

WESTERN COVENTRY FIRE DISTRICT

BASIC FINANCIAL STATEMENTS

Fiscal Year Ended February 28, 2025



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Fiscal Year Ended February 28, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Coventry Fire District
Greene, Rhode Island

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Western Coventry Fire District, as of and for the year ended February 28, 2025, and the related notes to the financial statements, which collectively comprise Western Coventry Fire District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Western Coventry Fire District as of February 28, 2025 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on page 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Western Coventry Fire District's basic financial statements. The schedule of property taxes on page 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates

directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of property taxes is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2025, on our consideration of Western 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 Western Coventry Fire District's internal control over financial reporting and compliance.

WADOVICK + COMPANY

West Warwick, Rhode Island
August 21, 2025

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

Management of Western Coventry Fire District offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended February 28, 2025.

Governmental Accounting Standards Board's (GASB) requires a "Management's Discussion and Analysis" (MD&A) to be presented in the financial reports which include the basic financial statements. The MD&A provides an overview of the financial activities of the District based upon currently known facts, decisions, and conditions. Our MD&A follows; please read in conjunction with the financial statements which begin on Page 12.

FINANCIAL HIGHLIGHTS

Management continues close monitoring of the District's finances and continues to maintain, and fund, a Apparatus Capital Reserve Fund in order to meet the future capital needs of the District. The Board of Directors are very active and meet on a regular basis with the Fire Chief to ensure the financial stability of the District. As of February 28, 2025, the Apparatus Capital Reserve Fund had a fund balance of \$273,069 for the future capital needs of the District.

In April 2024, the District taxpayers approved an annual operating budget of \$1,183,463, for the fiscal year ended February 28, 2025. This approved budget represented an increase of approximately \$88,000 (8.02%) from the fiscal 2024 operating budget. The net assessed value of property in the District as of December 31, 2023 (used for the fiscal 2025 tax assessment) was \$576,572,219 as compared to the net assessed value as of December 31, 2022 (used for the fiscal 2024 tax assessment) of \$570,582,637. The real property tax rate for fiscal 2025 was set at \$1.65 per \$1,000 of assessed value as compared to \$1.58 for fiscal 2024. The total tax levy for fiscal 2025 was \$951,191 as compared to \$902,134 for fiscal 2024. This represents an increase of 5.44% in the tax levy.

Western Coventry Fire District had strong financial results for fiscal 2025 and continues to maintain positive net position and fund balance. This is evident by the following:

- Net Position at February 28, 2025 (Page 12) totals \$1,655,612 of which \$377,272 is unrestricted.
- Total Unassigned Fund Balance of the Governmental basis General Fund (Page 14) at February 28, 2025 is \$211,809. This represents approximately 17.9% of the fiscal 2025 budget.
- Total combined Governmental basis Fund Balance at February 28, 2025 was \$508,681, which includes \$273,069 committed for future apparatus and capital acquisitions.
- Excess of expenditures over revenues before other financing sources and uses in the General Fund for fiscal 2025 (Page 16) was \$43,660 or 3.32% of the fiscal 2025 operating budget before transfers. Overall decrease in the District's combined governmental Fund Balance was \$182,420.
- On a budgetary basis of accounting (Page 31) the District had a deficit of \$43,660. The most significant variances in expenditures were the result of increases in salary and wages and apparatus/equipment repairs.

Other financial highlights as of and for the fiscal year ended February 28, 2025 were as follows:

- ❖ At February 28, 2025, the District's assets totaled \$2,797,825 compared to \$2,709,700 at February 29, 2024. Total liabilities at February 28, 2025, totaled \$1,142,213 as compared to \$936,468 at February 29, 2024. The details can be found on the Government-Wide Statement of Net Position (Page 12).

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

- ❖ At February 28, 2025, the District's net position totaled \$1,655,612. The net position available at February 28, 2025, to meet the District's ongoing obligations was \$654,418. This represents an decrease of \$187,893 from the February 29, 2024, balance of \$842,311.
- ❖ As of February 28, 2025, the District's governmental funds reported combined ending fund balances of \$508,681. This is an decrease of \$182,420 from the combined governmental fund balances at February 29, 2024 of \$691,101.
- ❖ At February 28, 2025, the fund balance of the General Fund was composed of non-spendable \$19,726; and unassigned \$211,809. Details of fund balance can be found in Note 9 to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, other supplemental information is provided.

Government-Wide Financial Statements – are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *Statement of Net Position* (Page 12) is similar to a bottom line snap shot of the financial condition of the District at February 28, 2025. This statement reports all of the governmental activities current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* (Page 13) reports how the District's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

The governmental activities reflect the District's basic services, fire and EMS/rescue services. Property taxes and rescue service recoveries finance the majority of these services. The Fire District does not have any legally separate component units for which the District is financially accountable.

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds financial statements (pages 14-17) focus on near term inflows and outflows of spendable resources, as

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

well as on the balances left at year end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental funds financial statements to the government-wide statements explaining the relationship (or differences) between them.

The District maintains three individual governmental funds; information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Apparatus Capital Reserve Fund and Fire Prevention Fund.

The District adopts an annual appropriated budget for the General Fund at its annual financial taxpayers meeting. A budgetary comparison schedule has been provided to demonstrate compliance with the budget on Page 31.

Notes to Financial Statements – The notes to the basic financial statements (pages 18-30) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information of the budgetary comparison schedule and other supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, the assets exceeded its liabilities at the close of the fiscal year by \$1,655,612. A portion of the District's net position (\$377,272) is unrestricted and may be used to meet the District's ongoing financial obligations. This is the net position that is not restricted by external requirements nor invested in capital assets.

