

COVENTRY FIRE DISTRICT

***ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023***



**COVENTRY FIRE DISTRICT
ANNUAL FINANCIAL STATEMENTS
For the Year Ended December 31, 2023**

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coventry Fire District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and supplementary pension and other postemployment benefit plan information 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 GAAS, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The tax collector's annual report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the tax collector's annual report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
November 7, 2024

COVENTRY FIRE DISTRICT
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 1,970,995
Taxes receivable, net	69,812
EMS receivable, net	416,994
Due from RI Infrastructure Bank	30,026
Other receivables	829
Accrued EMS revenue	137,689
Prepaid expenses	988,623
Total current assets	3,614,968
<i>Noncurrent assets:</i>	
Net pension asset	886,836
Capital assets not being depreciated	26,600
Capital assets, net of accumulated depreciation	995,227
Total noncurrent assets	1,908,663
Total assets	5,523,631
 Deferred outflows of resources	
Deferred outflows related to pension plans	575,487
 Liabilities	
<i>Current liabilities:</i>	
Accounts payable	227,030
Accrued expenses	30,004
Unearned revenue	347,438
Financed purchases payable	66,952
Loan payable - due within one year	57,000
Total current liabilities	728,424
<i>Noncurrent liabilities</i>	
Compensated absences payable	150,370
Financed purchases payable	634,088
Loan payable - due in more than one year	231,000
Net pension liability	2,953,044
Net other post employment benefit liability	1,483,957
Total noncurrent liabilities	5,452,459
Total liabilities	6,180,883
 Deferred inflows of resources	
Deferred inflows related to unavailable property taxes	17,528
Deferred inflows related to pension plans	190,324
Deferred inflows related to other post-employment benefit plan	4,852
Total deferred inflows of resources	212,704
 Net position	
Net investment in capital assets	763,853
Restricted - net pension asset	886,836
Restricted - fire prevention	53,546
Unrestricted	(1,998,704)
Total net position	\$ (294,469)

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

COVENTRY FIRE DISTRICT
Statement of Activities
For the Year Ended December 31, 2023

	Governmental Activities
Expenses:	
Public safety - fire protection:	
Salaries, wages and benefits	\$ 1,745,016
Street lighting	15,234
Professional services	103,444
Hydrant rental	158,117
Insurance	40,860
Repairs and maintenance	236,312
Utilities and telecommunications	33,599
Supplies	64,146
Fuel	20,845
Service contracts	45,484
Miscellaneous	20,647
Depreciation	144,127
Interest	32,452
Total program expenses	2,660,283
 Program revenues:	
Charges for services - rescue run services	194,902
Operating grants	3,000
Net program expense	(2,462,381)
 General revenues:	
Property taxes	2,235,346
Interest on taxes	30,240
Miscellaneous	86,755
Total general revenues	2,352,341
Change in net position	(110,040)
Net position, beginning of year, restated	(184,429)
Net position, end of year	\$ (294,469)

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

COVENTRY FIRE DISTRICT

Balance Sheet

Governmental Funds

December 31, 2023

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,970,995
Taxes receivable, net	69,812
EMS receivables, net	416,994
Due from RI Infrastructure Bank	30,026
Other receivables	829
Prepaid items	988,623
Total assets	<u><u>\$ 3,477,279</u></u>
 Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 227,030
Accrued expenditures	19,079
Unearned revenue	347,438
Total liabilities	<u>593,547</u>
 Deferred Inflows of Resources	
Unavailable revenue - property taxes	74,311
Unavailable revenue - EMS revenue	416,994
Total deferred inflows of resources	<u>491,305</u>
 Fund balances	
Nonspendable - prepaid items	988,623
Restricted - fire prevention	53,546
Restricted - streetlight project	30,026
Unassigned	1,320,232
Total fund balances	<u>2,392,427</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 3,477,279</u></u>

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

COVENTRY FIRE DISTRICT
Reconciliation of the Governmental Fund Balance Sheet
To the Government-Wide Statement of Net Position
December 31, 2023

Total Fund Balances - Total Governmental Funds	\$ 2,392,427
 <i>Amounts reported for Governmental Activities in the Statement of Net Position differ because of the following:</i>	
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (See Note 6)	1,021,827
Long-term liabilities (including loan payable, financed purchases payable, compensated absences, net pension liability and net other post employment liability) are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet. (See Note 7)	(5,576,411)
Net pension asset is not available to pay current period expenditures and, therefore, is not reported in the Governmental Fund Balance Sheet.	886,836
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in the Governmental Funds Balance Sheet.	56,783
EMS receivables and accrued revenue are not available to pay current period expenditures and, therefore, the EMS receivable is reported as deferred inflows of resources in the Governmental Fund Balance Sheet and the accrued revenue is not reported in the Governmental Fund Balance Sheet.	554,683
Accrued interest payable on long-term liabilities does not require current financial resources and , therefore, it is not reported as a liability in the Governmental Funds Balance Sheet.	(10,925)
Deferred pension and other post-employment benefit plan amounts are not reported in the Governmental Funds Balance Sheet, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	575,487
Deferred inflows of resources	(195,176)
Total Net Position of Governmental Activities	<u>\$ (294,469)</u>

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

COVENTRY FIRE DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General Fund
Revenues	
Property taxes	\$ 2,227,048
Interest on taxes	30,240
Rescue run revenue	327,207
Grant revenue	3,000
Other revenues	86,341
Total revenues	2,673,836
Expenditures	
Current:	
Public safety - fire protection:	
Salaries, wages and benefits	1,863,283
Street lighting	15,234
Professional services	103,444
Hydrant rental	158,117
Insurance	40,860
Repairs and maintenance	93,698
Utilities and telecommunications	33,599
Supplies	55,922
Fuel	20,845
Service contracts	45,484
Miscellaneous	20,647
Capital outlay	266,067
Debt service:	
Principal	172,326
Interest	34,470
Total expenditures	2,923,996
Deficiency of revenues under expenditures before other financing sources	(250,160)
Other financing sources	
Sale of capital assets	40,000
Total other financing sources	40,000
Net change in fund balances	(210,160)
Fund balances, beginning of year, restated	2,602,587
Fund balances, end of year	\$ 2,392,427

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

COVENTRY FIRE DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (210,160)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital asset additions in the current period. 115,229

The sale of capital assets is an other financing source in the Governmental Funds financial statements, but reduces capital assets in the Government-Wide financial statements. This is the amount of sales of capital assets in the current period. (40,000)

The gain on the disposal of capital assets does not provide current financial resources. Therefore, the gain on the disposal of capital assets is not reported as a revenue in the Governmental Funds financial statements. 414

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the Governmental Funds financial statements. (144,127)

Financed purchase and loan proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of financed purchase and loan principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position. This amount represents financed purchase and loan principal payments during the current period. 172,326

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. 12,896

Accrued interest on long-term liabilities is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 2,018

Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds. (124,007)

Long-term net pension liabilities (assets) and net other post employment liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term net pension liabilities (assets) and net other post employment liabilities are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term net pension liability (asset) and related deferred pension amounts in the current period. (26,310)
This is the amount of the change in long-term net other post employment liability and related deferred OPEB amounts in the current period. 131,681

Change in Net Position of Governmental Activities \$ (110,040)

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

COVENTRY FIRE DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	<i>Other Post-Employment Benefits Trust Fund</i>
<i>Assets</i>	
Investments:	
Pooled investments	\$ 158,513
<i>Total assets</i>	<u>158,513</u>
<i>Net position</i>	
Restricted for other post employment benefits	<u>\$ 158,513</u>

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

COVENTRY FIRE DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	<u>Other Post-Employment Benefits Trust Fund</u>
Additions	
Contributions:	
Employer	\$ 156,538
Total contributions	<u>156,538</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	<u>15,168</u>
Total investment earnings	15,168
Less investment expense	<u>305</u>
Net investment income	<u>14,863</u>
 Total additions	 <u>171,401</u>
 Deductions	
Benefits	<u>106,538</u>
Total deductions	<u>106,538</u>
 Change in net position	 64,863
 Net position - beginning of year	 <u>93,650</u>
 Net position - end of year	 <u>\$ 158,513</u>

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

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Coventry Fire District was incorporated in January 1889 under an act of the Rhode Island General Assembly in Section 1 of Chapter 806 of the 1889 Rhode Public Laws, entitled "An Act to Incorporate the Coventry Fire District", and as subsequently amended.

All the powers of the District, except those vested in the District Annual Meeting or in District Special Meetings, are vested in a five-member Board of Directors, who are elected to staggered two-year terms by the qualified electors of the District at the District Annual Meeting, or whenever a vacancy exists.

