S-05 tariff, also approved by RIPUC after thorough advocacy by the Rhode Island League of Cities and Towns and WCRPC.

## **Article 11. Insurance and Personnel Qualifications**

Only licensed electricians will perform wiring tasks and all personnel servicing the poles will conform to the terms and conditions of all pole users. Contractors employing these service workers shall ensure and provide evidence that all workers are qualified electrical workers and

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

**Article 15. Governing Law**

This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Rhode Island.

**Article 16. Dispute resolution.**

The parties will resolve any dispute arising under this Agreement as efficiently and equitably as possible while continuing to comply with the terms of this Agreement pending dispute resolution wherever possible in order to fulfill the purposes of this Agreement.

**Article 17. Severability**

If any provision of this agreement shall be held invalid or unenforceable, the rest of the agreement shall not be affected thereby and each other provision shall be valid and enforceable to the full extent of the law.

I, \_\_\_\_\_, as an authorized representative of \_\_\_\_\_, hereby enter into this Participation Agreement, on this day \_\_\_\_\_, of \_\_\_\_\_, in the year \_\_\_\_\_.

Signature \_\_\_\_\_, Title \_\_\_\_\_ Date \_\_\_\_\_

I, Jeffrey A. Broadhead, as an authorized representative of PRISM, hereby enter into this Participation Agreement on this day \_\_\_\_\_, of \_\_\_\_\_, in the year \_\_\_\_\_.

Signature \_\_\_\_\_, Title \_\_\_\_\_, Date \_\_\_\_\_

**EXHIBIT A(2)**  
**LED Conversion Scope of Services, Budget and Schedule**

**Summary of Work:**

**Detailed Description of Work, including who is responsible to carry it out and who will oversee the work**

**Schedule of work:**

PRISM will facilitate the implementation schedule to the extent possible but will not be held responsible for any breach of the project schedule.

**Cost and savings related to the work:**

**Expenses and fees related to the work that would be subject to reimbursement pursuant to Article 4:**

Approved on \_\_\_\_\_

By: \_\_\_\_\_



December 14, 2017

Ms. Gayle Corrigan  
Central Coventry Fire District

Dear Ms. Corrigan,

This letter, when signed by the Central Coventry Fire District, signifies CCFD's approval of the Phase 2 budget and work program contemplated in the Participation Agreement between the parties. PRISM proposes the following scope and budget for Phase Two of our municipal street-lighting system maintenance program.

1. The District authorizes PRISM to act on its behalf to determine the purchase price, and agrees to cooperate with PRISM and its agents and servants by verifying data obtained from National Grid.
2. PRISM will conduct a field audit of the Central Coventry Fire District's streetlighting system. CCFD will indicate below its choice of audit scope.
  - a. Streetlight audit: This will include in-field verification and correction of the inventory provided to CCFD by National Grid. It is presented to CCFD as pdf maps and a spreadsheet. If desired by the District, a GIS map and shape file are provided. PRISM will verify the existence, location, height, mast arm length, light technology, and light wattage. PRISM will not verify whether or not the light is operational because this audit must be conducted in daylight and a light's operational status does not affect its depreciated value per statute. CCFD approves this scope at a cost of eight dollars (\$8.00) per light. \_\_\_\_\_(initial)
  - b. CCFD agrees to pay for the Streetlights Audit when it is presented. \_\_\_\_\_(initial)
3. PRISM will secure quotes from LED manufacturers, electric suppliers, controller companies, assorted other equipment manufacturers and distributors, maintenance contractors (per full RFP), and lending institutions. CCFD approves this payment of two hundred dollars (\$200.00). \_\_\_\_\_(initial)
4. PRISM will prepare a Design using lighting selected by PRISM subject to approval by the District, and will include an intelligent control system option. CCFD approves this scope and agrees to remit four hundred dollars (\$400.00) for the work. \_\_\_\_\_(initial)

Proposed,

Agreed,

\_\_\_\_\_  
JEFFREY A. BROADHEAD  
Executive Director,  
PRISM Streetlights

\_\_\_\_\_  
Name, Title  
For the Central Coventry Fire District



**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

December 1, 2017

**BILL OF SALES**

Donated (one) 2001 Ferrara Fire Apparatus Custom Pumper  
Serial #1F93542261Z140090 to the Town of Coventry, RI as  
seen, as is and as is condition.

A handwritten signature in black ink, appearing to read "Frank M. Brown", written over a horizontal line.

**Chief Frank M. Brown**  
**Central Coventry Fire District**

A handwritten signature in black ink, appearing to read "Charles Smith", written over a horizontal line.

**Charles Smith, DPW Forman**  
**Town of Coventry**

---

***CENTRAL COVENTRY FIRE  
DISTRICT***

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***FINANCIAL STATEMENTS***

***FOR THE FISCAL YEAR ENDED  
August 31, 2017***

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***COVENTRY, RHODE ISLAND***

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**CENTRAL COVENTRY FIRE DISTRICT  
AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

**TABLE OF CONTENTS**

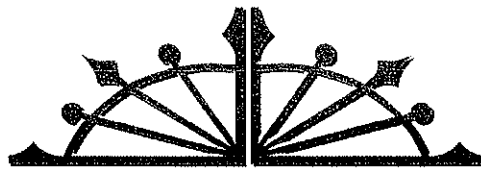
	<u>PAGE</u>
<b>I. FINANCIAL SECTION</b>	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	3
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
<i><u>Government Wide Financial Statements</u></i>	
Statement of Net Position	9
Statement of Activities	10
<i><u>Fund Financial Statements</u></i>	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances of the Governmental Funds to the Statement of Activities	13
<i><u>Notes to the Financial Statements</u></i>	
Required Disclosures and Other Information	14
<b><i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i></b>	
Budgetary Comparison Schedule – Schedule of Revenues, and Expenditures– General Fund	45
Pension Plan – Schedule of District Employees MERS Information GASB 68	48
<b>II. STATISTICAL SECTION</b>	
Tax Collectors Annual Report	49
<b>III. AUDITORS REPORT AS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	50
Schedule of Findings	52

*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

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*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, 2017, 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.