Of the District's \$1,655,612, in net position, \$1,001,194 reflects net investment in capital assets (e.g. fire equipment, vehicles, furniture and equipment, building and building improvements). The District uses these capital assets to provide fire protection and EMS services to the taxpayers. As a result, these assets are not available for future spending and thus are excluded from the unrestricted classification. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated to pay the obligations.

The following tables reflect the District's net position and changes in net position as of and for the fiscal years ended February 28, 2025 and February 29, 2024. Since there are no business-type activities, both the Governmental Activities and Total Primary Government Columns would be the same if both were presented. Expanded details of the fiscal 2025, information can be found on Pages 12 and 13.

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

Table 1
STATEMENTS OF NET POSITION

	Governmental Activities	
	2025	2024
ASSETS		
Current assets	\$ 758,432	\$ 939,349
Capital assets, net	2,039,393	1,770,351
TOTAL ASSETS	<u>2,797,825</u>	<u>2,709,700</u>
LIABILITIES		
Current liabilities	176,790	109,940
Long-term debt obligations	965,423	826,528
TOTAL LIABILITIES	<u>1,142,213</u>	<u>936,468</u>
NET POSITION		
Net investment in capital assets	1,001,194	930,921
Restricted - Fire Prevention	4,077	7,999
Restricted - Apparatus Capital Reserve	273,069	657,907
Unrestricted	377,272	176,405
TOTAL NET POSITION	<u>\$ 1,655,612</u>	<u>\$ 1,773,232</u>

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

Table 2
STATEMENT OF ACTIVITIES

	Governmental Activities	
	2025	2024
PROGRAM REVENUES		
Charges for services	\$ 239,725	\$ 115,705
American Rescue Plan Act	-	130,860
Capital grants and contributions	64,880	4,661
Total Program Revenues	304,605	251,226
GENERAL REVENUES		
Fire taxes	951,022	905,699
Interest on delinquent taxes	19,047	15,054
Unrestricted investment earnings	15,144	20,224
Miscellaneous income	2,327	25,086
Total General Revenues	987,540	966,063
TOTAL REVENUES	1,292,145	1,217,289
EXPENSES		
Salaries and wages	752,341	691,013
Employment taxes and fringes	109,597	91,248
Telephone/Internet/Cable TV	4,390	5,170
Training and administration	10,553	17,970
Gear and equipment	21,135	29,980
Fire alarm capital fund	5,000	5,000
Occupancy	62,295	45,625
Insurance	77,356	68,473
Fuel	20,348	16,949
Truck and equipment maintenance	61,316	31,361
Professional fees	20,597	17,570
Payroll service fees	3,052	2,744
Office expenses	4,249	4,072
Administrative software	18,173	6,259
Rescue supplies	11,291	9,830
Rescue equipment maintenance contracts	1,575	40
Fire prevention	5,722	220
Grant expenditures	59,137	-
Interest expense	44,239	32,722
Depreciation	115,796	120,712
Loss on disposal of apparatus, net	-	2,372
Miscellaneous	1,603	206
TOTAL EXPENSES	1,409,765	1,199,536
CHANGE IN NET POSITION	(117,620)	17,753
Net Position - Beginning of year	1,773,232	1,755,479
Net Position - End of year	\$ 1,655,612	\$ 1,773,232

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

As noted above, governmental activities decreased net position by \$117,620, in fiscal 2025 as compared to an increase of \$17,753 in fiscal 2024. The decrease in net position in fiscal 2025, was due in large part to increased employment costs and apparatus/equipment repairs.

FINANCIAL ANALYSIS OF THE WESTERN COVENTRY FIRE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Western Coventry Fire District's governmental funds is to provide information on the current year revenue, expenditures, and balances of spendable resources. Such information is a useful measure of a government's net resources available for spending at the end of the fiscal year.

BUDGETARY HIGHLIGHTS

Comparison of the actual results versus the amounts budgeted for the District's General Fund can be found on Page 31.

For the fiscal year ended February 28, 2025, total budgetary basis revenues of the District's General Fund was greater than the amount budgeted by \$132,795 or 11.22%. The positive revenue variance was attributable primarily from increased property tax collections, grants, and rescue recovery receipts.

General Fund budgetary basis expenditures for fiscal 2025, totaled \$1,359,918 compared to budgeted expenditures of \$1,183,463 for an unfavorable variance of \$176,455 or 14.91%. The most significant line items which contributed to the budget variance in expenditures were as follows:

- Salaries and wages \$73,633
- Truck and equipment repairs \$33,816
- Grant expenditures \$59,137

In the District's General Fund, the unfavorable variance in budgetary basis expenditures combined with the favorable variance in budgetary basis revenue resulted in a budgetary deficit of \$43,660 for fiscal 2025.

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The District's capital assets for its governmental type activities as of February 28, 2025, totaled \$2,039,393 (net of accumulated depreciation). The details of the capital assets can be found in Note 5, on Page 26.

A summary of the District's capital assets at February 28, 2025 and February 29, 2024 is as follows:

	Governmental Activities	
	2025	2024
Land	\$ 134,400	\$ 134,400
Buildings and improvements	2,245,032	2,245,032
Fire equipment	335,411	335,411
Vehicles	1,421,626	1,036,788
Furniture and equipment	49,975	49,975
Less: accumulated depreciation	(2,147,051)	(2,031,255)
NET CAPITAL ASSETS	<u>\$ 2,039,393</u>	<u>\$ 1,770,351</u>

Long-term Debt – At February 28, 2025, the District had total long-term debt obligations outstanding totaling \$1,062,624 compared to \$886,433 at February 29, 2024.