In evaluating the inclusion of potential component units within its financial reporting entity, the District applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61 "Financial Reporting Entity-Omnibus". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Through the application of GASB Statements Nos. 14, 39 and 61 criteria, the Other Post-Employment Benefits Trust has been presented as a fiduciary component unit of the District in the Fiduciary Fund Financial Statements.

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by a trust agreement adopted effective December 8, 2021. The Other Post-Employment Benefits Trust does not have a governing board, and the Board of Directors performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The year-end of the Other Post-Employment Benefits Trust is December 31. The Other Post-Employment Benefits Trust does not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

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

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered. The District had no business-type activities as of December 31, 2023 or for the year then ended.

The Statement of Activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including property taxes and general state aid, are presented as general revenues.

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

Fund Financial Statements

The Fund Financial Statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the Fund Financial Statements. The District did not have any proprietary funds as of December 31, 2023 or for the year then ended.

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the District are property tax and intergovernmental revenues.

Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured.

The District had only one major fund and no non-major funds as of December 31, 2023 or for the year then ended.

Major Governmental Funds:

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

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The District's Fiduciary Funds include an Other Post-Employment Benefits Trust Fund. Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as a custodian for individuals, private organizations, or other governments. The Fiduciary Funds are accounted for on a "economic resources" measurement focus and the accrual basis of accounting.

Other Post-Employment Benefits Trust Fund – This fund accounts for assets held under a trust arrangement to finance other post-employment benefits of District employees and payments of these benefits as they come due.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The District has implemented the following new accounting pronouncements:

- GASB Statement No. 94 – *Public –Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the District's year ending December 31, 2023.
- GASB Statement No. 96 - *Subscription – Based Information Technology Arrangements*, effective for the District's year ending December 31, 2023.
- GASB Statement No. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs effective for the District's year ending December 31, 2023.

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

The adoption of GASB Statements No. 94 and 96 and portions of GASB Statement No. 99 did not have an impact on the District's financial position or results of operations.

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

- GASB Statement No. 99 – *Omnibus 2022*, requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 effective for the District's year ending December 31, 2024.
- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the District's year ending December 31, 2024.
- GASB Statement No. 101 – *Compensated Absences*, effective for the District's year ending December 31, 2024.
- GASB Statement No. 102 – *Certain Risk Disclosures*, effective for the District's year ending December 31, 2025.
- GASB Statement No. 103 – *Financial Reporting Model Improvements*, effective for the District's year ending December 31, 2026.
- GASB Statement No. 104 – *Disclosure of Certain Capital Assets*, effective for the District's year ending December 31, 2026.

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

The District reports investments at fair value, except for pooled investments which are reported at net asset value per share (which approximates fair value).

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

H. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported in the Government-Wide Statement of Net Position. In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital expenditures of the governmental fund upon acquisition.

All capital assets are recorded at cost (or estimated historical cost). Donated capital assets are recorded at acquisition value as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$10,000 and a useful life of less than 1 year.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Building and improvements	40-50 years
Equipment	5-15 years
Vehicles	5-15 years

I. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that future period. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that future period.

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available, or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements, deferred inflows of resources are reported for amounts received before the period for which the property taxes are levied, and deferred outflows of resources and deferred inflows of resources are reported for amounts related to the District’s pension and other post-employment benefit plans that will be amortized as a component of pension and other post-employment benefit expense in future years.

J. COMPENSATED ABSENCES

Under the terms of contracts and agreements, employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations). The amount recorded as a liability is the unused days earned as of December 31, 2023 at the current rate of pay. Compensated absences are reported as a long-term liability in the Government-Wide Financial Statements. For the Governmental Fund Financial Statements, the amount of accumulated compensated absences has been recorded as a current liability to the extent that the amounts are due to employees that have resigned or retired.

COVENTRY FIRE DISTRICT
Notes to Financial Statements
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K. ACCRUED LIABILITIES AND LONG-TERM DEBT

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

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

L. NET POSITION/FUND BALANCES

The Government-Wide Financial Statements utilize a net position presentation. Net position is segregated into the following three categories:

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

Restricted net position – This category represents balances limited to use specified either externally by creditors, grantors, contributors, laws, or regulations of other governments, or impose through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents the residual component of net position that does not meet the definition of "restricted" or "net investment in capital assets".

The District considers restricted resources to have been spent when an expense is incurred for which both restricted and unrestricted net position are available.

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

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

Committed Fund Balance – This classification includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-

COVENTRY FIRE DISTRICT

Notes to Financial Statements

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making authority. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

Assigned Fund Balance – This classification includes amounts constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed.

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

M. PENSIONS

For purposes of measuring the net pension assets, liabilities, 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 have been 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.

N. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s Other Post-Employment Benefits Plan (the plan) and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

O. USE OF ESTIMATES

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

NOTE 2 - CASH DEPOSITS

DEPOSITS – are held in three financial institutions. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and the Statement of Net Position as “Cash and Cash Equivalents”.

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Notes to Financial Statements
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	<u>Carrying</u>
	<u>Amount</u>
Total Deposits	\$1,970,487
Add: Petty cash	508

<i>Total Cash and Cash Equivalents</i>	<i>\$1,970,995</i>
<i>Reported in the Financial Statements</i>	<u><u>\$1,970,995</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District does not have a formal deposit policy for custodial credit risk but is governed by State laws as described below. As of December 31, 2023, \$1,366,239 of the District’s bank balance of \$2,000,654 was exposed to custodial credit risk as follows:

	<u>Bank</u>
	<u>Balance</u>
Insured (Federal depository insurance funds)	\$634,415
Collateralized with securities held by pledging financial institution or its agent in the District’s name	1,366,239
Uninsured and uncollateralized	-

<i>Total</i>	<u><u>\$2,000,654</u></u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. On December 31, 2023, the District had no uninsured and uncollateralized deposits with institutions.

NOTE 3 – INVESTMENTS

On December 31, 2023, the District’s investment balances were as follows:

	<u>Fair Value</u>
<u>Investment</u>	<u>\$158,513</u>
Trust OPEB Funding Program	_____
<i>Total Investments Reported</i>	<i>\$158,513</i>
<i>in the Financial Statements</i>	<u><u>\$158,513</u></u>

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

The District's General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificate of deposits, money market funds, obligations guaranteed by the U.S. government, etc. with the goal of seeking reasonable income while preserving capital.

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

Credit Risk – The District is governed by State Laws that limit investment choices to short-term investments for its General Fund. The District does not have a formal policy that limits investment choices.

Concentration of Credit Risk – The District does not have a formal policy that limits the amount the District may invest in any one issuer.

Custodial Credit Risk – Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk.

NOTE 4 – FAIR VALUE MEASUREMENTS

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District had no recurring or nonrecurring fair value measurements as of December 31, 2023.

The valuation method for pooled investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Trust OPEB Funding Program	\$158,513	Daily	None

The Trust OPEB Funding Program investment utilizes a balanced strategy seeking both a reasonable level of income and long-term growth of capital and income. The Program invests in seven index and mutual funds: total stock market index fund, total international stock index fund, total bond market index fund, intermediate-term investment grade fund, short-term investment grade fund, total

COVENTRY FIRE DISTRICT

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international bond index fund, and REIT index fund. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

NOTE 5 – PROPERTY TAXES AND EMS RECEIVABLES

The District is permitted by State law to levy property taxes on all real estate and tangible personal property in the District. The District's 2023 property taxes were levied on December 14, 2022 on assessed valuations as of December 31, 2021. Upon levy, taxes are due and payable on January 31, or may be paid quarterly on January 31, April 30, July 31, and October 31. All taxes not paid by required due dates are considered delinquent as of January 31, at which time the unpaid taxes are subject to interest at an annual rate of 18% (1.5% per month). Taxable assessed values are established by the Tax Assessor of the Town of Coventry, Rhode Island. The tax rate of the District is established by the citizens at the District Annual Meeting.

The unpaid property taxes are recorded as a receivable. As of December 31, 2023, the District reported a property tax receivable of \$69,812. The property tax receivable includes an allowance for uncollectible accounts of \$31,000.

The District bills individuals, insurance companies, and third parties for services related to the EMS rescue services provided. As of December 31, 2023, the District reported an EMS receivable of \$416,994. The EMS receivable includes an allowance for uncollectible accounts of \$416,995.