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Central Coventry Fire District, Rhode Island as of August 31, 2017, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 45-47 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 December 20, 2017 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  
December 20, 2017

## **MANAGEMENTS' DISCUSSION AND ANALYSIS**

**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(Un-audited)**

Our discussion and analysis of the Central Coventry Fire District of Rhode Island's financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2017.

**Financial Highlights**

- ❖ The District's primary government net position increased in the amount of \$294,921 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 \$1,557,803.
- ❖ The District's Government-wide operating expenses were \$5,221,417 while revenues were \$5,516,338 for the 12 month fiscal year ended 8/31/2017.
- ❖ As of the close of the fiscal year, the District's governmental fund reported a surplus of \$162,754 to end the year with a cumulative surplus in its fund balance of \$720,868 and its unassigned fund balance of \$626,160.

**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.

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.

**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(Un-audited)**

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 9 and 10.

***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.

***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 14 through 44.

***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 45 through 48.

**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(Un-audited)**

**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 inflow of resources exceeded assets and deferred outflows of resources by \$1,557,803 as of August 31, 2017.

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

**CENTRAL COVENTRY FIRE DISTRICT**  
**NET POSITION**

	Governmental Activities 2017	Governmental Activities 2016
Current and other assets	\$ 1,362,792	1,926,213
Capital assets (net)	779,593	458,765
Total assets	2,142,385	2,384,978
Deferred outflow of resources:	1,399,931	954,759
Other liabilities	135,792	775,884
Receivership claims (1)	33,000	77,201
Long-term liabilities	4,606,905	3,871,918
Total liabilities	4,775,697	4,725,003
Deferred inflow of resources:	324,422	467,458
Net position:		
Net investment in capital assets	779,593	458,765
Unrestricted	(2,337,396)	(2,311,489)
Total net position	\$ (1,557,803)	\$ (1,852,724)

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

**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(Un-audited)**

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, 2017. 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 2017	Governmental Activities 2016
<b>Revenues:</b>		
Program revenues:		
Charges for services	1,019,277	690,171
General revenues:		
Property taxes	4,331,614	4,480,028
Penalties and interest	124,371	118,782
Miscellaneous fees	41,076	188,410
<b>Total revenues</b>	<b>5,516,338</b>	<b>5,477,391</b>
<b>Expenses:</b>		
Administrative	576,687	745,930
Personnel - Union and Retirees	3,568,400	3,782,606
Operations, Hydrants and Lighting	1,028,704	1,088,941
Interest	-	19,240
Claim payments	47,626	65,426
<b>Total expenses</b>	<b>5,221,417</b>	<b>5,702,143</b>
Increase (decrease) in net position	294,921	(224,752)
Net position - beginning - restated	(1,852,724)	(1,627,972)
Net position - ending	<b>(1,557,803)</b>	<b>(1,852,724)</b>



**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(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, 2017</u>	<u>August 31, 2016</u>	
	Total Governmental Funds	Total Governmental Funds	Increase (Decrease)
Nonspendable	94,708	54,963	39,745
Unassigned	626,160	503,151	123,009
<b>Total</b>	<u>720,868</u>	<u>558,114</u>	<u>162,754</u>

**CENTRAL COVENTRY FIRE DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended August 31, 2017**  
**(Un-audited)**

**The District's Capital Assets**

The District's investment in capital assets for its governmental activities amounts to \$779,593 net of accumulated depreciation at August 31, 2017. 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 is located in Note 6 of the notes to the financial statements.

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

	August 31, 2017	August 31, 2016
	Govern- mental Activities	Govern- mental Activities
Land	\$ 44,122	\$ 52,292
Buildings and improvements	19,488	-
Vehicles	702,892	372,311
Machinery and equipment	13,091	34,162
Total	\$ 779,593	\$ 458,765

**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

## ***Government Wide Financial Statements***

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

**CENTRAL COVENTRY FIRE DISTRICT**  
**Statement of Net Position**  
**August 31, 2017**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and Investments	\$ 792,452
<b>Accounts receivable</b>	
Taxes receivable	473,132
Other receivables	2,500
Prepaid	94,708
<b>Capital Assets:</b>	
Property & equipment - net	779,593
<b>TOTAL ASSETS</b>	2,142,385
 <b>Deferred outflow of resources:</b>	
Pension related deferred outflow of resources	1,399,931
 <b>LIABILITIES</b>	
Accounts payable	135,792
Receivership claims	33,000
<b>Long-term liabilities</b>	
Net pension liability	4,489,269
Compensated absences	117,636
<b>TOTAL LIABILITIES</b>	4,775,697
 <b>Deferred inflow of resources:</b>	
Pension related deferred inflow of resources	324,422
 <b>NET POSITION</b>	
Net investment in capital assets	779,593
Unrestricted	(2,337,396)
<b>TOTAL NET POSITION</b>	\$ (1,557,803)

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, 2017**

	<b>Program revenues</b>		<b>Primary Government</b>
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Governmental Activities</b>
<b>Primary government</b>			
Public safety - fire protection and rescue:			
Administrative	\$ 576,687	\$ 1,019,277	\$ 442,590
Personnel - Union and Retirees	3,568,400	-	(3,568,400)
Operations, Hydrants and Lighting	1,028,704	-	(1,028,704)
Claims	47,626	-	(47,626)
<b>Total governmental activities</b>	<b>\$ 5,221,417</b>	<b>\$ 1,019,277</b>	<b>(4,202,140)</b>
<b>General revenues:</b>			
Property taxes			4,331,614
Penalties and interest			124,371
Miscellaneous			41,076
<b>Total general revenues</b>		<b>4,497,061</b>	
<b>Change in net position</b>			294,921
<b>Net position - beginning of the year</b>			(1,852,724)
<b>Net position - end of the year</b>			<b>\$ (1,557,803)</b>