Additional information on the long-term debt obligation, including future maturities and interest rate, can be found in Note 6 on Pages 27-28 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's Board of Directors attempts to maintain core basic fire prevention, firefighting, and rescue services, and to provide a sufficient fund balance to provide necessary resources for paying operating expenditures, payment of future capital purchases and building improvements without significant fluctuations in the annual tax rates.

At the annual District taxpayer meeting in April 2025, the taxpayers approved the fiscal 2026, General Fund budget in the amount of \$1,239,955. This approved budget represents an increase of \$56,492 or 4.77% from the fiscal 2025, budget. This includes a \$10,000 contribution to the Apparatus Capital Reserve Fund as well as increases to facility and apparatus maintenance costs.

As seen in other areas of the economy, labor shortages and inflation remain key areas which the District is struggling to overcome. The District is still seeking additional qualified full-time staff to minimize overtime costs. Additionally, the District is in critical need to begin the process of replacing critical fire apparatus. Supply chain constraints and inflation have created challenges for the District to provide critical services while maintaining a budget with minimal impact to the taxpayers.

WESTERN COVENTRY FIRE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended February 28, 2025
(Unaudited)

REQUEST FOR INFORMATION

The MD&A and the accompanying financial statements are designed to provide the citizens and taxpayers with a general overview of the finances of Western Coventry Fire District and to show accountability for the money that it receives. If you have any questions about this report or need additional financial information please contact Western Coventry Fire District, 1110 Victory Highway, Greene, RI 02827. For more information, please call the District administrative office at 401-397-7520 or visit the website at www.wcfd.net.

WESTERN COVENTRY FIRE DISTRICT
STATEMENT OF NET POSITION
February 28, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 323,375
Taxes receivable, net \$5,000 allowance	333,964
Intergovernmental grant receivable	37,648
Insurance claim receivable	31,125
Other receivables	12,594
Prepaid expense	19,726
TOTAL CURRENT ASSETS	<u>758,432</u>

NON-CURRENT ASSETS

Capital assets, net of accumulated depreciation	<u>2,039,393</u>
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TOTAL ASSETS	<u>2,797,825</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses	39,864
Accrued payroll and taxes	27,778
Firemen's Funds	8,060
Accrued interest	3,886
Compensated absences	5,000
Current portion of long-term debt	92,202
TOTAL CURRENT LIABILITIES	<u>176,790</u>

NON-CURRENT LIABILITIES

Compensated absences	19,426
Long-term debt obligations, net	<u>945,997</u>
TOTAL NON-CURRENT LIABILITIES	<u>965,423</u>

TOTAL LIABILITIES	<u>1,142,213</u>
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NET POSITION

Net investment in capital assets	1,001,194
Restricted - Fire Prevention	4,077
Restricted - Apparatus Capital Reserve	273,069
Unrestricted	<u>377,272</u>

TOTAL NET POSITION	<u>\$ 1,655,612</u>
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The accompanying notes are an integral part of the financial statements.

WESTERN COVENTRY FIRE DISTRICT
STATEMENT OF ACTIVITIES
Year Ended February 28, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services, Fees & Licenses	Capital Grants and Contributions	Governmental Activities
<u>FUNCTIONS/PROGRAMS:</u>				
GOVERNMENTAL ACTIVITIES				
Public safety	\$ 1,365,526	\$ 239,725	\$ 64,880	\$ (1,060,921)
Interest on long-term debt	44,239	-	-	(44,239)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,409,765</u>	<u>\$ 239,725</u>	<u>\$ 64,880</u>	<u>(1,105,160)</u>
GENERAL REVENUES				
Property taxes				951,022
Interest and penalties on delinquent taxes				19,047
Unrestricted investment earnings				15,144
Miscellaneous				2,327
TOTAL GENERAL REVENUES				<u>987,540</u>
CHANGE IN NET POSITION				(117,620)
NET POSITION - March 1, 2024				<u>1,773,232</u>
NET POSITION - February 28, 2025				<u>\$ 1,655,612</u>

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

WESTERN FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
February 28, 2025

	GENERAL FUND	APPARATUS CAPITAL RESERVE FUND	NONMAJOR FIRE PREVENTION FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 323,375	\$ -	\$ -	\$ 323,375
Taxes receivable, net \$5,000 allowance	333,964	-	-	333,964
Intergovernmental grant receivable	37,648	-	-	37,648
Insurance claim receivable	31,125	-	-	31,125
Other receivables	12,594	-	-	12,594
Prepaid expense	19,726	-	-	19,726
Due from other funds	-	273,069	4,077	277,146
	<u>-</u>	<u>273,069</u>	<u>4,077</u>	<u>277,146</u>
 TOTAL ASSETS	 <u>\$ 758,432</u>	 <u>\$ 273,069</u>	 <u>\$ 4,077</u>	 <u>\$ 1,035,578</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$ 39,864	\$ -	\$ -	\$ 39,864
Accrued payroll and taxes	27,778	-	-	27,778
Firemen's Funds	8,060	-	-	8,060
Due to other funds	277,146	-	-	277,146
TOTAL LIABILITIES	<u>352,848</u>	<u>-</u>	<u>-</u>	<u>352,848</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property tax revenue	174,049	-	-	174,049
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>174,049</u>	<u>-</u>	<u>-</u>	<u>174,049</u>
 <u>FUND BALANCE</u>				
Non-spendable	19,726	-	-	19,726
Restricted	-	-	4,077	4,077
Committed	-	273,069	-	273,069
Unassigned	211,809	-	-	211,809
TOTAL FUND BALANCE	<u>231,535</u>	<u>273,069</u>	<u>4,077</u>	<u>508,681</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 758,432</u>	 <u>\$ 273,069</u>	 <u>\$ 4,077</u>	 <u>\$ 1,035,578</u>

