

DUNN'S CORNERS FIRE DISTRICT
BASIC FINANCIAL STATEMENTS
Year Ended May 31, 2022



DUNN'S CORNERS
 BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Operating Committee
Dunn's Corners Fire District
Westerly, Rhode Island

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dunn's Corners Fire District, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise Dunn's Corners Fire District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dunn's Corners Fire District as of May 31, 2022 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Dunn's Corners Fire District has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24-25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dunn's Corners Fire District's basic financial statements. The combining non-major fund financial statements and schedule of property taxes on pages 26-28 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining non-major fund financial statements and schedule of property taxes receivable are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the non-major fund financial statements and schedule of property taxes are 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 8, 2022, on our consideration of Dunn's Corners Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dunn's Corners Fire District's internal control over financial reporting and compliance.

WADOVICK + COMPANY

West Warwick, Rhode Island
November 8, 2022

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF NET POSITION
May 31, 2022

	Governmental Activities
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,219,319
Taxes receivable	20,310
Interest, penalties, and fees receivable	2,518
Accounts and other receivable	350
Prepaid expense	24,733
TOTAL CURRENT ASSETS	1,267,230
NON-CURRENT ASSETS	
Capital assets, net of accumulated depreciation	2,003,682
TOTAL NON-CURRENT ASSETS	2,003,682
TOTAL ASSETS	3,270,912
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts payable	56,111
Accrued interest	2,307
Accrued expenses and amounts held for others	33,305
Current portion of long-term debt	90,884
TOTAL CURRENT LIABILITIES	182,607
NON-CURRENT LIABILITIES	
Long-term debt obligations, net	331,732
TOTAL NON-CURRENT LIABILITIES	331,732
TOTAL LIABILITIES	514,339
<u>NET POSITION</u>	
Net investment in capital assets	1,581,066
Restricted	541,550
Unrestricted	633,957
TOTAL NET POSITION	\$ 2,756,573

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

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:	Expenses	Charges for Services, Fees & Licenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Public safety - fire protection	\$ 843,103	\$ 340,722	\$ 11,046	\$ -	\$ (491,335)
Community building	3,117	7,746	-	-	4,629
Depreciation	229,951	-	-	-	(229,951)
Interest on long-term debt	10,601	-	-	-	(10,601)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,086,772	\$ 348,468	\$ 11,046	\$ -	(727,258)
GENERAL REVENUES					
					831,904
					1,138
					1,499
					5,735
TOTAL GENERAL REVENUES					840,276
CHANGE IN NET POSITION					113,018
NET POSITION - June 1, 2021					2,643,555
NET POSITION - May 31, 2022					\$ 2,756,573

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

DUNN'S CORNERS FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
May 31, 2022

	GENERAL FUND	TRUCK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,219,319	\$ -	\$ -	\$ 1,219,319
Taxes receivable	20,310	-	-	20,310
Interest, penalites, and fees receivable	2,518	-	-	2,518
Accounts and other receivable	350	-	-	350
Prepaid expense	24,733	-	-	24,733
Due from other funds	-	264,990	276,560	541,550
TOTAL ASSETS	\$ 1,267,230	\$ 264,990	\$ 276,560	\$ 1,808,780
<u>LIABILITIES</u>				
Accounts payable	\$ 56,111	\$ -	\$ -	\$ 56,111
Accrued expenses	33,305	-	-	33,305
Due to other funds	541,550	-	-	541,550
TOTAL LIABILITIES	630,966	-	-	630,966
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable property tax revenue	15,004	-	-	15,004
<u>FUND BALANCES</u>				
Non-spendable	24,733	-	-	24,733
Assigned	-	-	70,333	70,333
Committed	-	264,990	206,227	471,217
Unassigned	596,527	-	-	596,527
TOTAL FUND BALANCES	621,260	264,990	276,560	1,162,810
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,267,230	\$ 264,990	\$ 276,560	\$ 1,808,780

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

DUNN'S CORNERS FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
May 31, 2022