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

*Fund Financial Statements*

**CENTRAL COVENTRY FIRE DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**August 31, 2017**

	<b>General Fund</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and Investments	\$ 792,452	\$ 792,452
<b>Receivables</b>		
Taxes receivable (net)	473,132	473,132
Other receivables	2,500	2,500
Prepaid	94,708	94,708
<b>TOTAL ASSETS</b>	<b>\$ 1,362,792</b>	<b>\$ 1,362,792</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 135,792	\$ 135,792
Receivership claims	33,000	33,000
<b>TOTAL LIABILITIES</b>	<b>168,792</b>	<b>168,792</b>
 <b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable tax revenue	473,132	473,132
 <b>FUND BALANCES</b>		
<i>Nonspendable:</i>		
Prepaid	94,708	94,708
<i>Unassigned:</i>		
	626,160	626,160
<b>TOTAL FUND BALANCES</b>	<b>720,868</b>	<b>720,868</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 1,362,792</b>	

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)	779,593
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 7)	473,132
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)	(3,531,396)
<b>Net position of governmental activities</b>	<b>\$ (1,557,803)</b>

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, 2017**

	<u><b>General Fund</b></u>
<b>Revenues:</b>	
Property Tax Revenue	\$ 4,373,496
Rescue - Charges for Services	849,407
Fire Recovery	17,962
Penalties and Interest	124,371
Other Revenues	41,076
<b>Total general revenues</b>	<u>5,406,312</u>
<b>Expenses:</b>	
Public safety - fire protection and rescue	
Administrative	576,687
Personnel - Union and Retirees	3,421,621
Operations, Hydrants and Lighting	905,902
Capital Purchases	451,800
Claim Payments	47,626
<b>Total expenses</b>	<u>5,403,636</u>
<b>Excess of revenues over (under) expenditures</b>	<u>2,676</u>
<b>Other financing sources (uses)</b>	
Proceeds from sale of capital assets	<u>160,078</u>
<b>Total other financing sources (uses)</b>	<u>160,078</u>
<b>Net change in fund balance</b>	162,754
<b>Fund balance - beginning of the year</b>	<u>558,114</u>
<b>Fund balance - end of the year</b>	<u><u>\$ 720,868</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, 2017**

Net change in fund balances - total governmental funds \$ 162,754

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	451,800	
Depreciation expense	<u>(122,802)</u>	328,998

Removal of land cost in sale		(8,170)
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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. (41,882)

Changes in the Town'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	50,230	
Net (increase) decrease in the net pension liability	(785,217)	
Net increase (decrease) in deferred outflows	445,172	
Net (increase) decrease in deferred inflows	<u>143,036</u>	(146,779)

Change in net position of governmental activities \$ 294,921

*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**

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 1 – REPORTING ENTITY**

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, Judicial Receivership, State Receivership, Bankruptcy, Return to 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 squares 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.

Prior to October of 2012 and subsequent to October of 2015, 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.

In 2012, the CCFD's Board of Directors, recognized that CCFD was facing a severe financial crisis as a result of several years of overestimating tax revenues and overspending and filed a petition for receivership on October 15, 2012 with the Rhode Island Superior Court. The next day, the Court appointed a temporary Special Master. On November 13, 2012 the Court issued an "Order Appointing Permanent Special Master", which also imposed a stay upon all of CCFD's creditors and lawsuits, prevented the filing of new lawsuits and any collection activities against CCFD. On May 17, 2013, the Superior Court delineated the powers of the elected Board and determined that the Special Master would retain all powers not expressly delegated to the Board.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 1 – REPORTING ENTITY (continued)**

Following the District's voters' rejections of a levy necessary to keep the district operational on February 14, 2014, the Superior Court ordered CCFD to liquidate, and appointed the Special Master as liquidating receiver.

Before the district could be liquidated, the General Assembly amended the Fiscal Stability Act (RIGL §§ 45-9-1) to include fire districts and on May 2, 2014 Governor Lincoln Chafee signed the bill into law. This amendment prevented CCFD as a fire district, like municipalities, from being subject to a state judicial receivership proceeding. Rather, the State of Rhode Island's Director of Revenue had the ability to appoint a fiscal overseer, a budget commission or a receiver to an insolvent fire district. The Director of Revenue exercised the right under the Fiscal Stability Act and on May 6, 2014 appointed a receiver to direct the affairs of the CCFD under a state receivership.

On December 23, 2014, the receiver filed a voluntary petition seeking Chapter 9 protection under the United States Bankruptcy Code with the United States Bankruptcy Court for the District of Rhode Island and was assigned case number 14-12785). Various motions were filed with the bankruptcy court, including a motion to reject the existing collective bargaining agreement (CBA) between CCFD and their firefighters, through their union, IAFF Local 3372.

The following is a list of some of the changes to which CCFD and Local 3372 agreed in the new CBAs:

- CCFD reorganized the Fire Department into 3 platoons, which resulted in a 56-hour average workweek. Firefighters had previously been organized into 4 platoons, which resulted in a 42-hour average workweek. The parties agreed to a schedule where firefighters work 24-hour, rotating shifts.
- The parties agreed to strictly follow the federal Fair Labor Standards Act for the purposes of calculating overtime (e.g., firefighters only receive overtime pay if they *actually* work more than 53 hours in a 7-day period).
- The parties agreed to reduce minimum staffing from 10 firefighters on duty at all times to 8 firefighters on duty at all times.
- The parties agreed to reduce the total department staffing from 45 union firefighters to 32 union firefighters. The reduction occurred through attrition.
- The parties agreed to reduce the number of Captains and Lieutenants required under the CBA from 4 to 3 and from 16 to 9, respectively. The reduction occurred through attrition.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