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

WESTERN COVENTRY FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
February 28, 2025

Total Fund Balance of Governmental Funds	\$ 508,681
Capital assets used in governmental activities which are not financial resources and, therefore, are not reported in the Governmental Fund balance sheet.	2,039,393
Long-term liabilities not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position.	(1,062,625)
Unavailable tax revenues (net of an allowance for uncollectible) recorded in the funds, but not reported under the measurement focus in the Statement of Net Position.	174,049
Accrued interest expense on long-term obligations not due and payable in the current period which therefore is not reported in the funds. This liability is reported in the Statement of Net Position.	<u>(3,886)</u>
Net Position of Governmental Activities	<u>\$ 1,655,612</u>

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

WESTERN COVENTRY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended February 28, 2025

	GENERAL FUND	APPARATUS CAPITAL RESERVE FUND	NONMAJOR FIRE PREVENTION FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Property tax collections	\$ 976,935	\$ -	\$ -	\$ 976,935
Interest and penalties on delinquent taxes	19,047	-	-	19,047
Rescue recovery, net of service fees	237,925	-	-	237,925
State and local grants	64,880	-	-	64,880
Inspection fees	-	-	1,800	1,800
Investment income	15,144	-	-	15,144
Miscellaneous	2,327	-	-	2,327
TOTAL REVENUES	1,316,258	-	1,800	1,318,058
<u>EXPENDITURES</u>				
Current:				
Salaries and wages	774,917	-	-	774,917
Employment taxes and fringes	109,597	-	-	109,597
Telephone/Internet/Cable TV	4,390	-	-	4,390
Training and administration	10,553	-	-	10,553
Gear and equipment	21,135	-	-	21,135
Fire alarm capital fund	5,000	-	-	5,000
Occupancy	62,295	-	-	62,295
Insurance	77,356	-	-	77,356
Fuel	20,348	-	-	20,348
Truck and equipment repairs	61,316	-	-	61,316
Professional fees	20,597	-	-	20,597
Payroll service fees	3,052	-	-	3,052
Office expenses	4,249	-	-	4,249
Administrative software	18,173	-	-	18,173
Rescue supplies	11,291	-	-	11,291
Rescue equipment maintenance contracts	1,575	-	-	1,575
Grant expenditures	59,137	-	-	59,137
Fire prevention	-	-	5,722	5,722
Miscellaneous	1,603	-	-	1,603
Debt Service:				
Principal	51,231	-	-	51,231
Interest	42,103	-	-	42,103
Capital:				
Rescue apparatus	-	384,838	-	384,838
TOTAL EXPENDITURES	1,359,918	384,838	5,722	1,750,478
Excess of Expenditures Over Revenues Before Other Financial Sources (Uses)	(43,660)	(384,838)	(3,922)	(432,420)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	250,000	-	-	250,000
Transfers out	-	(250,000)	-	(250,000)
Proceeds from issuance of debt	-	250,000	-	250,000
NET OTHER FINANCING SOURCES	250,000	-	-	250,000
CHANGE IN FUND BALANCE	206,340	(384,838)	(3,922)	(182,420)
FUND BALANCE - March 1, 2024	25,195	657,907	7,999	691,101
FUND BALANCE - February 28, 2025	\$ 231,535	\$ 273,069	\$ 4,077	\$ 508,681

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

WESTERN COVENTRY FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended February 28, 2025

Change in Fund Balance - Governmental Funds	\$ (182,420)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense for the fiscal year ended February 28, 2025.	269,042
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Governmental fund report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect in changes on net position.	51,231
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Proceeds from debt issuance are reported as an other financing source in the fund statements. However, issuance of debt obligations has no effect on the changes in net position.	(250,000)
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Governmental funds do not report estimated accrued interest on long-term debt as a liability in the Fund Financial Statements if they are not going to be paid with current available resources. This liability is reported in the Government-Wide Financial Statements. This adjustment reflects the increase in accrued interest on long-term obligations from February 29, 2024 to February 28, 2025.	(2,137)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. Unavailable tax revenue increased from fiscal 2024.	(25,913)
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Decrease in compensated absences liability. The governmental fund reflects this activity when it will be paid with measurable and available resources. The change from prior year balances is reflected in the statement of activities and changes in net position.	<div style="border-top: 1px solid black; display: inline-block;">22,577</div>
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Change in Net Position - Governmental Activities in the Statement of Activities	<div style="border-bottom: 3px double black; display: inline-block;">\$ (117,620)</div>
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The accompanying notes are an integral part of the financial statements.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2025

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE FINANCIAL REPORTING ENTITY

Western Coventry Fire District (the District) was organized by the Rhode Island General Assembly and approved by the electorate in 1943 to meet the fire needs of Western Coventry, Rhode Island. The District provides fire protection and rescue services throughout the District. The District also provides and receives mutual aid from neighboring communities.