Total Fund Balance of Governmental Funds	\$ 1,162,810
Capital and right of use assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund balance sheet.	2,003,682
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position.	(422,616)
Unavailable tax revenues (net of an allowance for uncollectibles) are recorded in the funds, but not reported under the measurement focus in the Statement of Net Position.	15,004
Accrued interest expense on long-term debt obligations is not due and payable in the current period and therefore is not reported in the funds. This liability is reported in the Statement of Net Position.	<u>(2,307)</u>
Net Position of Governmental Activities	<u>\$ 2,756,573</u>

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

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended May 31, 2022

	GENERAL FUND	TRUCK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Taxes	\$ 820,308	\$ -	\$ -	\$ 820,308
Interest and fees on taxes	13,622	-	-	13,622
Contracted services	319,592	-	-	319,592
Intergovernmental grant income	2,500	-	-	2,500
Tax sale receipts	1,138	-	-	1,138
Fire details	2,028	-	-	2,028
Fire accident claims	4,161	-	-	4,161
Community building rental	7,746	-	-	7,746
Licenses and fees	14,941	-	-	14,941
Investment income	1,499	-	-	1,499
Insurance claim proceeds	5,735	-	-	5,735
Fire prevention	-	-	8,546	8,546
TOTAL REVENUES	<u>1,193,270</u>	<u>-</u>	<u>8,546</u>	<u>1,201,816</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and wages	301,569	-	-	301,569
Employment taxes and fringes	65,232	-	-	65,232
Fire prevention	3,730	-	6,786	10,516
Fire department grant	13,000	-	-	13,000
Payroll processing fees	1,425	-	-	1,425
Dispatching service	14,233	-	-	14,233
Communications	11,288	-	-	11,288
Dues and memberships	3,942	-	-	3,942
Insurance	76,409	-	-	76,409
Maintenance supplies and equipment	24,003	-	-	24,003
Firefighter equipment	21,715	-	-	21,715
Apparatus maintenance	60,078	-	-	60,078
Fuel	15,888	-	-	15,888
Occupancy/Building maintenance	48,800	-	1,284	50,084
Training	24,128	-	-	24,128
EMS supplies	3,808	-	-	3,808
Audit and legal	12,790	-	-	12,790
Consultants and professional fees	4,673	-	-	4,673
Recruitment and retention	67,057	-	-	67,057
Fire hydrant rental	10,800	-	-	10,800
Tax assessor/collector expenses	28,103	-	-	28,103
Grant expenses	3,756	-	-	3,756
Office expense	9,533	-	-	9,533
Information systems	5,581	-	-	5,581
Miscellaneous	6,309	-	300	6,609

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

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended May 31, 2022

Debt Service:				
Principal	112,552	-	-	112,552
Interest	13,207	-	-	13,207
Capital Outlay:				
Equipment acquisitions	6,891	-	-	6,891
TOTAL EXPENDITURES	<u>970,500</u>	<u>-</u>	<u>8,370</u>	<u>978,870</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>222,770</u>	<u>-</u>	<u>176</u>	<u>222,946</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	45,000	90,000	135,000
Transfers out	(135,000)	-	-	(135,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(135,000)</u>	<u>45,000</u>	<u>90,000</u>	<u>-</u>
CHANGE IN FUND BALANCES	87,770	45,000	90,176	222,946
FUND BALANCE - June 1, 2021 (restated)	<u>533,490</u>	<u>219,990</u>	<u>186,384</u>	<u>939,864</u>
FUND BALANCE - May 31, 2022	<u>\$ 621,260</u>	<u>\$ 264,990</u>	<u>\$ 276,560</u>	<u>\$ 1,162,810</u>

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

DUNN'S CORNERS FIRE DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2022

Change in Fund Balance - Governmental Funds	\$	222,946
<p>Governmental funds report capital asset and right to use asset acquisitions as expenditures when acquired. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital asset and right to use asset additions which were recorded as capital outlay expenditures in the fund level statements.</p>		
		(224,508)
<p>Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on changes in net position.</p>		
		112,552
<p>Governmental funds do not report estimated accrued interest on long-term debt as a liability in the Fund Financial Statements if they are not going to be paid with current available resources. This liability is reported in the Government-Wide Financial Statements. This adjustment reflects the decrease in accrued interest on long-term obligations from May 31, 2021 to May 31, 2022.</p>		
		2,606
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. Unavailable tax revenue decreased from fiscal 2021.</p>		
		<u>(578)</u>
Change in Net Position - Governmental Activities in the Statement of Activities	\$	<u><u>113,018</u></u>