*NOTE 1 – REPORTING ENTITY (continued)*

- The parties agreed to increase active firefighters' health insurance deductibles to \$2,000 for an individual plan and to \$4,000 for a family plan, and they agreed that firefighters will be responsible for paying the entire deductible along with a 10% contribution to the premium. CCFD was responsible for reimbursing firefighters for their full deductible under the prior CBA.
- The parties agreed to keep active firefighters in a defined contribution style post-employment health plan (PEHP), which is similar to a 401(k) retirement plan, and the parties agreed to reduce CCFD's contribution to this plan from 9.5% of salary per year to between 1% and 3% of salary per year, depending upon a firefighter's date of hire.
- The parties agreed to dramatically reduce the availability of a defined benefit post-employment health insurance plan for firefighters retiring on work-related and non-work-related disability pensions. Previously, disabled firefighters received fully paid health insurance for life.
- The parties agreed to eliminate longevity payments (while providing modest annual salary increases), EMT incentive bonuses, and holiday shift differential payments.
- The parties agreed to eliminate the practice of accruing "compensation time"; to reduce family sick leave by 50%; to restrict the use of personal leave to instances when it does not result in overtime; to restrict and track the use of "swaps"; to dramatically reduce the number of firefighters that can be out at one time due to vacation and compensation time; and to begin using "floaters" to cover vacancies, all of which helped curtail overtime costs in addition to the measures described above.
- The parties agreed to eliminate six holidays in FY 2015 and FY 2016 and be paid for eleven hours of pay at their regular hourly rate of pay; to reduce tuition reimbursements; to reduce outside training reimbursements; to reduce annual clothing allowance payments and to begin taxing such payments; to reduce the payouts for accumulated sick leave upon separation; to eliminate the annual payout of unused vacation pay; to eliminate the practice of leave transfers among employees; to eliminate annual vision insurance stipends; to reduce life insurance policies; and to reduce medical insurance "buybacks" for employees not receiving health insurance through CCFD.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 1 – REPORTING ENTITY (continued)**

During the pendency of the Chapter 9 Case, and before a hearing was held on the motion to reject the existing CBA, the receiver and the Union negotiated two (2) collective bargaining agreements: the first titled, “CCFD CBA FY 2015 with Exhibits A, B, C, D, F” and the second titled, “CCFD CBA FY 2016-2020 with Exhibits A, B, C, D, F. These CBAs were signed by the receiver and ratified and signed by IAFF Local 3372 on April 28, 2015.

The district has been operating under the terms of these CBAs, and these financial statements incorporate the fiscal provisions of these CBAs.

On September 17, 2015, the Director of Revenue notified the receiver that the receivership was to terminate on September 30, 2015. On September 18, 2015, the receiver filed a motion to dismiss the Bankruptcy Petition, which was granted on September 29, 2015.

On midnight of October 1, 2015, the elected CCFD Board of Directors was once again responsible for oversight and governance of the District.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PRESENTATION**

***Recently Issued Accounting Standards***

The District implemented the following accounting pronouncements for the year ended August 31, 2017:

- GASB Statement No. 77 – Tax Abatement Disclosures - effective for the District’s fiscal year ending August 31, 2017.
- GASB Statement No. 78 Pensions Provided through Certain Multiple-Employer Defined Pension Plans - effective for the District’s fiscal year ending August 31, 2017.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF PRESENTATION**

The District will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, 68, and 73 – effective for the District’s fiscal year ending August 31, 2018.

The impact of these pronouncements on the District's financial statements has not been determined.

***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 regards 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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2017

**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, 2016, 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, 2017

**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 \$1,399,931.

**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, 2017 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, 2016 and prior. Net unavailable tax revenue included in the fund financial statements was \$473,132 at August 31, 2016 and in the government-wide financial statements deferred pension related inflows of \$324,422 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, 2017

**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, 2017:

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as inventories and prepaid items.
- *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, 2017, \$292,297 of the District's bank balance of \$897,752 was uninsured and uncollateralized.



CENTRAL COVENTRY FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2017

**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, 2017

<b><i>Cash and cash equivalents</i></b>	
Deposits with financial institutions	\$ 792,452
<b><i>Total cash and investments</i></b>	<b><u><u>\$ 792,452</u></u></b>

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

<b><i>Statement of net assets</i></b>	
Cash and cash equivalents	\$ 792,452
<b><i>Total cash and investments</i></b>	<b><u><u>\$ 792,452</u></u></b>

*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, 2017.

*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, 2017.

**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, 2017

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended August 31, 2017 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>Governmental activities:</b>				
Capital assets:				
Land	\$ 52,292	\$ -	\$ (8,170)	44,122
Buildings and improvements	417,450	20,300	(43,929)	393,821
Vehicles	1,024,250	423,000	-	1,447,250
Machinery and equipment	253,042	8,500	-	261,542
Total other capital assets at historical cost	<u>1,747,034</u>	<u>451,800</u>	<u>(52,099)</u>	<u>2,146,735</u>
Less accumulated depreciation for:				
Buildings and improvements	417,450	812	(43,929)	374,333
Vehicles	651,939	92,419	-	744,358
Machinery and equipment	218,880	29,571	-	248,451
Total accumulated depreciation	<u>1,288,269</u>	<u>122,802</u>	<u>(43,929)</u>	<u>1,367,142</u>
Governmental activities capital assets, net	<u>\$ 458,765</u>	<u>\$ 122,802</u>	<u>\$ (8,170)</u>	<u>\$ 779,593</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Public safety	<u>\$ 122,802</u>
Total governmental activities depreciation expense	<u>\$ 122,802</u>

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED August 31, 2017

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

"Total fund balances" of the Fire District's governmental funds \$720,868 differs from "net position" of governmental activities (\$1,557,803) 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.