The District complies with generally accepted accounting principles (GAAP). 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 this note.

PRIMARY GOVERNMENT

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a. The primary government is legally entitled to or can otherwise access the organization's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c. The primary government is obligated in some manner for the debt of the organization.

There are no entities which met the criteria noted above.

BASIS OF PRESENTATION

Government-Wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. Currently, the District has no business-type activities. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables, and payables.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of that individual, government fund, or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type and;
- b. Total assets and deferred outflow of resources, liabilities and deferred inflow of resources, revenues, or expenditures/expenses of that individual, governmental fund or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below.

GOVERNMENTAL FUNDS

General Funds – The 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 legally or administratively required to be accounted for in other funds.

Capital Project Funds – Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than that debt service or capital projects.

MAJOR AND NON-MAJOR FUNDS

The funds are further classified as major or non-major as follows:

<i>Major Funds:</i>	<u>General:</u>	General Fund
	<u>Capital Project Fund:</u>	Apparatus Capital Reserve Fund
<i>Non-Major Funds:</i>	<u>Special Revenue Funds:</u>	Fire Prevention Fund

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

MEASUREMENT FOCUS

On the Government-Wide Statement of Net Position and the Statement of Activities governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of the income and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds are using fund balance as their measure of available spendable financial resources at the end of the period. The District considers property taxes as available if they are collected within 60 days after year end.

BASIS OF ACCOUNTING

In the Government-Wide Statement of Net Position and Statement of Activities, governmental 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, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Due to the uncertain collection of rescue recoveries, they are recorded as income on a cash basis when received.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reportable when due.

Amounts reported as program revenues include charges to tax payers for services or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

CASH & CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, time and demand deposits maturing within three months from the date of acquisition.

ACCOUNTS RECEIVABLE

Government-Wide Statements – In the Government-Wide Statements, receivables consist of all revenues earned at year-end and not yet received. Receivable balances for the governmental activities include property taxes and intergovernmental grant receivables.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

Fund Financial Statements – In the fund financial statements, receivables in governmental funds include revenue accruals such as property taxes. Non-exchange transactions collectible but not available are considered unearned in the fund financial statements in accordance with the modified accrual basis of accounting. Allowances for uncollectible accounts receivable are based upon historical trend and the periodic aging of accounts receivable. At February 28, 2025 the District's estimated allowance was \$5,000. The estimated allowance is net against property tax collections.

SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

PROPERTY, PLANT AND EQUIPMENT

Government-Wide Statements – In the Government-Wide Financial Statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The capitalization threshold of the District is any individual item with a total cost greater than \$3,000 and a useful life in excess of one year.

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 Assets. 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:

	Years
Building and improvements	10 - 40
Vehicles	10 - 20
Fire equipment	5 - 10
Furniture and equipment	5 - 10

Fund Financial Statements – In the fund financial statements, long-lived assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

COMPENSATED ABSENCES

Under the terms of various contracts and polices, District employees are granted vacation and sick leave based on length of service. For governmental activities, the general fund is used to satisfy this liability as it becomes due. Compensated absences in excess of amounts due within one year are recorded as a long-term liability in the Government-Wide financial statements as they are not due and payable in the current period. Accordingly, these liabilities are not included in the fund financial statements.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

EQUITY CLASSIFICATIONS

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 by the acquisition, construction or improvement of those assets.

Restricted net position – consists of net position with constraints placed on them either by (1) external groups such as creditors, grantors, contributions, laws, or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net positions that do not meet the definition of “restricted” or “net investment in capital assets”.

Fund Statements – Governmental fund equity is classified as fund balance. With the implementation of GASB Statement No. 54, fund balance is classified as one of the following five categories: nonspendable, restricted, committed, assigned, or unassigned. These categories are defined below:

Nonspendable Fund Balance – includes amount that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash.

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

Committed Fund Balance – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amount cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previous commit those amounts. The highest level of decision-making authority for Western Coventry Fire District is the taxpayers that assemble annually to vote on the District’s budget and resolutions proposed by the Chief and Board of Directors.

Assigned Fund Balance – includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

APPLICATIONS OF FUND BALANCE

Western Coventry Fire District does not currently have a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for the expenditures incurred. Accordingly, by default the District is following the policy prescribed by GASB Statement No. 54 which specifies that fund balance is reduced first by committed, then by assigned, then by unassigned when expenditures are incurred for purposes for which any unrestricted fund balance could be used. In all situations, the District considers restricted fund balance to be used first when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$1,062,625 reconciliation adjustment are as follows:

Note payable	\$ 802,386
Lease payable obligation	235,813
Compensated absences	<u>24,426</u>
NET ADJUSTMENT	<u><u>\$ 1,062,625</u></u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances –total governmental funds* and *changes in net position of governmental activities as reported* in the Government-wide statement of activities. One element of that reconciliation explains that “Governmental fund report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation or amortization expense.” The details of this \$269,042 reconciliation adjustment is as follows:

Fund expenditures capitalized for reporting in the Government-wide Statemetns	
Capital assets	\$ 384,838
Depreciation expense	<u>(115,796)</u>
NET ADJUSTMENT	<u><u>\$ 269,042</u></u>

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended February 28, 2025, the District implemented the following new accounting pronouncements:

GASB Statement No. 101 – Compensated Absences, effective for fiscal year ending February 28, 2025

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

GASB Statement No. 102 – Certain Risk Disclosures, effective for fiscal year ending February 28, 2025

There was no impact on the District's financial reporting implementing the new governmental accounting standards. The following are recently issued governmental accounting standards which may be applicable in future years:

GASB Statement No. 103 – Financial Reporting Model Improvements, effective for fiscal year ending February 28, 2026

GASB Statement No. 104 – Disclosure of Certain Capital Assets, effective for fiscal year ending February 28, 2027

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

USE OF ESTIMATES

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources 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.

SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 21, 2025, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

NOTE 2 – BUDGETARY PROCESS

Budgets are adopted in accordance with District charter requirements. It is the responsibility of the Board of Directors to submit a proposed budget to the members of the District in April. A public hearing is conducted on the recommended budget and the final recommended budget is legally enacted through a vote of the District residents at the Annual District Meeting. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year-end.

NOTE 3 – CASH AND CASH EQUIVALENTS

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its Federal regulator must be collateralized.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

A. Deposits – The carrying amount of the District's cash and cash equivalents at February 28, 2025 was \$323,375 while the bank balance was \$345,442.

B. Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District did not maintain any investments at February 28, 2025 or during the year then ended.

C. Concentration of Credit Risk – At February 28, 2025, the District's deposits were held at one financial institutions. The District's deposits are maintained in a highly rated financial institution whose rating is reviewed on a periodic basis. At February 28, 2025, \$250,000 of the District's bank balance was covered by the financial institution under federal deposit insurance and \$95,442 was covered by a collateralization agreement. The District attempts to minimize its concentration of credit risk by utilizing an Insured Cash Sweep (ICS) service which maintains cash balances among various FDIC insured institutions.

D. Custodial Credit Risk – Custodial credit risk is the risk that in the event of financial institution failure, the District's deposits and/or investments may not be returned. The District does not have a deposit or investment policy for custodial credit risk. At February 28, 2025, the District did not have any investments which were subject to custodial credit risk.

NOTE 4 – RECEIVABLES

Receivables at February 28, 2025, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund
Receivables:	
Fire taxes	\$ 338,964
Intergovernmental grant	37,648
Insurance claim	31,125
Tax sale costs	2,287
Other accounts receivable	<u>10,307</u>
 GROSS RECEIVABLES	 420,331
 Less: Allowance for uncollectible accounts	 <u>5,000</u>
 NET RECEIVABLES	 <u>\$ 415,331</u>

Property taxes were the principal source of revenue for the District. All real estate in the District is taxed to the owners according to the last valuation made by the Tax Assessor of the Town of Coventry. The tax rate established for the year ended February 28, 2025 for real property was \$1.65 per \$1,000 of assessed valuation and \$1.58 for tangible property. The District does assess a \$10 minimum tax. The taxable value of property with an assessment date of December 31, 2023 was \$576,572,219.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

Taxes are levied each September 1st and are payable and due by January 31st. All unpaid taxes levied become delinquent on February 1st of the current year and are subject to interest at an annual rate of 18%. Tax payers may elect to pay taxes quarterly (10/31, 1/31, 4/30, 7/31). Total assessments for the year ended February 28, 2025 was approximately \$951,000 (including split properties).

The District is responsible for collecting and distributing property taxes in accordance with enabling State legislation. The District recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Government Accounting and Financial Reporting Standards. Unpaid property taxes as of February 28, 2025 are recorded as a receivable. Those net property taxes receivable which were not collected within 60 days immediately following February 28, 2025 are reported as deferred inflow of resources and amounted to \$174,049. Property taxes recognized as revenue for the year ended February 28, 2025 due to their collection in the 60 days following February 28, 2025 totaled \$159,915.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended February 28, 2025 is as follows:

	Beginning Balances	Additions	Retirements & Disposals	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 134,400	\$ -	\$ -	\$ 134,400
Total capital assets not being depreciated	134,400	-	-	134,400
Capital assets being depreciated:				
Building and improvements	2,245,032	-	-	2,245,032
Fire equipment	335,411	-	-	335,411
Vehicles	1,036,788	384,838	-	1,421,626
Furniture and equipment	49,975	-	-	49,975
Total capital assets being depreciated	3,667,206	384,838	-	4,052,044
Less accumulated depreciation:				
Building and improvements	(841,561)	(58,348)	-	(899,909)
Fire equipment	(232,258)	(22,976)	-	(255,234)
Vehicles	(921,796)	(31,565)	-	(953,361)
Furniture and equipment	(35,640)	(2,907)	-	(38,547)
Total accumulated depreciation	(2,031,255)	(115,796)	-	(2,147,051)
Total capital assets being depreciated, net	1,635,951	269,042	-	1,904,993
Net capital assets	\$ 1,770,351	\$ 269,042	\$ -	\$ 2,039,393

Depreciation expense charged to public safety was \$115,796 for the year ended February 28, 2025.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

NOTE 6 – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended February 28, 2025 was as follows:

	Balance March 1, 2024	Net Additions	Net Retirements	Balance February 28, 2025	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
Note payable	\$ 839,430	\$ -	\$ (37,044)	\$ 802,386	\$ 33,625
Lease purchase obligation	-	250,000	(14,187)	235,813	58,577
Compensated absences	47,003	-	(22,577)	24,426	5,000
	<u>\$ 886,433</u>	<u>\$ 250,000</u>	<u>\$ (73,808)</u>	<u>\$ 1,062,625</u>	<u>\$ 97,202</u>

Note Payable & Lease Purchase Obligation

Note obligation payable at February 28, 2025 are comprised of the following:

	Interest Rate	Issued/Maturity Date	Original Issue	Balance February 28, 2025
Governmental Activities:				
Note payable	6.50%	1/9/2009 - 10/9/2039	\$ 1,640,000	\$ 802,386
Lease purchase obligation	5.09%	10/28/2025 - 10/25/2028	250,000	235,813
			<u>\$ 1,890,000</u>	<u>\$ 1,038,199</u>

Debt Service Requirements

Presented below is a summary of debt service requirements for the note payable and lease purchase obligation, including interest, to maturity by years:

Fiscal Year Ending February 28/29,	Governmental Activities Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2026	\$ 92,202	\$ 62,751	\$ 154,953
2027	97,525	57,428	154,953
2028	103,162	51,792	154,954
2029	91,627	45,958	137,585
2030	43,726	41,753	85,479
2031 - 2035	267,322	160,075	427,397
2036 - 2040	342,635	56,270	398,905
	<u>\$ 1,038,199</u>	<u>\$ 476,027</u>	<u>\$ 1,514,226</u>

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

Interest expense paid on long-term debt obligations and reported in the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balances was \$42,103 for the year ended February 28, 2025.

On January 1, 2009, the District entered into a promissory note in the amount of \$1,640,000 bearing interest at 4.75%. The proceeds from this promissory note were used to construct the station on Route 102. The terms of the note obligation require monthly interest and principal payments of \$7,939. In January 2021, the District requested and received a rate modification to 3.75% effective January 9, 2021. The modified note obligation calls for monthly interest and principal payments of \$5,934 thru October 9, 2039. On October 9, 2024, the interest rate reset to the market rate of 6.50% and monthly payments increased to \$7,123. The note payable is secured by the District station on Route 102.

On October 1, 2024, the District entered into a lease purchase obligation to acquire a new rescue vehicle. The terms of the agreement call for quarterly principal and interest payments of \$17,368 at 5.09% beginning January 25, 2025 thru October 25, 2028. The lease purchase obligation is secured by the rescue vehicle.

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

NOTE 7 – SERVICE AGREEMENT

On February 22, 2010, the District entered into a service agreement with an unrelated third party to collect rescue recovery revenues on their behalf. The agreement runs for three years and automatically renews for additional three year terms. A 6% service fee is charged on revenues collected. Rescue recovery revenues of \$237,925 are shown net of service fee expense on the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended February 28, 2025.

NOTE 8 – INTERFUND BALANCES

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of the interfund balances at February 29, 2025 is as follows:

	Interfund Receivables	Interfund Payables
Government Activities:		
Major Fund:		
General Fund	\$ -	\$ 277,146
Apparatus Capital Reserve Fund	273,069	-
Non-Major Fund:		
Fire Prevention Fund	4,077	-
TOTAL	<u>\$ 277,146</u>	<u>\$ 277,146</u>

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

NOTE 9 – FUND BALANCE

As stated in Note 1, Fund Balance may be classified as one of five categories: Nonspendable, Restricted, Committed, Assigned, or Unassigned. Committed Fund Balance represents that amount of fund balance which can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Western Coventry Fire District's taxpayers are considered to be the highest level of decision making authority. In accordance with the District Charter, the taxpayers vote on the annual budget and on any resolutions proposed by the Board of Directors. The passage of the District's annual budget and proposed resolutions may result in the commitment of fund balance. The Committed Fund Balance at February 28, 2025 consisted of \$273,069 committed for apparatus acquisitions.

Assigned Fund Balance represents the amount of fund balance which has been constrained by the District's intent to be used for specific purposes. The assignment of fund balance is determined by actions of the Board of Directors rather than the actions of the District taxpayers. The ability to assign fund balance is granted to the Board of Directors by the District taxpayers. The District did not have any fund balance assignments as of February 28, 2025.

Restricted Fund Balance at February 28, 2025 totaled \$4,077 and represented amounts which are legally restricted by Rhode Island Law for fire education and prevention.

Non-spendable Fund Balance at February 28, 2025 totaled \$19,726 which represents prepayments on insurance policies for future fiscal years.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The District is in pending and inactive litigation case against the District claiming civil rights/job discrimination regarding a former employee. The District's insurer has engaged a Rhode Island law firm to handle the case. As of February 28, 2025, the District has estimated the reserve for any potential losses to be immaterial and therefore has not recorded any liability in the financial statements.

NOTE 11 – SIMPLE IRA RETIREMENT PLAN

The District sponsors a SIMPLE IRA retirement plan covering qualified employees, as defined by the plan documents. Employees who receive salary of at least \$5,000 are eligible to participate in the plan. The District matches the employee's contribution up to a maximum of three percent of the eligible employee's compensation. The District contributed approximately \$9,916 in matching SIMPLE IRA contributions for the fiscal year ended February 28, 2025.

WESTERN COVENTRY FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
February 28, 2025

NOTE 12 – COMMITMENTS AND CONTINGENCIES

During the past fiscal year, the fire districts across Rhode Island have been under considerable financial stress with inflation taking hold of budgets, while continuing to provide services to residents. As one of the four districts within the Town of Coventry, a change in the financial status of Central Coventry has put pressure on the other Districts by the Town of Coventry and the State to consider consolidation of administration and district services. The Town of Coventry has established a commission to present data to the Town Council for their consideration in determining the future of the Town's fire and rescue services. As of the date of the financial statements were available for issue, the District is unable to measure the impact of the commission's findings.

The District has received grants from various federal and state agencies for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grants. District officials are of the opinion that such disallowances, if any, would be immaterial.