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

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2022

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING ENTITY

The Dunn's Corners Fire District (the District) operates under the direction of an Operating Committee and provides fire protection services to the residents of designated areas of Westerly and Charlestown, Rhode Island. The District also provides fire protection services to other local fire districts under individual contracts.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

PRIMARY GOVERNMENT

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

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

The criterion has been considered and there are no agencies or entities which should be presented with this government.

BASIS OF PRESENTATION

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

activities are financed in whole or in part by fees charged to external parties for goods and services. Currently, the District has no business-type activities. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables, and payables.

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

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

The funds of the financial reporting entity are described below.

GOVERNMENTAL FUNDS

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

Capital Project Funds – Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District currently maintains three capital project funds: Truck Fund, Equipment Fund, and Building Fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned for specified purposes. The District currently maintains two special revenue funds, the Fire Prevention Fund, which is used to account for inspection fee income and pay for training activities and supplies, and the Memorial Fund which is to be used for future commemoration ceremonies of current and past members of the Dunn's Corners Fire Department.

MAJOR AND NON-MAJOR FUNDS

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

<i>Major Funds:</i>	<u>General:</u>	See above for description.
	<u>Capital Project:</u>	Truck Fund
<i>Non-Major Funds:</i>	<u>Special Revenue Funds:</u>	Fire Prevention Fund, Memorial Fund
	<u>Capital Project Funds:</u>	Equipment Fund, Building Fund

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

MEASUREMENT FOCUS

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

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

BASIS OF ACCOUNTING

In the Government-Wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

CASH & CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District did not have any investments at May 31, 2022.

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

ACCOUNTS RECEIVABLE

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

In the fund financial statements, receivables in governmental funds include revenue accruals such as property taxes. Non-exchange transactions collectible but not available are considered unearned in the fund financial statements in accordance with the modified accrual basis of accounting. Allowances for uncollectible accounts receivable are based upon historical trend and the periodic aging of accounts receivable. Based upon prior experience, management has not established an allowance for doubtful accounts for its delinquent property taxes or other receivables in its General Fund.

INVENTORIES

For Governmental Fund Types, disbursements for inventory-type items are not recorded as assets but have been recorded as expenditures at the time individual inventory items were purchased. Inventory consists of radio boxes purchased by the District for resale at cost to local establishments. These are carried at historical cost and included in prepaid expenses.

SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

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

PROPERTY, PLANT AND EQUIPMENT

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

Government-Wide Statements – In the Government-Wide Financial Statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Infrastructure, such as streets and drainage systems, are capitalized. The capitalization threshold of the District is any individual item with a total cost greater than \$10,000 and a useful life in excess of one year.

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

	<u>Years</u>
Building improvements	10 - 40
Vehicles	7 - 20
Fire equipment	5 - 30
Furniture and equipment	5 - 15

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

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

EQUITY CLASSIFICATIONS

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

Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable by the acquisition, construction or improvement of those assets.

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

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

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

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

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

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

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

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2022

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

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

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

The details of this \$224,508 difference is as follows:

Fund expenditures capitalized for reporting in Government-wide Statements	
Capital assets	\$ 5,443
Depreciation expense	<u>(229,951)</u>
NET ADJUSTMENT	<u>\$ (224,508)</u>

RECENTLY ISSUED ACCOUNTING STANDARDS

During the fiscal year ended May 31, 2022 the District implemented the following new accounting pronouncements:

GASB Statement No. 84 – Fiduciary Activities

GASB Statement No. 87 – Leases

GASB Statement No. 90 – Majority Equity Interests

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for IRS Code Sec. 457 Deferred Compensation Plans

GASB Statement No. 98 – The Annual Comprehensive Financial Report

The following are recently issued governmental accounting standards which will be applicable in future years:

GASB Statement No. 91 – Conduit Debt Obligations, effective for fiscal year ending May 31, 2023

