

DUNN'S CORNERS FIRE DISTRICT
BASIC FINANCIAL STATEMENTS
Year Ended May 31, 2023



DUNN'S CORNERS
 BASIC FINANCIAL STATEMENTS
 Fiscal Year Ended May 31, 2023

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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, 2023, 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, 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. 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 14, 2023, 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 14, 2023

DUNN'S CORNERS FIRE DISTRICT
STATEMENT OF NET POSITION
May 31, 2023

	Governmental Activities
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,357,648
Taxes receivable	24,695
Interest, penalties, and fees receivable	2,554
Accounts and other receivable	1,807
Prepaid expense	24,671
TOTAL CURRENT ASSETS	1,411,375
NON-CURRENT ASSETS	
Capital assets, net of accumulated depreciation	1,824,417
TOTAL NON-CURRENT ASSETS	1,824,417
TOTAL ASSETS	3,235,792
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts payable	41,518
Accrued interest	752
Accrued expenses	30,019
Unearned revenue	77,248
Current portion of long-term debt	57,726
TOTAL CURRENT LIABILITIES	207,263
NON-CURRENT LIABILITIES	
Long-term debt obligations, net	170,585
TOTAL NON-CURRENT LIABILITIES	170,585
TOTAL LIABILITIES	377,848
<u>NET POSITION</u>	
Net investment in capital assets	1,596,106
Restricted	577,770
Unrestricted	684,068
TOTAL NET POSITION	\$ 2,857,944

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, 2023

FUNCTIONS/PROGRAMS:	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
GOVERNMENTAL ACTIVITIES	Expenses	Charges for Services, Fees & Licenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Public safety - fire protection	\$ 919,219	\$ 351,611	\$ 40,139	\$ -	\$ (527,469)
Community building	6,729	8,177	-	-	1,448
Depreciation	227,305	-	-	-	(227,305)
Interest on long-term debt	10,113	-	-	-	(10,113)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,163,366	\$ 359,788	\$ 40,139	\$ -	(763,439)
GENERAL REVENUES					
Property taxes including interest on taxes					855,520
Unrestricted investment earnings					6,634
Insurance claim proceeds					2,656
TOTAL GENERAL REVENUES					864,810
CHANGE IN NET POSITION					
					101,371
NET POSITION - June 1, 2022					2,756,573
NET POSITION - May 31, 2023					\$ 2,857,944

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

DUNN'S CORNERS FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
May 31, 2023

	GENERAL FUND	TRUCK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,357,648	\$ -	\$ -	\$ 1,357,648
Taxes receivable	24,695	-	-	24,695
Interest, penalites, and fees receivable	2,554	-	-	2,554
Accounts and other receivable	1,807	-	-	1,807
Prepaid expense	24,671	-	-	24,671
Due from other funds	-	253,323	399,895	653,218
TOTAL ASSETS	\$ 1,411,375	\$ 253,323	\$ 399,895	\$ 2,064,593
<u>LIABILITIES</u>				
Accounts payable	\$ 41,518	\$ -	\$ -	\$ 41,518
Accrued expenses	30,019	-	-	30,019
Unearned revenue	1,800	-	75,448	77,248
Due to other funds	653,218	-	-	653,218
TOTAL LIABILITIES	726,555	-	75,448	802,003
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable property tax revenue	18,430	-	-	18,430
<u>FUND BALANCES</u>				
Non-spendable	24,671	-	-	24,671
Assigned	-	-	43,862	43,862
Committed	-	253,323	280,585	533,908
Unassigned	641,719	-	-	641,719
TOTAL FUND BALANCES	666,390	253,323	324,447	1,244,160
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,411,375	\$ 253,323	\$ 399,895	\$ 2,064,593

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, 2023

Total Fund Balance of Governmental Funds	\$	1,244,160
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Fund balance sheet.		1,824,417
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.		(228,311)
Unavailable tax revenues are recorded in the funds, but not reported under the measurement focus in the Statement of Net Position.		18,430
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>(752)</u>
Net Position of Governmental Activities	\$	<u><u>2,857,944</u></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, 2023