WESTERN COVENTRY FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
(Unaudited)
Year Ended February 28, 2025

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>			
Property tax collections	\$ 950,463	\$ 976,935	\$ 26,472
Interest and penalties on delinquent taxes	16,000	19,047	3,047
Rescue recovery, net of service fees	140,000	237,925	97,925
Grants	4,000	64,880	60,880
Investment income	13,000	15,144	2,144
Miscellaneous	-	2,327	2,327
Use of Unassigned Fund Balance	60,000	-	(60,000)
TOTAL REVENUES	1,183,463	1,316,258	132,795
<u>EXPENDITURES</u>			
Current:			
Salaries and wages	701,284	774,917	(73,633)
Employment taxes and fringes	150,995	109,597	41,398
Telephone/Internet/Cable TV	4,594	4,390	204
Training and administration	20,856	10,553	10,303
Gear and equipment	22,000	21,135	865
Fire alarm capital fund	5,000	5,000	-
Occupancy	47,470	62,295	(14,825)
Insurance	73,180	77,356	(4,176)
Fuel	17,000	20,348	(3,348)
Truck and equipment repairs	27,500	61,316	(33,816)
Professional fees	25,300	20,597	4,703
Payroll service fees	-	3,052	(3,052)
Office expenses	5,000	4,249	751
Administrative software	-	18,173	(18,173)
Rescue supplies	10,000	11,291	(1,291)
Rescue equipment maintenance contracts	1,575	1,575	-
Grant expenditures	-	59,137	(59,137)
Miscellaneous	500	1,603	(1,103)
Debt Service:			
Principal and interest - contractual obligations	71,209	93,334	(22,125)
Total Expenditures	1,183,463	1,359,918	(176,455)
Excess of Expenditures over Revenues	\$ -	\$ (43,660)	\$ (43,660)

WESTERN COVENTRY FIRE DISTRICT
OTHER SUPPLEMENTARY INFORMATION SCHEDULE OF PROPERTY TAXES RECEIVABLE
Year Ended February 28, 2025

FISCAL YEAR ENDED	BALANCE March 1, 2024	CURRENT YEAR ASSESSMENT	REFUNDS	ADDITIONS AND ADJUSTMENTS	ABATEMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE February 28, 2025	FY 2025 CASH COLLECTIONS SUMMARY			MARCH - APRIL (FY26) CASH COLLECTIONS SUBJECT TO 60-DAY FY25 ACCRUAL
									MARCH - APRIL 2024 COLLECTIONS SUBJECT TO 60-DAY	MAY 2024 - FEBRUARY 2025 NOT SUBJECT TO 60-DAY RULE	TOTAL FY 2025 CASH COLLECTIONS	
2025	\$ -	\$ 951,191	\$ -	\$ (1,471)	\$ (34)	\$ 949,686	\$ 629,402	\$ 320,284	\$ -	\$ 629,402	\$ 629,402	\$ 148,264
2024	316,692	-	-	1,394	-	318,086	303,888	14,198	121,959	181,929	303,888	10,439
2023	10,342	-	-	(57)	-	10,285	7,198	3,087	1,512	5,686	7,198	1,212
2022	166	-	-	-	-	166	3	163	-	3	3	-
2021	188	-	-	-	-	188	-	188	-	-	-	-
2020	142	-	-	-	-	142	-	142	-	-	-	-
2019	147	-	-	-	-	147	-	147	-	-	-	-
2018	142	-	-	-	-	142	-	142	-	-	-	-
2017	139	-	-	-	-	139	-	139	-	-	-	-
2016	135	-	-	-	-	135	-	135	-	-	-	-
2015	57	-	-	-	-	57	-	57	-	-	-	-
2014	80	-	-	-	-	80	-	80	-	-	-	-
2013	79	-	-	-	-	79	-	79	-	-	-	-
2012	68	-	-	-	-	68	-	68	-	-	-	-
2011	55	-	-	-	-	55	-	55	-	-	-	-
	328,432	\$ 951,191	\$ -	\$ (134)	\$ (34)	\$ 1,279,455	\$ 940,491	338,964	\$ 123,471	\$ 817,020	\$ 940,491	\$ 159,915
Less: Allowance for Uncollectible Taxes												
	5,000							5,000				
	\$ 323,432							\$ 333,964				

SCHEDULE OF NET ASSESSED PROPERTY VALUE BY CATEGORY
ASSESSED DECEMBER 31, 2023

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property	\$ 573,758,210	
Exemptions	(4,057,000)	
NET REAL PROPERTY	569,701,210	\$ 940,297
Tangible personal property	7,642,320	
Exemptions	(771,311)	
NET TANGIBLE PROPERTY	6,871,009	10,894
NET ASSESSED VALUE	\$ 576,572,219	\$ 951,191

RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE

Current year collections	\$ 940,491
Revenue collected within 60 days subsequent fiscal year ending February 28, 2025	159,915
Less prior year 60 day revenue rule collections	(123,471)
CURRENT YEAR PROPERTY TAX REVENUE	\$ 976,935

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

To the Board of Wardens
Western Coventry Fire District
Western 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, each major fund, and the aggregate remaining fund information of the Western Coventry Fire District, as of and for the year ended February 28, 2025, and the related notes to the financial statements, which collectively comprise Western Coventry Fire District's basic financial statements, and have issued our report thereon dated August 21, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Coventry Fire 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 Western Coventry Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Western Coventry Fire 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WADOVICK + COMPANY

West Warwick, Rhode Island
August 21, 2025