GASB Statement No. 93 – Replacement of Interbank Offered Rates, effective for fiscal year ending May 31, 2023

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for fiscal year ending May 31, 2023

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements, effective for fiscal year ending May 31, 2023

GASB Statement No. 99 – Omnibus 2022, effective for fiscal year ending May 31, 2024

GASB Statement No. 100 – Accounting Changes and Error Corrections, effective for fiscal year ending May 31, 2024

GASB Statement No. 101 – Compensated Absences, effective for fiscal year ending May 31, 2025

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

USE OF ESTIMATES

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

NOTE 2 – BUDGETARY PROCESS

ADOPTION

Budgets are adopted in accordance with District charter requirements. It is the responsibility of the Operating Committee to submit a proposed budget to the members of the District at the Annual Meeting held each July. A public hearing is conducted on the recommended budget and the final recommended budget is legally enacted through a vote of the District residents at the Annual District Meeting. The District's tax levy is also approved by the eligible voters at the Annual Meeting. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year-end.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are reported as either committed or assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. The District did not have any encumbrances outstanding at May 31, 2022.

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2022

NOTE 3 – CASH AND INVESTMENTS

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

A. Deposits – The carrying amount of the District's cash and cash equivalents at May 31, 2022 was \$1,219,319 while the bank balance was \$1,220,183. The entire bank balance of \$1,220,183 was covered by federal depository insurance at May 31, 2022.

B. Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District did not maintain any investments at May 31, 2022 or during the year then ended.

C. Concentration of Credit Risk – At May 31, 2022, the District's deposits were held at two financial institutions. The District attempts to minimize its concentration of credit risk by depositing and investing funds with multiple institutions and investing in government obligations. The District's deposits are maintained in highly rated financial institutions whose ratings are reviewed on a periodic basis. The District attempts not to exceed the \$250,000 FDIC limit within each institution.

D. Custodial Credit Risk – Custodial credit risk is the risk that in the event of financial institution failure, the District's deposits and/or investments may not be returned. The District does not have a deposit or investment policy for custodial credit risk. At May 31, 2022, the District did not have any investments which were subject to custodial credit risk.

NOTE 4 – RECEIVABLES

Receivables at May 31, 2022, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund
Receivables:	
Taxes - Current	\$ 17,334
Taxes - Prior years	2,976
Interest, penalites, and fees	2,518
Details and miscellaneous accounts receivable	350
GROSS RECEIVABLES	23,178
Less: Allowance for uncollectible accounts	-
NET RECEIVABLES	\$ 23,178

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

All real estate in the District is taxed to the owners according to the last valuation made by the Tax Assessors of the Town of Charlestown and Town of Westerly. The tax rate established for the year ended May 31, 2022 was \$0.455 per \$1,000 of assessed valuation. The District does not assess a minimum tax. The taxable value of property with an assessment date of December 31, 2020 was approximately \$1,787,827,000.

Taxes are levied each September 1st and are payable and due by September 30th. All unpaid taxes levied become delinquent on October 1st of the current year and are subject to interest at an annual rate of 12%. Total assessments for the year ended May 31, 2022 was approximately \$820,000 (including split properties). An allowance has not been established for uncollectible taxes based on historical collection experience and because Rhode Island State Statutes provide for an immediate three-year lien on property related to delinquent taxes.

The District is responsible for assessing, collecting, and distributing property taxes in accordance with enabling State legislation. The District recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Government Accounting and Financial Reporting Standards. Unpaid property taxes as of May 31, 2022 are recorded as a receivable. Those net property taxes receivable which were not collected within 60 days immediately following May 31, 2022 are reported as deferred inflow of resources and amounted to \$15,004. Property taxes recognized as revenue for the fiscal year ended May 31, 2022 due to their collection in the 60 days following May 31, 2022 totaled \$7,824.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended May 31, 2022 is as follows:

	Balance June 1, 2021	Additions	Retirements & Disposals	Balance May 31, 2022
Capital assets not being depreciated:				
Land	\$ 454,696	\$ -	\$ -	\$ 454,696
Total capital assets not being depreciated	<u>454,696</u>	<u>-</u>	<u>-</u>	<u>454,696</u>
Capital assets being depreciated:				
Building and improvements	1,623,782	-	-	1,623,782
Equipment and maintenance	282,819	-	-	282,819
Apparatus and other vehicles	<u>2,010,721</u>	<u>5,443</u>	<u>-</u>	<u>2,016,164</u>
Total capital assets being depreciated	<u>3,917,322</u>	<u>5,443</u>	<u>-</u>	<u>3,922,765</u>
Total capital assets	<u>4,372,018</u>	<u>5,443</u>	<u>-</u>	<u>4,377,461</u>
Less accumulated depreciation:				
Building and improvements	(721,066)	(50,619)	-	(771,685)
Equipment and maintenance	(28,282)	(56,563)	-	(84,845)
Apparatus and other vehicles	<u>(1,394,480)</u>	<u>(122,769)</u>	<u>-</u>	<u>(1,517,249)</u>
Total accumulated depreciation	<u>(2,143,828)</u>	<u>(229,951)</u>	<u>-</u>	<u>(2,373,779)</u>
Net capital assets	<u>\$ 2,228,190</u>	<u>\$ (224,508)</u>	<u>\$ -</u>	<u>\$ 2,003,682</u>

Depreciation expense charged to public safety was \$229,951 for the year ended May 31, 2022.

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2022

NOTE 6 – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended May 31, 2022 was as follows:

	Balance June 1, 2021	Additions	Retirements	Balance May 31, 2022	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
Note payable	\$ 324,104	\$ -	\$ (34,821)	\$ 289,283	\$ 34,217
Note payable	170,000	-	(56,667)	113,333	56,667
Note payable	16,418	-	(16,418)	-	-
Note payable	4,646	-	(4,646)	-	-
Note payable	20,000	-	-	20,000	-
TOTAL	<u>\$ 535,168</u>	<u>\$ -</u>	<u>\$ (112,552)</u>	<u>\$ 422,616</u>	<u>\$ 90,884</u>

Notes Payable

Notes payable at May 31, 2022 are comprised of the following:

	Interest Rate	Interest Dates	Issued/Maturity Date	Original Issue	Balance May 31, 2022
Governmental Activities:					
Note payable	2.25%	12/07	12/07/14 - 12/07/29	\$ 520,000	\$ 289,283
Note payable	3.80%	11/13	10/08/13 - 10/08/25	850,000	113,333
Note payable	3.00%	08/04	08/04/18 - 08/01/23	19,000	20,000
TOTAL				<u>\$ 1,389,000</u>	<u>\$ 422,616</u>

Debt Service Requirements

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

Fiscal Year Ending May 31,	Governmental Activities		
	Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2023	\$ 90,884	\$ 15,180	\$ 106,064
2024	112,367	12,228	124,595
2025	37,247	8,603	45,850
2026	38,862	6,988	45,850
2027	40,545	5,305	45,850
2028 - 2030	102,711	5,394	108,105
	<u>\$ 422,616</u>	<u>\$ 53,698</u>	<u>\$ 476,314</u>

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2022

Interest expense paid on long-term debt obligations and reported in the governmental fund expenditures of the General Fund was \$13,207 for the year ended May 31, 2022.

On November 13, 2008, the District entered into a promissory note in the amount of \$850,000 bearing interest at 80% of the Prime Rate (3.25% at May 31, 2022). Proceeds of the note were used to purchase a new ladder truck. The terms of the note obligation require annual interest and principal payments of \$56,667 for fifteen years thru November 13, 2024. The debt is secured by the ladder apparatus. In June 2022, the District paid off the \$113,333 outstanding balance on the note in its entirety.

On December 7, 2014, the District entered into a promissory note in the amount of \$520,000 bearing interest at the Prime Rate minus 0.50% (3.25% at May 31, 2022). The interest rate resets annual each September 1. Proceeds of the note were used to purchase engine #4. The terms of the note obligation require monthly interest and principal payments of \$3,821 for fifteen years thru September 1, 2029. The debt is secured by the engine apparatus. On September 1, 2022, the interest rate reset to 4.25%

On August 4, 2018, the District entered into a promissory note in the amount of \$20,000 bearing interest at 3.00%. Proceeds of the note were used to refinance station costs at a lower interest rate. The terms of the note obligation require monthly interest payments of \$600 for five years thru September 2023.