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Notes to Financial Statements
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NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 20,600	\$ -	\$ -	\$ 20,600
Construction in progress	6,000	-	-	6,000
Total nondepreciable assets	<u>26,600</u>	<u>-</u>	<u>-</u>	<u>26,600</u>
Depreciable assets:				
Buildings and improvements	641,714	-	-	641,714
Streetlights	323,024	14,041	-	337,065
Equipment	288,306	101,188	-	389,494
Vehicles and apparatus	1,338,260	-	171,000	1,167,260
Total capital assets	<u>2,617,904</u>	<u>115,229</u>	<u>171,000</u>	<u>2,562,133</u>
Less accumulated depreciation for:				
Buildings and improvements	263,718	11,752	-	275,470
Streetlights	8,074	16,800	-	24,874
Equipment	194,784	46,937	-	241,721
Vehicles and apparatus	1,061,017	68,638	131,414	998,241
Total accumulated depreciation	<u>1,527,593</u>	<u>144,127</u>	<u>131,414</u>	<u>1,540,306</u>
Governmental Activities Capital Assets - Net	<u>\$ 1,090,311</u>	<u>\$ (28,898)</u>	<u>\$ 39,586</u>	<u>\$ 1,021,827</u>

Depreciation expense of \$144,127 is charged to public safety - fire protection in the Government-Wide Financial Statements - Governmental Activities for the year ended December 31, 2023.

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Notes to Financial Statements
December 31, 2023

NOTE 7 - LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended December 31, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<i>Governmental Activities:</i>					
<i>Loan payable:</i>					
Loan from direct borrowing	\$ 344,000	\$ -	\$ 56,000	\$ 288,000	\$ 57,000
<i>Other liabilities:</i>					
Financed purchases payable	817,366	-	116,326	701,040	66,952
Accrued compensated absences	163,266	-	12,896	150,370	-
Net pension liability	3,139,908	-	186,864	2,953,044	-
Net other post employment benefit liability	1,625,570	-	141,613	1,483,957	-
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$ 6,090,110</u>	<u>\$ -</u>	<u>\$ 513,699</u>	<u>\$ 5,576,411</u>	<u>\$ 123,952</u>

B. LOAN PAYABLE

On September 2, 2021, the District entered into a loan agreement with the Rhode Island Infrastructure Bank. The loan bears interest of 0.51% - 1.20% and is due September 1, 2022 - 2028. The loan proceeds are to be used by the District for its streetlight project. The Rhode Island Infrastructure Bank pays project invoices certified by the District directly to the contractors or reimburses the District for costs incurred on the project. As of December 31, 2023, the loan payable of \$288,000 is reflected in the Government-Wide Financial Statements - Governmental Activities. A due from the Rhode Island Infrastructure Bank of \$30,026 is shown for that portion of the loan which has not been advanced as of December 31, 2023. The District is responsible to drawdown and repay the full loan amount.

The debt service requirements as of December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	<i>Governmental Activities</i>	
	<u>Loan from Direct Borrowing</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 57,000	\$ 2,418
2025	57,000	2,081
2026	58,000	1,700
2027	58,000	1,235
2028	58,000	696
	<u>\$ 288,000</u>	<u>\$ 8,130</u>

COVENTRY FIRE DISTRICT
Notes to Financial Statements
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C. FINANCED PURCHASES PAYABLE

The District financed a rescue vehicle in 2018 and a fire apparatus in 2022 using financed purchase agreements.

Obligations of governmental activities under financed purchase agreements as of December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	Governmental Activities	
	Financed Purchases Payable	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 66,952	\$ 26,219
2025	69,456	23,715
2026	72,054	21,117
2027	74,749	18,423
2028	77,544	15,627
2029-2032	340,285	32,400
	<u>\$ 701,040</u>	<u>\$ 137,501</u>

NOTE 8 - 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. The taxpayers of the Coventry Fire District 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.

Nonspendable fund balance on December 31, 2023 totaled \$988,623 and represented the balance of prepaid expenditures as of December 31, 2023. These prepaid expenditures consisted of insurance premiums totaling \$77,544, fire apparatus totaling \$885,579, and other items totaling \$25,500 which were paid as of December 31, 2023 for expenditures in 2024.

Restricted fund balance on December 31, 2023 of \$53,546 represented fund balance restricted for fire prevention in accordance with Rhode Island State Law. Restricted fund balance on December 31, 2023 of \$30,026 represented fund balance restricted for the street light project in accordance with the Rhode Island Infrastructure Bank loan agreement.

As of December 31, 2023, the Coventry Fire District does not 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

COVENTRY FIRE DISTRICT

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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.

NOTE 9 - PENSION PLANS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Defined Benefit Plans

General Information about the Pension Plan

Plan Description:

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

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

Benefits Provided:

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

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.

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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. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Monthly benefits are based on one-twelfth of this amount.

General Employees

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

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

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

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

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

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

COVENTRY FIRE DISTRICT

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The annual benefit is equal to 2.0% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.0% 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 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.

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 2.0% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.5% of the member's FAC for each year of service prior to July 1, 2012 and 2.0% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

COVENTRY FIRE DISTRICT

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December 31, 2023

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

Other Benefit Provisions

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

Joint and survivor benefit options are available to retirees. For some employees, a Social Security option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefits. 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) Cost-of-living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost-of-living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost-of-living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.
- 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 3.5%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.
- c) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,608 for 2021, \$27,901 for 2022, and \$28,878 for 2023.

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December 31, 2023

The Coventry Fire District has elected COLA Plan C for general employees and fire employees and the “20-year” optional Police and Fire Plan as outlined above.

Employees Covered by Benefit Terms:

At the June 30, 2022 valuation date (used to determine the June 30, 2023 measurement date), the following employees were covered by the benefit terms:

	General Employees	Fire Employees
Retirees and Beneficiaries	2	12
Inactive, Nonretired Members	-	1
Active Members	1	9
Total	3	22

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 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Fire employees are required to contribute 10% of their salaries. The 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 District’s contribution rate, as determined by the actuarial valuation dated June 30, 2020, for the fire employees for the period January 1, 2023 through June 30, 2023 was 50.10%. The District’s contribution rate, as determined by the actuarial valuation dated June 30, 2021, for the fire employees for the period July 1, 2023 through December 31, 2023 was 47.26%. The District was not required to contribute for general employees for the year ended December 31, 2023. The District contributed \$364,369 for fire employees for the year ended December 31, 2023 which was 48.44 % of annual covered payroll.

Net Pension Liability (Asset)

The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2022 and rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

COVENTRY FIRE DISTRICT

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Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability (Asset) at the June 30, 2023 measurement date (June 30, 2022 valuation rolled forward to June 30, 2023)	
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	7.0%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Fire Employees - 4% to 14%
Inflation	2.5%
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16
Cost of Living Adjustments (COLA)	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision

The actuarial assumptions used in the calculation of the total pension liability on the June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System’s Board on May 17, 2023.

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 42 sources. The June 30, 2023 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH		
Global Equity		
U.S. Equity	25.10%	6.46%
International Developed Equity	10.70%	6.91%
Emerging Markets Equity	4.20%	8.92%
Subtotal	<u>40.00%</u>	
Private Growth		
Private Equity	12.50%	10.30%
Non-Core Real Estate	2.50%	5.01%
Subtotal	<u>15.00%</u>	
INCOME		
Equity Options	2.00%	6.20%
Liquid Credit	5.00%	4.56%
Private Credit	3.00%	4.56%
Collateralized Loan Obligations (CLO)	2.00%	4.56%
Subtotal	<u>12.00%</u>	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.76%
Systematic Trend	5.00%	4.07%
Subtotal	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	4.00%	5.01%
Private Infrastructure	4.00%	5.91%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Corp. Credit	3.25%	2.46%
Securitized Credit	3.25%	2.46%
Absolute Return	6.50%	4.07%
Cash	2.00%	0.76%
Subtotal	<u>15.00%</u>	
Total	<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.

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Discount Rate:

The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, and the projection of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions were 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.