	<b>Balance Sheet/Statement of Net Position</b>			
	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations (2)</b>	<b>Statement Net Position Totals</b>
<b>Assets</b>				
Cash and investments	\$ 792,452	\$ -	\$ -	\$ 792,452
<b>Accounts receivable:</b>				
Taxes receivable	473,132	-	-	473,132
Other receivables	2,500	-	-	2,500
Prepaid	94,708	-	-	94,708
Capital assets - net	-	779,593	-	779,593
<b>Total assets</b>	<u>1,362,792</u>	<u>779,593</u>	<u>-</u>	<u>2,142,385</u>
Deferred Outflows of Resources:	-	1,399,931	-	1,399,931
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	135,792	-	-	135,792
Receivership claims	33,000	-	-	33,000
<b>Long-term liabilities</b>				
Due in more than one year	-	4,606,905	-	4,606,905
<b>Total liabilities</b>	<u>168,792</u>	<u>4,606,905</u>	<u>-</u>	<u>4,775,697</u>
Deferred inflow of resources:	473,132	(148,710)	-	324,422
 <b>Fund Balances/Net Position</b>				
Total fund balances/net position	720,868	(2,278,671)	-	(1,557,803)
<b>Total liabilities, deferred inflows of resources fund balances and net position</b>	<u>\$ 1,362,792</u>	<u>\$ 2,179,524</u>	<u>\$ -</u>	<u>\$ 3,542,316</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	<u>\$ 473,132</u>
--------------------------------	-------------------

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	\$ 2,146,735
Accumulated depreciation	(1,367,142)
	<u>\$ 779,593</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	\$ (117,636)
Net Pension Liability	(4,489,269)
	<u>\$ (4,606,905)</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	\$ (324,422)
Deferred outflows of resources - pensions	1,399,931
	<u>\$ 1,075,509</u>

**CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED August 31, 2017**

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

The "net change in the fund balances" for governmental funds \$162,754 differs from the "change in net position" for governmental activities \$294,921 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>
<b>Revenues</b>					
Property taxes	\$ 4,373,496	\$ (41,882)	\$ -	\$ -	\$ 4,331,614
Rescue - charges for services	849,407	-	-	-	849,407
Fire recovery	17,962	-	-	-	17,962
Penalties & interest	124,371	-	-	-	124,371
Other revenue	41,076	-	-	-	41,076
<b>Total revenues</b>	<u>\$ 5,406,312</u>	<u>(41,882)</u>	<u>-</u>	<u>-</u>	<u>5,364,430</u>
<b>Expenditures</b>					
Public safety - fire protection and rescue:					
Administrative	576,687	-	-	-	576,687
Personnel - Union and Retirees	3,421,621	-	-	146,779	3,568,400
Operations, Hydrants and Lighting	905,902	-	122,802	-	1,028,704
Capital Purchases	451,800	-	(451,800)	-	-
Claims Paid	47,626	-	-	-	47,626
<b>Total expenditures</b>	<u>5,403,636</u>	<u>-</u>	<u>(328,998)</u>	<u>146,779</u>	<u>5,221,417</u>
<b>Other financing sources (uses)</b>					
Net gain on sale of assets	160,078	-	(8,170)	-	151,908
<b>Total other financing sources (uses)</b>	<u>160,078</u>	<u>-</u>	<u>(8,170)</u>	<u>-</u>	<u>151,908</u>
Net change for the year	<u>\$ 162,754</u>	<u>\$ (41,882)</u>	<u>\$ 320,828</u>	<u>\$ (146,779)</u>	<u>\$ 294,921</u>

- (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	\$ (41,882)
	<u>\$ (41,882)</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	\$ 451,800
Depreciation expense	(122,802)
Difference	<u>\$ 328,998</u>

When a 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	\$ 151,908
	<u>\$ 151,908</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	\$ (785,217)
Net increase (decrease) in deferred outflows	445,172
Net (increase) decrease in deferred inflows	143,036
(Increase) decrease in accrued compensated absences	50,230
	<u>\$ (146,779)</u>

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 9 – SICK LEAVE AND VACATION**

**1. SICK LEAVE**

**A. GENERAL:**

1. Each employee shall accrue sick leave on a bi-weekly basis at a rate of 5.0768 hours every two (2) weeks.
2. Effective on or before execution of this Agreement, firefighters' accumulated; unused sick leave shall be converted into hours at a rate of twelve (12) hours per shift.
3. The district shall maintain an accurate and up to date list of all sick leave accrued or used.

**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.

**C. ACCUMULATED SICK LEAVE ON DEATH**

In any case where an employee covered by this Agreement dies leaving unused accumulated sick leave, the District shall pay within six months, to the Executor or Administrator of the employee's estate, or to the employee's widow/widower if there be no Executor or Administrator, or to the next of kin if there be no widow/widower, a lump sum payment equal to the dollar value of all unused accumulated sick leave earned up to the time of the employee's death. Dollar value shall be determined by multiplying the employee's most recent daily rate of pay by the number of unused accumulated shifts of sick leave.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

NOTE 9 – SICK LEAVE AND VACATION (continued)

**2. VACATION**

**A. GENERAL**

1. Vacation shall be 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

2. 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.
3. Two (2) weeks' notice may be required for a vacation of four (48) hours or more at one time.
4. All employees shall select full cycle vacations by November 30 for the next calendar year according to Local policy. All remaining vacation time shall further be subject to Local policy, and must be scheduled by October 1 of each year. Any employee shall be allowed to change their vacation at any time, only if it does not interfere with another employee's schedule vacation time. Any conflict shall be resolved by seniority and local policy. The fire district shall post an accurate and up to date seniority list prior to October 31.
5. Effective upon execution of this Agreement, firefighters' accumulated, unused vacation leave shall be converted into hours at a rate of twelve (12) hours per shift/day.
6. 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.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 9 – SICK LEAVE AND VACATION (continued)**

**2. VACATION**

**A. GENERAL**

7. The district shall provide an accurate and up to date list of all vacation leave accrued, used, or banked. This list shall be placed in the Officer in Charge office for review by each employee.
8. No more than TWO (2) employees per platoon will be allowed off on vacation and/or compensation time at the same time.
9. During the following workweeks (Sunday to Saturday), however, up to three (3) employees per platoon may be allowed off on vacation and/or compensation time at the same time:
  - (a) The workweek that includes Thanksgiving;
  - (b) The workweek that includes the July 4th holiday; and
  - (c) The workweek that includes both December 24 and December 25; provided, however, that in years where December 24 and 25 fall in two different workweeks (this occurs every 9 years), up to three (3) employees per platoon may be allowed off on vacation and/or compensation time at the same time during both workweeks.
10. Up to three (3) employees per platoon may be allowed off on vacation and/or compensation time at the same time during the shifts commencing on Memorial Day and Labor Day.
11. Employees with less than ten (10) years of continuous service will not be allowed to take vacation or compensatory time on a prime holiday if it will result in another member being ordered to work.