NOTE 7 – INTERFUND BALANCES

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund. The composition of the interfund balances at May 31, 2022 is as follows:

	Interfund Receivables	Interfund Payables
Government Activities:		
Major Fund:		
General Fund	\$ -	\$ 541,550
Truck Fund	264,990	-
Non-Major Fund:		
Fire Prevention Fund	70,333	-
Memorial Fund	4,585	-
Equipment Fund	78,363	-
Building Fund	123,279	-
TOTAL	\$ 541,550	\$ 541,550

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 Dunn's Corners Fire District's taxpayers are considered to be the highest level of decision making authority. In accordance with the District Charter, the taxpayers vote on the annual budget and on any resolutions proposed by the Operating Committee.

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2022

The passage of the District's annual budget and proposed resolutions may result in the commitment of fund balance. The Committed Fund Balance at May 31, 2022 consisted of the following:

Fund	Purpose	Amount
Truck Fund	Acquisition of Districe Vehicles	\$ 264,990
Equipment Fund	Acquisition of firefighting equipment and apparatus	78,363
Building Fund	Acquisition and improvement of Distict real property	123,279
Memorial Fund	Future commemorations services	4,585
	TOTAL	<u>\$ 471,217</u>

Assigned Fund Balance represents the amount of fund balance which has been constrained by the District's intent to be used for specific purposes. The assignment of fund balance is determined by actions of the District Fire Chief rather than the actions of the District taxpayers. The ability to assign fund balance is granted to the District Fire Chief by the District taxpayers. The District had assigned fund balance of \$70,333 for fire prevention efforts as of May 31, 2022.

Non-spendable Fund Balance at May 31, 2022 totaled \$24,733 and represented \$23,043 which has been prepaid on insurance policies for future fiscal years and \$1,690 for radio inventory.

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

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of May 31, 2022, the District has estimated the reserve for any potential losses to be immaterial and therefore has not recorded any liability in the financial statements.

NOTE 10 – PRIOR PERIOD RESTATEMENT

During the year ended May 31, 2022, the District updated its financial statement reporting model to include tax collections received in the period 60-days subsequent to fiscal year end in accordance with GASB No. 34. As a result of this financial reporting model update, the District's May 31, 2021 undesignated fund balance was understated by \$8,883. The District adjusted its undesignated fund balance for this cumulative amount to better reflect available resources financial reporting model required by generally accepted accounting principles.

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2022

NOTE 11 – RETIREMENT PLAN

The District sponsors and administers a defined contribution profit sharing retirement plan under Section 401(k) of the Internal Revenue Code. At its sole discretion, the District may make matching and profit-sharing contributions to eligible employees' accounts. As of May 31, 2022, the District's plan provided matching contributions of up to 7% of gross pay for employees who have worked 1,000 hours and are at least 21 years of age. Total District contributions to the plan for the year ended May 31, 2022 were \$18,175. As of May 31, 2022, there were three participants in the plan.

NOTE 12 – FIRE PROTECTION CONTRACTS

For the year ended May 31, 2022, the District had contracts with four other area fire districts to provide fire protection services for an annual fee. The contracts, which range from 4 ½ to 5 years, have fees which are based on each participating district's property tax assessment, the District's own applicable mill rate, and other factors. For the year ended May 31, 2022, fees earned under these contracts totaled \$319,592. These fire protection contracts represent approximately 27% of total revenue for the District.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

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

The District has evaluated subsequent events through November 8, 2022, the date which the financial statements were available to be issued. In June 2022, the District paid the outstanding balance on a note payable obligation-See Note 6.