General Employees Plan (Coventry Lighting)
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2022	<u>\$ 544,448</u>	<u>\$ 1,372,136</u>	<u>\$ (827,688)</u>
Changes for the Year			
Service cost	4,179	-	4,179
Interest on the total pension liability	35,928	-	35,928
Changes in benefits	-	-	-
Difference between expected and actual experience	23,390	-	23,390
Changes in assumptions	(10,281)	-	(10,281)
Employer contributions	-	-	-
Employee contributions	-	1,088	(1,088)
Net investment income	-	112,487	(112,487)
Benefit payments, including employee refunds	(66,565)	(66,565)	-
Administrative expenses	-	(1,211)	1,211
Other changes	-	-	-
Net changes	<u>(13,349)</u>	<u>45,799</u>	<u>(59,148)</u>
Balances as of June 30, 2023	<u>\$ 531,099</u>	<u>\$ 1,417,935</u>	<u>\$ (886,836)</u>

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Fire Employees Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2022	<u>\$ 6,988,833</u>	<u>\$ 3,848,925</u>	<u>\$ 3,139,908</u>
Changes for the Year			
Service cost	144,186	-	144,186
Interest on the total pension liability	481,471	-	481,471
Changes in benefits	-	-	-
Difference between expected and actual experience	(26,464)	-	(26,464)
Changes in assumptions	(14,946)	-	(14,946)
Employer contributions	-	364,465	(364,465)
Employee contributions	-	72,748	(72,748)
Net investment income	-	337,531	(337,531)
Benefit payments, including employee refunds	(365,548)	(365,548)	-
Administrative expenses	-	(3,633)	3,633
Other changes	-	-	-
Net changes	<u>218,699</u>	<u>405,563</u>	<u>(186,864)</u>
Balances as of June 30, 2023	<u><u>\$ 7,207,532</u></u>	<u><u>\$ 4,254,488</u></u>	<u><u>\$ 2,953,044</u></u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

The following presents the net pension liability (asset) of the District calculated using the discount rate of 7.0%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employees	\$(832,652)	\$(886,836)	\$(936,084)
Fire Employees	\$3,636,203	\$2,953,044	\$2,332,400

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 Pension Plans:

For the year ended December 31, 2023, the District recognized pension expense as follows: general employees plan - \$(57,087) and fire employees plan - \$441,046.

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

The District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>General Employees Plan</u>	<u>Fire Employees Plan</u>	<u>Total All Plans</u>
Deferred Outflows of Resources:			
Contributions subsequent to measurement date	\$ -	\$ 174,197	\$ 174,197
Difference between expected and actual experience	28,793	338,911	367,704
Assumption changes	-	33,586	33,586
Total Deferred Outflows of Resources	<u>\$ 28,793</u>	<u>\$ 546,694</u>	<u>\$ 575,487</u>
Deferred Inflows of Resources:			
Net difference between projected and actual investment earnings	\$ 17,746	\$ 57,964	\$ 75,710
Difference between expected and actual experience	-	90,666	90,666
Assumption changes	7,333	16,615	23,948
Total Deferred Inflows of Resources	<u>\$ 25,079</u>	<u>\$ 165,245</u>	<u>\$ 190,324</u>

The deferred outflows of resources related to pensions resulting from the District contributions in 2023 subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability (asset) in the subsequent period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources	
	<u>General Employees Plan</u>	<u>Fire Employees Plan</u>
<u>Year</u>		
2024	\$(3,651)	\$188,059
2025	(14,842)	(15,057)
2026	25,963	54,283
2027	(3,756)	(20,033)
2028	-	-
Thereafter	-	-

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Defined Contribution Plan

Plan Description

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

General employees with less than 20 years of service on June 30, 2012 contribute 5% and fire employees contribute 3% of their annual covered salary. The District contributes between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012 for general employees and 3% for fire employees. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The District recognized pension expense of \$23,265 for the year ended December 31, 2023.

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

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Defined Benefit Plan

Plan Description

Plan Administration:

The District's defined benefit OPEB plan (the plan) provides OPEB for firefighters of the District. The plan is a single employer defined benefit OPEB plan administered by the District. The plan is closed to new entrants. On December 8, 2021, the Board of Directors authorized the creation of an OPEB Trust Fund. The Treasurer is responsible for administration of the plan in accordance with the Trust Agreement effective December 8, 2021 with Board of Directors oversight. The plan is reported as a Trust Fund in the District's financial statements. The plan does not issue a publicly available financial report.

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Plan Membership:

On December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees receiving benefits	5
Active employees	<u>1</u>
	<u>6</u>

Benefits Provided:

The plan provides medical and dental insurance for eligible retirees through the District's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the collective bargaining agreement through negotiations between the District's management and the union.

Employees are eligible for benefits if the employee had ten or more years of service and was vested in the Municipal Employees' Retirement System as of January 1, 2011, and who retire with twenty or more years of service at any age.

The retired employee is provided single plan coverage and receives the same medical and dental insurance benefits offered to full time employees, for up to ten years or until age sixty-five, whichever occurs first. The retired employee has the option to purchase family coverage through the District.

The District also offers employees who are eligible for the benefits as described above, upon retirement, the one-time option to opt not to receive the benefits described above. If the employee elects to opt out, the retired employee will receive a percentage of the total medical and dental insurance cost which the District was contributing for the employee at the time of retirement, for up to ten years or until age sixty-five, whichever occurs first. Employees retiring before January 1, 2019 who elect this option receive 66.67% of the total cost of medical and dental insurance and those retiring January 1, 2019 and later receive 33.33%.

The District is required to pay 100% of the cost of the medical and dental insurance benefits provided to the retirees under this plan.

Contributions:

Contribution requirements are established and amended by the collective bargaining agreement through negotiations between the District's management and the union. The District is required to contribute 100% of the cost of medical and dental benefits. For the year ended December 31, 2023, the District's contribution was based on the current year cost of retiree benefits plus amounts budgeted for OPEB in the current year. For the year ended December 31, 2023, the District contributed \$156,538 to the plan. Administrative costs are paid by the District.

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

Summary of Significant Accounting Policies

Basis of Accounting:

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

Method Used to Value Investments:

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

Investments

Investment Policy:

The Treasurer may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law. The District has selected a balanced investment strategy which seeks to provide capital appreciation and current income.

Rate of Return:

For the year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 15.87%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Plan

The components of the net OPEB liability of the District on December 31, 2023, were as follows:

Total OPEB Liability	\$1,642,470
OPEB Plan Fiduciary Net Position	<u>(158,513)</u>
Net OPEB Liability	<u>\$1,483,957</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	9.65%
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Actuarial Assumptions:

The District's total OPEB liability was measured as of December 31, 2023, the measurement date, and was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

Actuarial Cost Method	Entry Age Normal Cost Method																
Salary Increases	3% per annum																
Inflation	3% per annum																
Discount Rate	4% (12/31/2022 – 4.31%)																
Mortality	PUB-2010 mortality table with MP-2021 projection																
Health Care Trend Rates	<table><thead><tr><th><u>Year</u></th><th><u>Assumed Increase</u></th></tr></thead><tbody><tr><td>1</td><td>8.0%</td></tr><tr><td>2</td><td>7.5%</td></tr><tr><td>3</td><td>7.0%</td></tr><tr><td>4</td><td>6.5%</td></tr><tr><td>5</td><td>6.0%</td></tr><tr><td>6</td><td>5.5%</td></tr><tr><td>7+</td><td>5.0%</td></tr></tbody></table>	<u>Year</u>	<u>Assumed Increase</u>	1	8.0%	2	7.5%	3	7.0%	4	6.5%	5	6.0%	6	5.5%	7+	5.0%
<u>Year</u>	<u>Assumed Increase</u>																
1	8.0%																
2	7.5%																
3	7.0%																
4	6.5%																
5	6.0%																
6	5.5%																
7+	5.0%																
Dental Trend Rates	5%																

Discount Rate:

The discount rate used to measure the total OPEB liability was 4%. The projection of cash flows used to determine the discount rate assumed that the plan was unfunded since the Trust Fund assets are low compared to the liabilities. Based on those assumptions, the plan's net fiduciary position was not projected to be available to make all projected future benefit payments of current plan members. The municipal bond rate of 4% (S&P Municipal Bond 20-Year High Grade Rate Index) was applied to all years in the analysis. The prior valuation used a discount rate of 4.31%.

COVENTRY FIRE DISTRICT
Notes to Financial Statements
December 31, 2023

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of December 31, 2022	<u>\$ 1,719,220</u>	<u>\$ 93,650</u>	<u>\$ 1,625,570</u>
Changes for the Year			
Service cost	2,106	-	2,106
Interest on the total OPEB liability	71,802	-	71,802
Changes in benefits	-	-	-
Difference between expected and actual experience	(133,374)	-	(133,374)
Changes in assumptions	89,254	-	89,254
Employer contributions	-	156,538	(156,538)
Plan member contributions	-	-	-
Net investment income	-	14,863	(14,863)
Benefit payments, including employee refunds	(106,538)	(106,538)	-
Administrative expenses	-	-	-
Other changes	-	-	-
Net changes	<u>(76,750)</u>	<u>64,863</u>	<u>(141,613)</u>
Balances as of December 31, 2023	<u>\$ 1,642,470</u>	<u>\$ 158,513</u>	<u>\$ 1,483,957</u>

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3%) and 1-percentage-point higher (5%) than the current discount rate:

	1% Decrease	Current	1% Increase
	<u>(3%)</u>	<u>(4%)</u>	<u>(5%)</u>
Net OPEB Liability	\$1,789,118	\$1,483,957	\$1,255,818

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (7% decreasing to 4%) and 1-percentage-point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare	1% Increase
	<u>(7% decreasing to 4%)</u>	<u>Cost Trend Rates</u>	<u>(9% decreasing to 6%)</u>
		<u>(8% decreasing to 5%)</u>	
Net OPEB Liability	\$1,261,220	\$1,483,957	\$1,774,958

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended December 31, 2023, the District recognized OPEB expense of \$24,857. On December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources:

Net difference between projected and actual earnings on OPEB plan investments	<u>\$4,852</u>
Total	<u><u>\$4,852</u></u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$(895)
2025	(895)
2026	(895)
2027	(2,167)

Defined Contribution Plan

Plan Description

The Post Employment Health Plan (PEHP) is a defined contribution post-employment benefit plan established by the Coventry Fire District to provide post retirement reimbursement of qualifying medical care expenses and healthcare insurance premiums to the employees of the District. Full time employees of the District that have completed the first year of probationary time are enrolled and remain enrolled in the PEHP for the duration of his/her employment. Employees that elect post-employment healthcare benefits under the defined benefit post-employment healthcare plan are not allowed to be enrolled in the PEHP.