**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.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

***NOTE 10 - 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](http://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 Average 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, 2017

***NOTE 10 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)***

***A. MUNICIPAL EMPLOYEES RETIREMENT PLAN***

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

***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, 2017

***NOTE 10 - 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, 2017

***NOTE 10 - 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, 2017

***NOTE 10 - 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, 2015 valuation date, the following employees were covered by the benefit terms:

Fire Employees:

Retirees and Beneficiaries	18
Inactive, Nonretired Members	5
Active Members	36
Total	59

**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 \$305,988 in the year ended June 30, 2017 which was 17.52% of annual covered payroll.

**Net Pension Liability (Asset)** - The total pension liability was determined by actuarial valuations performed as of June 30, 2015 and rolled forward to June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

CENTRAL COVENTRY FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2017

**NOTE 10 - 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, 2016 measurement date (June 30, 2015 valuation rolled forward to June 30, 2016)	
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	2.75%
Mortality	<ul style="list-style-type: none"> <li>· Male Employees, MERS General and MERS P&amp;F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.</li> <li>· Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</li> </ul>
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2015.

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 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

asset class are summarized in the following table:

**NOTE 10 - 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>
Global Equity:	38.00%	
U.S. Equity		6.98%
International Developed		7.26%
International Emerging Markets		9.57%
Equity Hedge Funds	8.00%	4.10%
Private Equity	7.00%	10.15%
Core Fixed Income	15.00%	2.37%
Absolute Return Hedge Funds	7.00%	4.10%
Infrastructure	3.00%	5.58%
Real Estate	8.00%	5.33%
Other Real Return Assets:	11.00%	
Master Limited Partnerships		4.97%
Credit		4.97%
Inflation Linked Bonds		1.76%
Cash, Overlay and Money Market	3.00%	0.82%
	<u>100.00%</u>	

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

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

**NOTE 10 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS (continued)**

**A. MUNICIPAL EMPLOYEES RETIREMENT PLAN**

**Changes in Net Pension Liability (Asset) - Fire Employees**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances as of June 30, 2015</b>	\$ 13,061,566	\$ 9,357,514	\$ 3,704,052
<b>Changes for the Year</b>			
Service Cost	328,131		328,131
Interest on the total pension liability	962,470		962,470
Benefit changes	-		-
Difference between expected and actual	17,229		17,229
Employer contributions		299,951	(299,951)
Employee contributions		180,090	(180,090)
Net investment income		(2,970)	2,970
Benefit payments, including employee refunds	(785,391)	(785,391)	-
Administrative expense		(8,679)	8,679
Other changes		54,221	(54,221)
<b>Net changes</b>	<b>522,439</b>	<b>(262,778)</b>	<b>785,217</b>
<b>Balances as of June 30, 2016</b>	<b>\$ 13,584,005</b>	<b>\$ 9,094,736</b>	<b>\$ 4,489,269</b>

**Sensitivity of the Net Pension Liability to changes in the discount rate.** The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Sensitivity Summary for Net Pension Liability**

	1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00% Increase (8.5%)
Plan:			
Fire	5,930,087	4,489,269	3,309,945

CENTRAL COVENTRY FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2017

***NOTE 10 - 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, 2017 the employer recognized pension expense of \$305,988. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Fire Employees</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 305,988	\$ -
Changes in assumptions	-	71,624
Net difference between projected and actual earnings on pension plan investments	838,300	252,798
Difference between expected and actual exp.	255,643	-
 Total	<b>\$ 1,399,931</b>	<b>\$ 324,422</b>



CENTRAL COVENTRY FIRE DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 AUGUST 31, 2017

***NOTE 10 - 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:

<u>Fire Employees</u>	
Year Ending August 31	Net Deferred (outflows)/inflows of resources
2018	\$ 130,161
2019	130,159
2020	256,559
2021	162,471
2022	35,028
Thereafter	55,143
Total	<u>\$ 769,521</u>

***B. POST RETIREMENT BENEFITS***

***The post retirement benefits described below exclusively relate to the benefits provided pursuant to the April 1, 2012 - March 31, 2015 Collective Bargaining Agreement with the District's firefighters/Local 3372.***

***Plan Description***

**A. "Retirement Plan A" 10 Years Medical Insurance**

1. The District shall provide employees that are vested as of April 1, 2009, who retire with twenty (20) or more years of service at any age, for up to ten (10) years or age sixty five (65), whichever is first, with the same medical and dental coverage that is offered to full-time employees. The medical plan shall be a single plan for the retired employee only. The retired employee shall have the option to purchase family medical through the district.

2. As a one-time enrollment, any employee that is eligible for "Retirement Plan A" as specified herein shall have sixty days from the date of execution of this agreement, the right to refuse "Retirement Plan A" and be enrolled in "Retirement Plan B". Such refusal shall be made in writing to the district and a copy shall be forwarded to the local.

CENTRAL COVENTRY FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017

***NOTE 10 - RETIREMENT PLANS & POST EMPLOYEMENT BENEFITS***

***Plan Description***

***B. POST RETIREMENT BENEFITS***

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.

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 within 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.

***NOTE 11 – 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, 2017, the District believes there is minimal, if any, potential exposure for outstanding claims which would fall outside the parameter of its insurance policies.

***NOTE 12 – SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 20, 2017, the date the financial statements were available to be issued, and found no material subsequent events.