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
(UNAUDITED)
For the Year Ended May 31, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>			
Property taxes	\$ 820,332	\$ 820,308	\$ (24)
Interest and fees on taxes	-	13,735	13,735
Contracted services	319,592	319,592	-
Intergovernmental grant income	-	2,500	2,500
Tax sale receipts	-	1,138	1,138
Fire details	-	2,028	2,028
Fire accident claims	4,000	4,161	161
Community building	6,000	7,746	1,746
Licenses and fees	4,000	14,941	10,941
Investment income	-	1,499	1,499
Insurance claim proceeds	-	5,735	5,735
TOTAL REVENUES	<u>\$ 1,153,924</u>	<u>\$ 1,193,383</u>	<u>39,459</u>

EXPENDITURES

Current:

Operating

Salaries and wages	330,414	301,569	28,845
Employment taxes and fringes	63,929	65,232	(1,303)
Fire prevention	-	3,730	(3,730)
Fire department grant	13,000	13,000	-
Payroll processing fees	3,000	1,425	1,575
Dispatching service	14,447	14,233	214
Communications	13,500	11,288	2,212
Dues and memberships	8,810	3,942	4,868
Insurance	67,000	76,409	(9,409)
Maintenance supplies and equipment	55,000	24,003	30,997
Firefighter equipment	33,500	21,715	11,785
Apparatus maintenance	58,001	60,078	(2,077)
Fuel	11,200	15,888	(4,688)
Occupancy/Building maintenance	49,500	48,800	700
Training	29,000	24,128	4,872
EMS supplies	12,000	3,808	8,192
Audit and legal	15,500	12,790	2,710
Consultants and professional fees	5,840	4,673	1,167
Recruitment and retention	72,200	67,057	5,143
Fire hydrant rental	10,800	10,800	-

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND - BUDGETARY BASIS
(UNAUDITED)
For the Year Ended May 31, 2022

Tax assessor/collector expenses	8,700	28,103	(19,403)
Grant expenses	-	3,756	(3,756)
Office expense	9,900	9,533	367
Information systems	9,000	5,581	3,419
Miscellaneous	11,000	6,309	4,691
Debt Service			
Principal	93,267	112,552	(19,285)
Interest	19,900	13,207	6,693
Capital:			
Equipment acquisitions	-	6,891	(6,891)
Contribution to Equipment Fund	60,000	60,000	-
Contribution to Truck Fund	45,000	45,000	-
Contribution to Building and Grounds Fund	30,000	30,000	-
TOTAL EXPENDITURES	<u>1,153,408</u>	<u>1,105,500</u>	<u>47,908</u>
Excess of Revenues over Expenditures	<u>\$ 516</u>	<u>\$ 87,883</u>	<u>\$ 87,367</u>

DUNN'S CORNERS FIRE DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 May 31, 2022

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Fire Prevention Fund	Memorial Fund	Equipment Fund	Building Fund	
<u>ASSETS</u>					
Due from other funds	\$ 70,333	\$ 4,585	\$ 78,363	\$ 123,279	\$ 276,560
TOTAL ASSETS	<u>\$ 70,333</u>	<u>\$ 4,585</u>	<u>\$ 78,363</u>	<u>\$ 123,279</u>	<u>\$ 276,560</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Assigned	70,333	-	-	-	70,333
Committed	<u>-</u>	<u>4,585</u>	<u>78,363</u>	<u>123,279</u>	<u>206,227</u>
TOTAL FUND BALANCES	<u>70,333</u>	<u>4,585</u>	<u>78,363</u>	<u>123,279</u>	<u>276,560</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,333</u>	<u>\$ 4,585</u>	<u>\$ 78,363</u>	<u>\$ 123,279</u>	<u>\$ 276,560</u>

DUNN'S CORNERS FIRE DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended May 31, 2022

	Special Revenue		Capital Projects		Total Nonmajor Governmental Funds
	Fire Prevention Fund	Memorial Fund	Equipment Fund	Building Fund	
<u>REVENUES</u>					
Intergovernmental grant income	\$ -	\$ -	\$ -	\$ -	\$ -
Fire prevention	8,546	-	-	-	8,546
TOTAL REVENUES	<u>8,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,546</u>
<u>EXPENDITURES</u>					
Current:					
Building maintenance	-	-	-	1,284	1,284
Fire prevention	6,786	-	-	-	6,786
Donations	-	300	-	-	300
TOTAL EXPENDITURES	<u>6,786</u>	<u>300</u>	<u>-</u>	<u>1,284</u>	<u>8,370</u>
Excess of revenues over (under) expenditures before other financing sources	<u>1,760</u>	<u>(300)</u>	<u>-</u>	<u>(1,284)</u>	<u>176</u>
<u>OTHER FINANCING SOURCES</u>					
Transfers in	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>30,000</u>	<u>90,000</u>
Change in fund balances	1,760	(300)	60,000	28,716	90,176
FUND BALANCE - June 1, 2021	<u>68,573</u>	<u>4,885</u>	<u>18,363</u>	<u>94,563</u>	<u>186,384</u>
FUND BALANCE - May 31, 2022	<u>\$ 70,333</u>	<u>\$ 4,585</u>	<u>\$ 78,363</u>	<u>\$ 123,279</u>	<u>\$ 276,560</u>