The PEHP is administered by Nationwide Retirement Solutions. The benefits are funded through a trust that qualifies as a voluntary employee beneficiary association within the meaning of Section 501 (c) 9 of the IRS Code of 1986, as amended. The trustee of the PEHP is Nationwide Trust Company.

The District is required to contribute 5% of the employee's weekly salary to the PEHP. Employees are not allowed to contribute to the PEHP. The required contributions are established by the collective bargaining agreement and amended through negotiations between the District's management and the

COVENTRY FIRE DISTRICT

Notes to Financial Statements

December 31, 2023

union. The District recognized other post-employment benefit expense of \$24,070 for the PEHP for the year ended December 31, 2023.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

On June 23, 2023, the District entered into a contract for the purchase of a rescue vehicle. The commitment under the contract as of December 31, 2023 was \$436,858.

At times, the District receives grants from various federal and state agencies for specific purposes that are subject to review and audit by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District anticipates such amounts, if any, will be immaterial.

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

NOTE 12 - 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; injury to employees; and natural disasters for which the District carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

NOTE 13 – RESTATEMENTS

The District reported the following restatements in the Governmental Activities and Governmental Funds financial statements:

	<i>Governmental Activities</i>	<i>General Fund</i>
<i>Net position, December 31, 2022, as previously reported</i>	\$ (152,700)	\$ 2,634,316
Correct prior year accounts payable	(31,729)	(31,729)
<i>Net position, December 31, 2022, as restated</i>	<u>\$ (184,429)</u>	<u>\$ 2,602,587</u>

COVENTRY FIRE DISTRICT
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis)
For the Year Ended December 31, 2023

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Positive (Negative)</i>
Revenues			
Property taxes	\$ 2,192,475	\$ 2,227,048	\$ 34,573
Interest on taxes	20,593	30,240	9,647
Rescue run revenue	360,000	348,399	(11,601)
Grant revenue	-	3,000	3,000
Other revenues	18,431	86,341	67,910
Total revenues	2,591,499	2,695,028	103,529
Expenditures			
Personnel Costs			
Clothing allowance	13,500	13,063	437
Insurance - medical	172,097	168,115	3,982
Insurance- dental	21,097	23,601	(2,504)
Insurance - life	2,475	2,750	(275)
Insurance - medical opt out	-	1,346	(1,346)
Insurance - Allstate accident	600	143	457
Insurance - HSA admin fee	1,500	1,871	(371)
Insurance - VFIS	36,000	46,180	(10,180)
Medical expenses	1,000	4,484	(3,484)
Payroll - firefighter base	590,462	617,911	(27,449)
Payroll - holiday	35,687	35,677	10
Payroll - overtime	147,620	171,037	(23,417)
Payroll - OJI net of VFIS	-	28,926	(28,926)
Payroll - detail	2,000	4,944	(2,944)
Payroll - longevity	32,800	39,100	(6,300)
Payroll - EMT	21,840	21,520	320
Payroll - shift differential	3,000	(2,421)	5,421
Payroll - fire marshal pay	12,000	14,445	(2,445)
Payroll - administrative	55,743	55,640	103
Payroll - chief	30,870	30,814	56
Payroll taxes	19,052	18,805	247
Pension - ERSRI	342,127	364,369	(22,242)
Pension - TIAA CREF	23,022	23,265	(243)
Post employment health plan	22,552	24,070	(1,518)
Total personnel costs	1,587,044	1,709,655	(122,611)
Personnel Costs - Retiree			
Insurance - medical	100,461	82,676	17,785
Insurance - medical - opt out	15,000	16,959	(1,959)
COLA	4,000	4,136	(136)
Total personnel costs - retiree	119,461	103,771	15,690
Administrative Costs			
Bookkeeping and admin fees	45,000	32,218	12,782
Auditing fees	19,000	22,268	(3,268)
Advertising	500	-	500
Annual meeting expense	2,000	1,252	748
Bank charges	1,500	2,173	(673)
Legal support	100,000	35,073	64,927
Supplies - admin, payroll service, postage	22,000	28,042	(6,042)
Miscellaneous	500	705	(205)
Total administrative costs	190,500	121,731	68,769

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures (Budgetary Basis) (Continued)
For the Year Ended December 31, 2023

	<i>Original and Final Budget</i>	<i>Actual</i>	<i>Variance Positive (Negative)</i>
Vehicles & Equipment Costs			
Lease - engine new	93,171	93,171	-
Lease - rescue new	53,856	53,856	-
Equipment/capital purchases	15,000	263,383	(248,383)
Fuel - diesel/gas	24,500	20,845	3,655
Radio/computer maintenance	-	2,320	(2,320)
Repairs & maintenance - vehicles & equipment	36,000	74,506	(38,506)
Supplies - fire	-	4,433	(4,433)
Supplies - rescue	22,000	23,279	(1,279)
Total vehicles & equipment costs	244,527	535,793	(291,266)
Facilities Costs			
Telecom - station system	3,500	4,643	(1,143)
Service contract - IT	24,000	42,315	(18,315)
Repair & maintenance - building	16,000	16,872	(872)
Utilities - electric	18,000	16,449	1,551
Utilities - gas	8,500	5,582	2,918
Utilities - internet/cable	4,500	3,724	776
Utilities - propane	100	217	(117)
Utilities - oil	200	-	200
Utilities - water	600	677	(77)
Total facilities costs	75,400	90,479	(15,079)
Other Operating Costs			
Rescue recovery administration fee	24,000	21,192	2,808
KCWA hydrants	150,960	158,117	(7,157)
Street lighting	22,000	15,234	6,766
Prism street lights	15,000	2,684	12,316
RIIB principal	58,111	56,000	2,111
RIIB interest	2,099	3,769	(1,670)
Insurance - property and casualty	39,000	40,454	(1,454)
Insurance - Beacon Mutual	500	263	237
Pitney Bowes rental	1,000	715	285
Service contracts	2,500	2,454	46
Fire marshal supplies	1,000	168	832
Training - education reimbursement	-	4,630	(4,630)
Training - fire alarm/marshal	2,000	4,724	(2,724)
Training - fire/rescue	1,000	7,133	(6,133)
Telecom - mobile	3,500	2,307	1,193
Miscellaneous	500	13,915	(13,415)
Retiree benefits reserve	50,000	50,000	-
Total other operating costs	373,170	383,759	(10,589)
Total operating costs	2,590,102	2,945,188	(355,086)
Excess (deficiency) of revenues over (under) expenditures - budgetary basis	\$ 1,397	\$ (250,160)	\$ (251,557)

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
General Employees Pension Plan - Coventry Lighting
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
"Unaudited"