***NOTE 13 - 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.

## **Required Supplementary Information**

**CENTRAL COVENTRY FIRE DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Schedule of Revenue and Expenditures**  
**For the Year Ended August 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
General Revenues			
Tax levy - Current Year	\$ 3,945,585	\$ 3,906,026	\$ (39,559)
Tax Levy - Prior Years	250,000	467,470	217,470
Rescue Run Recovery	675,000	849,407	174,407
Fire Marshal Services	5,000	17,962	12,962
Detail Reimbursement	5,000	12,179	7,179
Interest and Penalties on Taxes	50,000	124,371	74,371
Asset Sales/Misc Revenue	1,000	188,975	187,975
<b>Total revenue</b>	<u>\$ 4,931,585</u>	<u>\$ 5,566,390</u>	<u>\$ 634,805</u>
<b>Expenditures</b>			
Administrative			
Audit/CPA Services	\$ 17,000	\$ 20,875	\$ (3,875)
Board Meetings	3,000	3,166	(166)
Board Member Stipends	13,500	14,000	(500)
Finance Director/Treasurer	106,500	91,250	15,250
Administrative Insurance and HR	750	1,975	(1,225)
Tax Collecting Expense	10,200	18,551	(8,351)
Legal - General	50,000	57,254	(7,254)
Legal - Interest and arbitration	45,000	119,820	(74,820)
Office/Miscellaneous	2,500	6,112	(3,612)
Bank Fees	250	1,463	(1,213)
Dues and Subscriptions	1,200	761	439
Accounting and Payroll Costs	1,800	2,178	(378)
Administrative Service Contracts	12,500	26,034	(13,534)
Software and Hardware	19,800	12,340	7,460
<b>Total Administrative</b>	<u>\$ 284,000</u>	<u>\$ 375,779</u>	<u>\$ (91,779)</u>

**CENTRAL COVENTRY FIRE DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Schedule of Revenue and Expenditures**  
**For the Year Ended August 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Operations</b>			
Rescue Recovery Fees	\$ 27,000	\$ 40,441	\$ (13,441)
Fuel	35,000	37,615	(2,615)
Insurance - General Liability and Property	55,000	34,180	20,820
Repairs and Maintenance - Station	50,500	39,248	11,252
Repairs and Maintenance - Vehicles and Apparatu	75,000	94,831	(19,831)
Supplies - Fire	12,000	182,591	(170,591)
Supplies - Rescue	50,000	19,269	30,731
Supplies - Station	5,000	7,220	(2,220)
Telecommunication System	3,000	2,500	500
Telecommunications	14,000	11,756	2,244
Cable - Stations	2,600	176	2,424
Electric - Stations	18,000	3,394	14,606
Gas - Stations	9,000	2,453	6,547
Oil - Stations	18,500	10,954	7,546
Water - Stations	2,500	490	2,010
<b>Total Operations</b>	<u>\$ 377,100</u>	<u>\$ 487,118</u>	<u>\$ (110,018)</u>
<b>Personnel Costs - Union</b>			
Salaries	\$ 1,836,543	\$ 1,721,980	\$ 114,563
Collateral (Fire Marshall)	5,000	26,755	(21,755)
Overtime	213,579	391,271	(177,692)
Holiday	80,089	66,516	13,573
Detail	6,000	11,004	(5,004)
Out of Rank	2,500	884	1,616
Clothing Allowance	19,600	14,200	5,400
Health Opt-out	12,000	11,500	500
Payroll Tax	166,411	170,518	(4,107)
Municipal State Pension	339,819	303,704	36,115
Medical Insurance - Union	341,943	280,056	61,887
HRA/OJI Medical Costs	15,000	3,169	11,831
Dental Insurance - Union	32,944	26,967	5,977
HR/SA Account Fees	1,968	2,236	(268)
Life Insurance	5,208	5,208	-
Employee Assistance Program	1,500	-	1,500
Injured on Duty Insurance	119,039	113,680	5,359
PEHP	43,594	47,300	(3,706)
Training/Academy	10,000	16,139	(6,139)
Promotional Exams	5,000	-	5,000
Recruitment	5,000	3,438	1,562
Medical Exams	5,000	-	5,000
<b>Total Personnel Costs - Union</b>	<u>\$ 3,267,737</u>	<u>\$ 3,216,525</u>	<u>\$ 51,212</u>

**CENTRAL COVENTRY FIRE DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Schedule of Revenue and Expenditures**  
**For the Year Ended August 31, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Personnel Costs - Administrative</b>			
Administrative Salaries/Compensation	\$ 192,762	\$ 190,025	\$ 2,737
Administrative Payroll Taxes	14,747	6,017	8,730
Medical Insurance - Administrative	29,658	4,866	24,792
Dental Insurance - Administrative	2,278	-	2,278
<b>Total Personnel Costs - Administrative</b>	<u>\$ 239,445</u>	<u>\$ 200,908</u>	<u>\$ 38,537</u>
<b>Retirees/Separation Costs</b>			
Medical Insurance - Retiree	\$ 47,501	\$ 81,875	\$ (34,374)
Dental Insurance - Retiree	6,018	6,637	(619)
Unemployment/Separation Payouts	11,715	116,584	(104,869)
OPEB ARC	10,000	-	10,000
<b>Total Retirees/Separation Costs</b>	<u>\$ 75,234</u>	<u>\$ 205,096</u>	<u>\$ (129,862)</u>
<b>Other Expenditures</b>			
Hydrants	\$ 220,000	\$ 235,263	\$ (15,263)
Street Lights	200,000	183,521	16,479
Capital Purchases	153,069	451,800	(298,731)
Claims	115,000	47,626	67,374
<b>Total Other Expenditures</b>	<u>\$ 688,069</u>	<u>\$ 918,210</u>	<u>\$ (230,141)</u>
<b>Total Expenditures</b>	<u>\$ 4,931,585</u>	<u>\$ 5,403,636</u>	<u>\$ (472,051)</u>
<b>Excess of revenue over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 162,754</u>	<u>\$ 162,754</u>

## ***STATISTICAL SECTION***

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the District.