DUNN'S CORNERS FIRE DISTRICT
SCHEDULE OF PROPERTY TAXES RECEIVABLE
For the Year Ended May 31, 2022

FISCAL YEAR ENDED	BALANCE June 1, 2021	CURRENT YEAR ASSESSMENT	SUPPLEMENTAL ADDENDUMS (NET)	REFUNDS AND ADJUSTMENTS	ABATEMENTS AND ADJUSTMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE May 31, 2022	FY 2022 CASH COLLECTIONS SUMMARY			JUNE - JULY (FY23) CASH COLLECTIONS SUBJECT TO 60-DAY RULE
									JUNE - JULY 2021 COLLECTIONS SUBJECT TO 60-DAY RULE	JUNE 2021 - MAY 2022 COLLECTIONS NOT SUBJECT TO 60-DAY RULE	TOTAL FY 2022 CASH COLLECTIONS	
2022	\$ -	\$ 820,332	\$ -	\$ -	\$ 295	\$ 820,627	\$ 803,293	\$ 17,334	\$ -	\$ 803,293	\$ 803,293	\$ 7,310
2021	16,865	-	-	-	-	16,865	13,354	3,511	5,125	8,229	13,354	514
2020	2,771	-	-	-	-	2,771	3,340	(569)	2,515	825	3,340	-
2019	452	-	-	-	-	452	1,250	(798)	1,141	109	1,250	-
2018	(32)	-	-	-	-	(32)	-	(32)	-	-	-	-
2017	1	-	-	-	-	1	15	(14)	-	15	15	-
2016	(80)	-	-	-	-	(80)	12	(92)	-	12	12	-
2015	132	-	-	-	-	132	3	129	2	1	3	-
2014	185	-	-	-	-	185	-	185	-	-	-	-
2013	(7)	-	-	-	-	(7)	-	(7)	-	-	-	-
2012	172	-	-	-	-	172	-	172	-	-	-	-
2011	152	-	-	-	-	152	-	152	-	-	-	-
2010	152	-	-	-	-	152	-	152	-	-	-	-
2009	98	-	-	-	-	98	-	98	-	-	-	-
2008	89	-	-	-	-	89	-	89	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
	20,950	\$ 820,332	\$ -	\$ -	\$ 295	\$ 841,577	\$ 821,267	20,310	\$ 8,783	\$ 812,484	\$ 821,267	\$ 7,824

Less: Allowance for Uncollectible -
\$ 20,950 20,310

SCHEDULE OF NET ASSESSED PROPERTY VALUE BY CATEGORY
ASSESSED DECEMBER 31, 2020

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property	\$ 1,787,827,604	
Exemptions	-	
Net Real Property	1,787,827,604	\$ 820,332
Tangible Personal Property	-	-
NET ASSESSED VALUE	\$ 1,787,827,604	\$ 820,332

RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE

Current year collections	\$ 821,267
Revenue collected within 60 days subsequent fiscal year ending May 31, 2022	7,824
Less prior year 60 day revenue rule collections	(8,783)
CURRENT YEAR PROPERTY TAX REVENUE	\$ 820,308

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

To the Operating Committee
Dunn's Corners Fire District
Dunn's Corners, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dunn's Corners Fire District, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise Dunn's Corners Fire District's basic financial statements, and have issued our report thereon dated November 8, 2022.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Dunn's Corners Fire District'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 Dunn's Corners Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WADOVICK + COMPANY

West Warwick, Rhode Island
November 8, 2022