<i>Fiscal Year End (1)</i>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total Pension Liability:					
Service cost	\$ 4,179	\$ 4,051	\$ 3,648	\$ 3,603	\$ 3,510
Interest	35,928	36,198	37,180	39,161	39,707
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	23,390	21,443	9,062	11,132	11,278
Changes in assumptions	(10,281)	-	-	(19,011)	-
Benefit payments, including refunds of member contributions	(66,565)	(64,671)	(63,572)	(62,823)	(61,884)
Net change in total pension liability	<u>(13,349)</u>	<u>(2,979)</u>	<u>(13,682)</u>	<u>(27,938)</u>	<u>(7,389)</u>
Total pension liability - beginning of year	<u>544,448</u>	<u>547,427</u>	<u>561,109</u>	<u>589,047</u>	<u>596,436</u>
Total pension liability - ending of year (a)	<u>\$ 531,099</u>	<u>\$ 544,448</u>	<u>\$ 547,427</u>	<u>\$ 561,109</u>	<u>\$ 589,047</u>
Plan fiduciary net position:					
Contribution - employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution - employee	1,088	1,054	950	937	914
Net investment income	112,487	(38,421)	319,127	44,546	77,374
Benefit payments, including refunds of member contributions	(66,565)	(64,671)	(63,572)	(62,823)	(61,884)
Administrative expenses	(1,211)	(1,310)	(1,216)	(1,227)	(1,210)
Other	-	-	-	-	(1)
Net change in plan fiduciary net position	<u>45,799</u>	<u>(103,348)</u>	<u>255,289</u>	<u>(18,567)</u>	<u>15,193</u>
Plan fiduciary net position - beginning of year	<u>1,372,136</u>	<u>1,475,484</u>	<u>1,220,195</u>	<u>1,238,762</u>	<u>1,223,569</u>
Plan fiduciary net position - ending of year (b)	<u>\$ 1,417,935</u>	<u>\$ 1,372,136</u>	<u>\$ 1,475,484</u>	<u>\$ 1,220,195</u>	<u>\$ 1,238,762</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ (886,836)</u>	<u>\$ (827,688)</u>	<u>\$ (928,057)</u>	<u>\$ (659,086)</u>	<u>\$ (649,715)</u>
Plan fiduciary net position as a percentage of the total pension liability	266.98%	252.02%	269.53%	217.46%	210.30%
Covered payroll	\$ 54,415	\$ 52,682	\$ 47,505	\$ 46,856	\$ 45,698
Net pension liability (asset) as a percentage of covered payroll	-1629.76%	-1571.10%	-1953.60%	-1406.62%	-1421.76%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
General Employees Pension Plan - Coventry Lighting
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (Continued)
"Unaudited"

<i>Fiscal Year End (1)</i>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total Pension Liability:					
Service cost	\$ 3,441	\$ 3,319	\$ 2,638	\$ 4,618	\$ 4,851
Interest	40,148	41,457	61,373	56,469	57,814
Changes in benefit terms	-	-	-	12,396	-
Difference between expected and actual experience	11,527	(2,613)	(268,408)	52,382	-
Changes in assumptions	-	39,872	-	-	615
Benefit payments, including refunds of member contributions	(61,015)	(61,605)	(61,383)	(57,587)	(104,593)
Net change in total pension liability	<u>(5,899)</u>	<u>20,430</u>	<u>(265,780)</u>	<u>68,278</u>	<u>(41,313)</u>
Total pension liability - beginning of year	<u>602,335</u>	<u>581,905</u>	<u>847,685</u>	<u>779,407</u>	<u>820,720</u>
Total pension liability - ending of year (a)	<u>\$ 596,436</u>	<u>\$ 602,335</u>	<u>\$ 581,905</u>	<u>\$ 847,685</u>	<u>\$ 779,407</u>
Plan fiduciary net position:					
Contribution - employer	\$ -	\$ -	\$ -	\$ -	\$ (223)
Contribution - employee	897	902	720	694	768
Net investment income	91,557	126,729	(391)	27,902	162,589
Benefit payments, including refunds of member contributions	(61,015)	(61,605)	(61,383)	(57,587)	(104,593)
Administrative expenses	(1,219)	(1,197)	(1,054)	(1,121)	(1,018)
Other	-	(2)	(1)	1	-
Net change in plan fiduciary net position	<u>30,220</u>	<u>64,827</u>	<u>(62,109)</u>	<u>(30,111)</u>	<u>57,523</u>
Plan fiduciary net position - beginning of year	<u>1,193,349</u>	<u>1,128,522</u>	<u>1,190,631</u>	<u>1,220,742</u>	<u>1,163,219</u>
Plan fiduciary net position - ending of year (b)	<u>\$ 1,223,569</u>	<u>\$ 1,193,349</u>	<u>\$ 1,128,522</u>	<u>\$ 1,190,631</u>	<u>\$ 1,220,742</u>
District's net pension liability (asset) - ending (a)-(b)	<u>\$ (627,133)</u>	<u>\$ (591,014)</u>	<u>\$ (546,617)</u>	<u>\$ (342,946)</u>	<u>\$ (441,335)</u>
Plan fiduciary net position as a percentage of the total pension liability	205.15%	198.12%	193.94%	140.46%	156.62%
Covered payroll	\$ 44,863	\$ 45,100	\$ 35,992	\$ 36,132	\$ 38,381
Net pension liability (asset) as a percentage of covered payroll	-1397.88%	-1310.45%	-1518.72%	-949.15%	-1149.88%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Schedule of District Contributions
General Employees - Coventry Lighting
"Unaudited"

(1) Fiscal Year Ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as % of Covered Payroll
6/30/2023	\$ -	\$ -	\$ -	\$ 54,415	0.00%
6/30/2022	-	-	-	52,682	0.00%
6/30/2021	-	-	-	47,505	0.00%
6/30/2020	-	-	-	46,856	0.00%
6/30/2019	-	-	-	45,698	0.00%
6/30/2018	-	-	-	44,863	0.00%
6/30/2017	-	-	-	45,100	0.00%
6/30/2016	-	-	-	35,992	0.00%
6/30/2015	-	-	-	36,132	0.00%
6/30/2014	(223)	(223)	-	38,381	-0.58%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Fire Employees Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
"Unaudited"

<i>Fiscal Year End (1)</i>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total Pension Liability:					
Service cost	\$ 144,186	\$ 120,010	\$ 122,830	\$ 114,097	\$ 127,420
Interest	481,471	465,751	381,375	375,247	358,980
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	(26,464)	(7,783)	1,067,680	(69,121)	158,824
Changes in assumptions	(14,946)	-	-	101,838	-
Benefit payments, including refunds of member contributions	(365,548)	(365,451)	(364,768)	(512,986)	(299,366)
Net change in total pension liability	<u>218,699</u>	<u>212,527</u>	<u>1,207,117</u>	<u>9,075</u>	<u>345,858</u>
Total pension liability - beginning of year	6,988,833	6,776,306	5,569,189	5,560,114	5,214,256
Total pension liability - ending of year (a)	<u>\$ 7,207,532</u>	<u>\$ 6,988,833</u>	<u>\$ 6,776,306</u>	<u>\$ 5,569,189</u>	<u>\$ 5,560,114</u>
Plan fiduciary net position:					
Contribution - employer	\$ 364,465	\$ 194,680	\$ 207,847	\$ 170,701	\$ 131,147
Contribution - employee	72,748	61,105	61,786	68,022	61,084
Net investment income	337,531	(107,774)	877,342	119,656	214,578
Benefit payments, including refunds of member contributions	(365,548)	(365,451)	(364,768)	(512,986)	(299,366)
Administrative expenses	(3,633)	(3,674)	(3,343)	(3,297)	(3,354)
Other	-	13,644	-	-	-
Net change in plan fiduciary net position	<u>405,563</u>	<u>(207,470)</u>	<u>778,864</u>	<u>(157,904)</u>	<u>104,089</u>
Plan fiduciary net position - beginning of year	3,848,925	4,056,395	3,277,531	3,435,435	3,331,346
Plan fiduciary net position - ending of year (b)	<u>\$ 4,254,488</u>	<u>\$ 3,848,925</u>	<u>\$ 4,056,395</u>	<u>\$ 3,277,531</u>	<u>\$ 3,435,435</u>
District's net pension liability - ending (a)-(b)	<u>\$ 2,953,044</u>	<u>\$ 3,139,908</u>	<u>\$ 2,719,911</u>	<u>\$ 2,291,658</u>	<u>\$ 2,124,679</u>
Plan fiduciary net position as a percentage of the total pension liability	59.03%	55.07%	59.86%	58.85%	61.79%
Covered payroll	\$ 727,476	\$ 611,048	\$ 617,857	\$ 552,260	\$ 610,836
Net pension liability as a percentage of covered payroll	405.93%	513.86%	440.22%	414.96%	347.83%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

(Continued)

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Fire Employees Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
"Unaudited"