**CENTRAL COVENTRY FIRE DISTRICT, RHODE ISLAND  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
AUGUST 31, 2017**

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,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>A. Total pension liability</b>										
1. Service Cost	\$ 328,131	\$ 384,281	\$ 448,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest on the Total Pension Liability	982,470	865,608	825,629	-	-	-	-	-	-	-
3. Changes of benefit terms	-	473,200	-	-	-	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	17,229	316,243	-	-	-	-	-	-	-	-
5. Changes of assumptions	-	-	(121,538)	-	-	-	-	-	-	-
6. Benefit payments, including refunds of employee contributions	(785,391)	(654,130)	(520,932)	-	-	-	-	-	-	-
7. Net change in total pension liability	522,439	1,385,202	631,858	-	-	-	-	-	-	-
8. Total pension liability - beginning	13,061,966	11,676,364	11,044,506	-	-	-	-	-	-	-
9. Total pension liability - ending (a)	\$ 13,584,005	\$ 13,061,566	\$ 11,676,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>B. Plan fiduciary net position</b>										
1. Contributions - employer	\$ 299,951	\$ 385,835	\$ 374,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Contributions - employee	180,090	174,575	204,376	-	-	-	-	-	-	-
3. Net investment income	(2,970)	219,294	1,232,637	-	-	-	-	-	-	-
4. Benefit payments, including refunds of employee contributions	(785,391)	(654,130)	(520,932)	-	-	-	-	-	-	-
5. Pension Plan Administrative Expense	(8,679)	(8,793)	(7,719)	-	-	-	-	-	-	-
6. Other	54,221	(14,074)	(22,631)	-	-	-	-	-	-	-
7. Net change in plan fiduciary net position	(262,776)	102,707	1,259,774	-	-	-	-	-	-	-
8. Plan fiduciary net position - beginning	9,357,514	9,254,807	7,995,033	-	-	-	-	-	-	-
9. Plan fiduciary net position - ending (b)	9,094,738	9,357,514	9,254,807	-	-	-	-	-	-	-
<b>C. Net pension liability - ending (a) - (b)</b>	4,489,269	3,704,052	2,421,557	-	-	-	-	-	-	-
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	66.95%	71.64%	79.26%	-	-	-	-	-	-	-
<b>E. Covered employee payroll</b>	1,785,262	2,182,175	2,547,979	-	-	-	-	-	-	-
<b>F. Net pension liability as a percentage of covered payroll</b>	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,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 305,988	\$ 299,889	\$ 385,835	\$ 374,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	305,988	299,889	385,835	374,043	-	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	1,746,201	1,785,262	2,182,175	2,547,979	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	17.52%	16.80%	17.68%	14.68%	0%	0%	0%	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  
TAX COLLECTOR'S ANNUAL REPORT  
For the Fiscal Year Ended August 31, 2017**

FISCAL YEAR END	BALANCE September 1, 2016	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE August 31, 2017
2017	\$ -	\$ 4,334,445	\$ -	\$ (3,564)	\$ 348	\$ 4,330,533	\$ 3,940,805	\$ 389,728
2016	464,362	-	-	37	-	464,399	421,792	42,607
2015	19,965	-	-	(214)	-	19,751	5,107	14,644
2014	19,930	-	-	(488)	-	19,442	1,342	18,100
2013	8,879	-	84	(443)	-	8,520	1,108	7,412
2012	10,551	-	-	(173)	-	10,378	638	9,740
2011	11,028	-	-	(123)	-	10,905	146	10,759
2010	7,355	-	-	39	-	7,394	138	7,256
2009	3,223	-	-	(70)	-	3,153	134	3,019
2008 & prior	9,935	-	-	(68)	-	9,867	-	9,867
	\$ 555,228	\$ 4,334,445	\$ 84	\$ (5,067)	\$ 348	\$ 4,884,342	\$ 4,371,210	\$ 513,132

Allowance for  
Uncollectable Accounts: (40,000)  
Net Property Tax Receivable: \$ 515,228

**SCHEDULE OF NET  
ASSESSED PROPERTY VALUE BY CATEGORY**

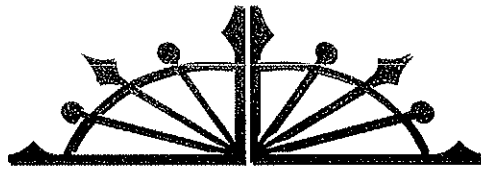
DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property residential	\$ 1,379,078,065	\$ 3,268.150
Real property commercial	271,534,925	966.664
Tangible personal	42,501,605	99.630
TOTAL	1,693,114,595	4,334.444
Less exemptions	-	-
NET ASSESSED VALUE	\$ 1,693,114,595	\$ 4,334.444

**RECONCILIATION OF CURRENT YEAR  
PROPERTY TAX REVENUE**

Current year collections	\$ 4,371,210
Less: Refunds, adjustments	2,286
<b>CURRENT YEAR RE PROPERTY TAX</b>	<b>\$ 4,373,496</b>

***CENTRAL COVENTRY FIRE DISTRICT***

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



**BAXTER DANSEREAU & ASSOCIATES, LLP**

Accounting, Consulting & Tax Services

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*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, 2017, 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 December 20, 2017.

**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  
December 20, 2017

**Central Coventry Fire District**  
**Schedule of Findings**  
**For The Fiscal Year Ended August 31, 2017**

***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

Management Resource Partners, Inc.  
10 Dorrance Street, Suite 700  
Providence, RI 02903

December 21, 2017

Mr. Fred Gralinski  
President, Board of Directors, Central Coventry Fire  
District c/o Mr. David D'Agostino, Esq.  
Gorham & Gorham,  
Incorporated 25  
Danielson Pike  
North Scituate, RI 02857

Re: Engagement of Management Resource Partners, Inc.

Dear Mr. Gralinski:

The purpose of this letter is to outline the engagement (“Engagement”) of Management Resource Partners, Inc., a Rhode Island corporation (the “Company”), by the Central Coventry Fire District (the “District”), acting by and through its Board of Directors (the “Board”) who have been duly elected pursuant to R.I. Public Law, 2006, Chapter 492 (the “District Charter”), upon and subject to the terms and conditions set forth herein.

The purpose of the Engagement is to provide District Manager services to the District as required by law, By-Laws, and as directed and/or requested by the Board.

1. Services to be Provided by the Company.

A. Fiscal and Management Oversight.

The Company will provide the District with the following fiscal and management oversight services: administrative and personnel management; internal and external reporting and budgeting; preparation of budgets and financial statements; integration and management of payroll software; account for all major transactions (generating