<i>Fiscal Year End (1)</i>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total Pension Liability:					
Service cost	\$ 107,825	\$ 100,353	\$ 117,123	\$ 165,247	\$ 167,637
Interest	373,841	434,634	432,344	386,523	365,852
Changes in benefit terms	-	-	-	294,191	-
Difference between expected and actual experience	(404,402)	(986,144)	(176,437)	82,809	-
Changes in assumptions	-	294,157	-	-	(48,183)
Benefit payments, including refunds of member contributions	(299,366)	(303,173)	(365,038)	(222,487)	(194,503)
Net change in total pension liability	<u>(222,102)</u>	<u>(460,173)</u>	<u>7,992</u>	<u>706,283</u>	<u>290,803</u>
Total pension liability - beginning of year	5,436,358	5,896,531	5,888,539	5,182,256	4,891,453
Total pension liability - ending of year (a)	<u>\$ 5,214,256</u>	<u>\$ 5,436,358</u>	<u>\$ 5,896,531</u>	<u>\$ 5,888,539</u>	<u>\$ 5,182,256</u>
Plan fiduciary net position:					
Contribution - employer	\$ 113,166	\$ 119,501	\$ 150,048	\$ 220,732	\$ 175,293
Contribution - employee	53,063	55,322	68,631	80,413	81,724
Net investment income	249,278	333,910	(1,150)	85,955	467,045
Benefit payments, including refunds of member contributions	(299,366)	(303,173)	(365,038)	(222,487)	(194,503)
Administrative expenses	(3,319)	(3,155)	(3,094)	(3,447)	(2,925)
Other	74,260	(371,677)	(203,667)	1	(10,087)
Net change in plan fiduciary net position	<u>187,082</u>	<u>(169,272)</u>	<u>(354,270)</u>	<u>161,167</u>	<u>516,547</u>
Plan fiduciary net position - beginning of year	3,144,264	3,313,536	3,667,806	3,506,639	2,990,092
Plan fiduciary net position - ending of year (b)	<u>\$ 3,331,346</u>	<u>\$ 3,144,264</u>	<u>\$ 3,313,536</u>	<u>\$ 3,667,806</u>	<u>\$ 3,506,639</u>
District's net pension liability - ending (a)-(b)	<u>\$ 1,882,910</u>	<u>\$ 2,292,094</u>	<u>\$ 2,582,995</u>	<u>\$ 2,220,733</u>	<u>\$ 1,675,617</u>
Plan fiduciary net position as a percentage of the total pension liability	63.89%	57.84%	56.19%	62.29%	67.67%
Covered payroll	\$ 530,634	\$ 539,245	\$ 649,242	\$ 1,005,155	\$ 1,021,551
Net pension liability as a percentage of covered payroll	354.84%	425.06%	397.85%	220.93%	164.03%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Schedule of District Contributions
Fire Employees
"Unaudited"

(1) Fiscal Year Ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as % of Covered Payroll
6/30/2023	\$ 364,465	\$ 364,465	\$ -	\$ 727,476	50.10%
6/30/2022	194,680	194,680	-	611,048	31.86%
6/30/2021	207,847	207,847	-	617,857	33.64%
6/30/2020	170,701	170,701	-	552,260	30.91%
6/30/2019	131,147	131,147	-	610,836	21.47%
6/30/2018	113,166	113,166	-	530,634	21.33%
6/30/2017	119,501	119,501	-	539,245	22.16%
6/30/2016	150,048	150,048	-	649,242	23.11%
6/30/2015	220,732	220,732	-	1,005,155	21.96%
6/30/2014	175,293	175,293	-	1,021,551	17.16%

(1) The MERS Plan administered by the ERSRI reports activity using a June 30 fiscal year end. As a result, the information presented on this schedule reports on the same basis which is the most recent information available.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Other Post Employment Benefit (OPEB) Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios (1)
"Unaudited"

<i>Year</i>	(3) <u>2023</u>	(3) <u>2022</u>	(2) <u>2021</u>	(2) <u>2020</u>	(2) <u>2019</u>	(2) <u>2018</u>
Total OPEB liability:						
Service cost	\$ 2,106	\$ 1,097	\$ 1,154	\$ 2,877	\$ 2,760	\$ 2,529
Interest	71,802	38,917	37,675	62,829	68,690	68,851
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(133,374)	851,206	(144,901)	(49,380)	3,801	-
Changes of assumptions	89,254	(856,995)	(22,377)	104,198	41,326	-
Benefits payments	(106,538)	(89,291)	(98,640)	(92,868)	(59,900)	(91,683)
Net change in total OPEB liability	<u>(76,750)</u>	<u>(55,066)</u>	<u>(227,089)</u>	<u>27,656</u>	<u>56,677</u>	<u>(20,303)</u>
Total OPEB liability - beginning	<u>1,719,220</u>	<u>1,774,286</u>	<u>2,001,375</u>	<u>1,973,719</u>	<u>1,917,042</u>	<u>1,937,345</u>
Total OPEB liability - ending (a)	<u><u>\$ 1,642,470</u></u>	<u><u>\$ 1,719,220</u></u>	<u><u>\$ 1,774,286</u></u>	<u><u>\$ 2,001,375</u></u>	<u><u>\$ 1,973,719</u></u>	<u><u>\$ 1,917,042</u></u>
Plan fiduciary net position:						
Contribution - employer	\$ 156,538	\$ 189,291				
Contribution - employee	-	-				
Net investment income	14,863	(6,350)				
Benefit payments, including refunds of member contributions	(106,538)	(89,291)				
Administrative expenses	-	-				
Other	-	-				
Net change in plan fiduciary net position	<u>64,863</u>	<u>93,650</u>				
Plan fiduciary net position - beginning of year	<u>93,650</u>	<u>-</u>				
Plan fiduciary net position - ending of year (b)	<u><u>\$ 158,513</u></u>	<u><u>\$ 93,650</u></u>				
District's net OPEB liability - ending (a)-(b)	<u><u>\$ 1,483,957</u></u>	<u><u>\$ 1,625,570</u></u>				
Plan fiduciary net position as a percentage of the total OPEB liability	9.65%	5.45%				
Covered employee payroll	\$ 49,954	\$ 90,157	\$ 168,918	\$ 216,304	\$ 211,853	\$ 211,853
Net OPEB liability or total OPEB liability as a percentage of covered employee payroll	2970.65%	1803.04%	1050.38%	925.26%	931.65%	904.89%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

(2) Prior to 2022, no assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, information related to plan fiduciary net position is not presented for these years.

(3) The District established a trust fund in 2022.

The notes to the required supplementary information as an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Other Post Employment Benefit (OPEB) Plan
Schedule of Contributions (1)
"Unaudited"

<i>Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 125,024	\$ 112,242	\$ 122,726	\$ 138,751	\$ 139,359	\$ 139,696
Contributions in relation to the actuarially determined contribution	156,538	189,291	98,640	92,868	59,900	91,683
<i>Contribution deficiency (excess)</i>	<u>\$ (31,514)</u>	<u>\$ (77,049)</u>	<u>\$ 24,086</u>	<u>\$ 45,883</u>	<u>\$ 79,459</u>	<u>\$ 48,013</u>
<i>Covered employee payroll</i>	\$ 49,954	\$ 90,157	\$ 168,918	\$ 216,304	\$ 211,853	\$ 211,853
<i>Contributions as a percentage of covered employee payroll</i>	313.36%	209.96%	58.40%	42.93%	28.27%	43.28%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Required Supplementary Information
Other Post Employment Benefit (OPEB) Plan
Schedule of Investment Returns (1) (2)
"Unaudited"

<i>Year</i>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	15.87%	-13.72%

- (1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.
- (2) The District established a trust fund in 2022. Therefore, information related to investment returns is not presented for previous years.

The notes to the required supplementary information are an integral part of this schedule.

COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

NOTE 1 – PENSION PLANS

The net pension liability (asset) amounts presented as of the December 31, 2023 were determined as part of actuarial valuations performed as of June 30, 2022 and rolled forward to June 30, 2023, the measurement date. Additional information, including actuarial methods and assumptions, are presented in Note 9 to the financial statements.

The net pension liability (asset) amounts presented for each year were determined as of the June 30 measurement date prior to the fiscal year-end.

The following summarizes the more significant changes in assumptions and benefits and were reflected in the determination of the net pension liability (asset) as of the:

June 30, 2023 measurement date –

As part of the 2023 Actuarial Experience Study for the six-year period ending June 30, 2022 as approved by the System Board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones, this had no material impact on the liabilities or contributions.
- Modestly increased turnover rates.
- Slight modifications to the retirement rates.
- Modified slightly the rates of disability.

June 30, 2020 measurement date –

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

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

COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

June 30, 2017 measurement date –

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

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

June 30, 2015 measurement date –

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.

COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5-year return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

NOTE 2 – OPEB PLAN

The actuarial methods and assumptions used to calculate the net OPEB liability are described in Note 10 to the financial statements.

The net OPEB liability or total OPEB liability amount presented for each year was determined as of the year-end.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

Actuarially Determined Contributions:

The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – Entry Age Normal
- Amortization method – Not applicable
- Amortization period – Not applicable
- Asset valuation method – Market
- Inflation – 3%
- Investment rate of return – 4.13% (12/31/2022 – 4.09%)
- Salary increases – 3%
- Mortality – PUB 2010 with MP-2021 projection
- Health care cost trend rate – 8% decreasing to an ultimate rate of 5%

COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

NOTE 3 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

The District has formally established budgetary accounting control for its General Fund. It is the responsibility of the Board of Directors to prepare and to make available to the taxpayers of the District a proposed General Fund budget for the year. The final recommended budget is legally enacted by vote of the District taxpayers at the Annual District Meeting. The General Fund operating budget is supported by revenue estimates and takes into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. Amendments that would change the total appropriation must be approved by voters of the District at a Special District Meeting. There were no supplemental budgetary appropriations for the year ended December 31, 2023. Appropriations which are not expended or encumbered lapse at year end.

The General Fund budget is in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentation for the General Fund reported as required supplementary information is reflected on the budgetary basis.

Explanation of Differences between General Fund Budgetary Revenues and Other Financing Sources and Expenditures and Other Financing Uses and GAAP Revenues and Other Financing Sources and Expenditures and Other Financing Uses:

Revenues and Other Financing Sources

Actual amounts (budgetary basis)	\$2,695,028
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Differences – budget to GAAP:

The sale of capital assets is not reported as a budgetary other financing source, but is reported as an other financing source for financial reporting purposes.	40,000
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Rescue recovery administration fees are reported as budgetary expenditures, but are reported as a reduction of rescue run revenue for financial reporting purposes.	<u>(21,192)</u>
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<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds</i>	<u><u>\$2,713,836</u></u>
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COVENTRY FIRE DISTRICT
Notes to Required Supplementary Information
December 31, 2023

Expenditures and Other Financing Uses

Actual amounts (budgetary basis) \$2,945,188

Differences – budget to GAAP:

Rescue recovery administration fees are reported as budgetary expenditures,
but are reported as a reduction of rescue run revenue for financial
reporting purposes. (21,192)

***Total expenditures and other financing uses as reported on the statement of
revenues, expenditures, and changes in fund balances – governmental funds*** \$2,923,996

COVENTRY FIRE DISTRICT
Tax Collector's Annual Report
For the Year Ended December 31, 2023

<i>Year</i>	<i>Balance December 31, 2022</i>	<i>Assessment</i>	<i>Additions</i>	<i>Abatements</i>	<i>Adjustments</i>	<i>Amount to be Collected</i>	<i>Collections</i>	<i>Balance December 31, 2023</i>
2023	\$ -	\$ 2,223,897	\$ -	\$ 2,059	\$ 720	2,222,558	\$ 2,160,110	\$ 62,448
2022	60,711	-	-	295	344	60,760	54,468	6,292
2021	8,727	-	-	728	-	7,999	3,489	4,510
2020	5,295	-	-	20	-	5,275	1,044	4,231
2019	3,837	-	-	194	233	3,876	777	3,099
2018	3,986	-	-	188	-	3,798	20	3,778
2017	3,297	-	-	170	-	3,127	-	3,127
2016	3,248	-	-	150	-	3,098	-	3,098
2015	1,872	-	-	40	-	1,832	-	1,832
2014	2,142	-	-	40	-	2,102	-	2,102
2013	2,076	-	-	90	-	1,986	-	1,986
2012	893	-	-	-	-	893	-	893
2011	806	-	-	-	-	806	-	806
2010	806	-	-	-	-	806	-	806
2009	625	-	-	-	-	625	-	625
2008	557	-	-	-	-	557	-	557
2007 & Prior	622	-	-	-	-	622	-	622
	99,500	\$ 2,223,897	\$ -	\$ 3,974	\$ 1,297	\$ 2,320,720	\$ 2,219,908	\$ 100,812
Less allowance for uncollectible accounts	(29,000)							(31,000)
Net property tax receivable	\$ 70,500							\$ 69,812

Schedule of Net Assessed Property Value by Category

<i>Description of Property</i>	<i>Valuations</i>	
	<i>December 31, 2021</i>	<i>Levy</i>
Real property	\$ 880,877,828	\$ 2,227,650
Tangible personal property	2,169,062	9,197
Total	883,046,890	2,236,847
Tax freeze property	-	(12,950)
Net assessed value	\$ 883,046,890	\$ 2,223,897

Reconciliation of Current Year Property Tax Revenue

Current period collections	\$ 2,219,908
Other tax related revenues	16,127
January-February 2024 collections subject to 60 day 2023 accrual	13,029
January-February 2023 collections subject to 60 day fiscal 2022 accrual	(22,016)
Current year property tax revenue	\$ 2,227,048

(Continued)

COVENTRY FIRE DISTRICT
Tax Collector's Annual Report (Continued)
For the Year Ended December 31, 2023

2023 Cash Collection Summary

<u>Year</u>	<i>January-February 2023</i>	<i>March-</i>	<i>Total 2023</i>	<i>January-February 2024</i>
	<i>Collections Subject to 60 Day 2022</i>	<i>December 2023</i>	<i>Cash Collections</i>	<i>Collections Subject to 60 Day 2023</i>
	<u>Accrual</u>	<u>Collections</u>		<u>Accrual</u>
2022	\$ 20,559	\$ 2,139,551	\$ 2,160,110	\$ 12,056
2022	1,102	53,366	54,468	361
2021	315	3,174	3,489	373
2020	20	1,024	1,044	239
2019	20	757	777	-
2018	-	20	20	-
2017	-	-	-	-
2016	-	-	-	-
2015	-	-	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007 & Prior	-	-	-	-
	<u>\$ 22,016</u>	<u>\$ 2,197,892</u>	<u>\$ 2,219,908</u>	<u>\$ 13,029</u>



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

***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

To the Board of Directors
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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coventry Fire District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Coventry Fire District's basic financial statements, and have issued our report thereon dated November 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coventry Fire District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coventry Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coventry Fire 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Coventry Fire District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coventry Fire District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Coventry Fire District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
November 7, 2024

COVENTRY FIRE DISTRICT
Schedule of Findings and Responses
December 31, 2023

FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES:

2023-001– Segregation of Duties

Criteria: Segregation of duties is an instrumental component to having an effective system of internal controls. Segregation of duties is an element of internal control that is designed to prevent, detect, and correct misstatements in a timely manner, whether due to fraud or error. Proper segregation of duties decreases the District’s risk of intentional or unintentional misuse or misappropriation of District assets. Duties and responsibilities should be assigned to personnel so that no one person is responsible for all aspects of a financial transaction.

Condition: The District’s Tax Collector is currently responsible for all aspects of the tax collection process. The District’s Tax Collector is responsible for collecting and depositing all tax revenue, maintaining the tax receivable system, including posting tax payments, issuing, and posting abatement of taxes, monitoring delinquent accounts and initiating tax sales.

The District also does not have adequate policies or procedures requiring a monthly reconciliation between the Treasurer’s general ledger accounts and the Tax Collector’s tax receivable subsidiary ledger. The District does reconcile the tax collection deposits to the bank deposits as part of the monthly bank reconciliation and starting in 2023 recorded the tax collections to the property tax receivable and deferred revenue accounts. Many of the tax collection payments, however, were posted incorrectly to these general ledger accounts during the period of January through May 2023. In addition, the District does not record the tax levy, abatements and adjustments to the property tax receivable and deferred revenue general ledger accounts throughout the year. These general ledger accounts were only reviewed and adjusted by a net journal entry at year-end to agree to the balance per the Tax Collector’s tax receivable subsidiary ledger. The net journal entry was made to adjust for the tax levy, abatements and adjustments that were not recorded and to correct the tax payments posting errors.

Effect: Increase in the risk of misstatements, whether due to fraud or error, not being prevented, detected, or corrected in a timely manner.

Cause: There is limited number of staff in the Tax Collector’s office.

Identification of a repeat finding: This is a repeat finding from previous audits 2022-001, 2021-001, 2020-001, 2019-001, 2018-001, 2017-001, 2016-001 and 2015-002.

Recommendation: We recommend that the District review the current job responsibilities of the Tax Collector to attempt to segregate certain responsibilities. We suggest that delinquent accounts and adjustments to the tax receivable subsidiary ledger be reviewed by another independent individual, in addition to the Tax Collector. We also recommend that Treasurer record all property tax receivable transactions to the general ledger including the approved levy, approved abatements, and adjustments and that on a monthly basis the Treasurer and Tax Collector reconcile between the general ledger and Tax Collector’s property tax subsidiary ledger.

COVENTRY FIRE DISTRICT
Schedule of Findings and Responses
December 31, 2023

Views of Responsible Official and Planned Corrective Action: We reconcile tax collections monthly with bank deposits. In 2024, our policy will include an entry on the general ledger to reconcile tax receivable transactions on the general ledger. Also, beginning in 2024, we will list any adjustments to accounts on the monthly tax collector's report that is submitted to the Treasurer and Board monthly.