	GENERAL FUND	TRUCK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Property taxes	\$ 832,160	\$ -	\$ -	\$ 832,160
Interest and fees on taxes	19,933	-	-	19,933
Contracted services	332,129	-	-	332,129
Intergovernmental grant income	21,987	-	17,552	39,539
Fire details	1,872	-	-	1,872
Fire accident claims	2,413	-	-	2,413
Community building rental	8,177	-	-	8,177
Licenses and fees	15,197	-	-	15,197
Investment income	6,634	-	-	6,634
Insurance claim proceeds	2,656	-	-	2,656
Fire prevention	-	-	600	600
TOTAL REVENUES	<u>1,243,158</u>	<u>-</u>	<u>18,152</u>	<u>1,261,310</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and wages	303,019	-	-	303,019
Employment taxes and fringes	77,761	-	-	77,761
Fire prevention	-	-	27,071	27,071
Fire department grant	15,072	-	-	15,072
Payroll processing fees	1,549	-	-	1,549
Dispatching service	14,660	-	-	14,660
Communications	13,276	-	-	13,276
Dues and memberships	8,152	-	-	8,152
Insurance	56,538	-	-	56,538
Maintenance supplies and equipment	53,122	-	-	53,122
Firefighter equipment	26,821	-	-	26,821
Apparatus maintenance	58,784	-	-	58,784
Fuel	19,275	-	-	19,275
Occupancy/Building maintenance	48,840	-	1,277	50,117
Training	30,383	-	-	30,383
EMS supplies	10,362	-	1,763	12,125
Audit and legal	11,045	-	-	11,045
Consultants and professional fees	4,914	-	-	4,914
Recruitment and retention	68,529	-	-	68,529
Fire hydrant rental	12,150	-	-	12,150
Tax assessor/collector expenses	9,529	-	-	9,529
Grant expenses	27,956	-	-	27,956
Office expense	8,183	-	-	8,183
Information systems	7,979	-	-	7,979
Miscellaneous	7,938	-	-	7,938

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, 2023

	GENERAL FUND	TRUCK FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>EXPENDITURES (CONTINUED)</u>				
Debt Service:				
Principal	137,638	56,667	-	194,305
Interest	11,668	-	-	11,668
Capital Outlay:				
Building improvements	-	-	14,365	14,365
Capital equipment	17,885	-	-	17,885
EMS equipment	-	-	15,789	15,789
TOTAL EXPENDITURES	<u>1,063,028</u>	<u>56,667</u>	<u>60,265</u>	<u>1,179,960</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>180,130</u>	<u>(56,667)</u>	<u>(42,113)</u>	<u>81,350</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	45,000	90,000	135,000
Transfers out	<u>(135,000)</u>	<u>-</u>	<u>-</u>	<u>(135,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(135,000)</u>	<u>45,000</u>	<u>90,000</u>	<u>-</u>
CHANGE IN FUND BALANCES	45,130	(11,667)	47,887	81,350
FUND BALANCE - June 1, 2022	<u>621,260</u>	<u>264,990</u>	<u>276,560</u>	<u>1,162,810</u>
FUND BALANCE - May 31, 2023	<u>\$ 666,390</u>	<u>\$ 253,323</u>	<u>\$ 324,447</u>	<u>\$ 1,244,160</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, 2023

Change in Fund Balance - Governmental Funds	\$	81,350
<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>		
		(179,266)
<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>		
		194,305
<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, 2022 to May 31, 2023.</p>		
		1,555
<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 increased from fiscal 2022.</p>		
		3,427
Change in Net Position - Governmental Activities in the Statement of Activities	\$	101,371

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

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2023

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, 2023

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 three special revenue funds. The Fire Prevention Fund is used to account for inspection fee income and pay for training activities and supplies. The Memorial Fund is used for future commemoration ceremonies of current and past members of the Dunn’s Corners Fire Department. The ARPA Grant Fund is used to account for qualifying expenditures funded by the Federal American Rescue Plan Act (ARPA) allocations from the Town of Charlestown.

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, ARPA Grant Fund
	<u>Capital Project Funds:</u>	Equipment Fund, Building Fund

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

MEASUREMENT FOCUS

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

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

BASIS OF ACCOUNTING

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

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, 2023.

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

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, 2023

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, 2023

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 \$179,266 difference is as follows:

Fund expenditures capitalized for reporting in Government-wide Statements:	
Capital assets	\$ 48,039
Depreciation expense	<u>(227,305)</u>
NET ADJUSTMENT	<u>\$ (179,266)</u>

RECENTLY ISSUED ACCOUNTING STANDARDS

During the fiscal year ended May 31, 2023 the District implemented the following new accounting pronouncements:

GASB Statement No. 91 – Conduit Debt Obligations

GASB Statement No. 93 – Replacement of Interbank Offered Rates

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements

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

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.

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

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, 2023.

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, 2023 was \$1,357,648 while the bank balance was \$1,379,894. The entire bank balance of \$1,379,894 was covered by federal depository insurance at May 31, 2023.

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, 2023 or during the year then ended.

C. *Concentration of Credit Risk* – At May 31, 2023, the District's deposits were held at two financial institutions. The District attempts to minimize its concentration of credit risk by depositing and investing

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2023

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 or NCUA limits 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, 2023, the District did not have any investments which were subject to custodial credit risk.

NOTE 4 – RECEIVABLES

Receivables at May 31, 2023, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund
Receivables:	
Taxes - Current	\$ 20,109
Taxes - Prior years	4,586
Interest, penalites, and fees	2,554
Details and miscellaneous accounts receivable	1,300
GROSS RECEIVABLES	28,549
Less: Allowance for uncollectible accounts	-
NET RECEIVABLES	\$ 28,549

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, 2023 was \$0.407 per \$1,000 of assessed valuation. The District does assess a \$5 minimum tax. The taxable value of property with an assessment date of December 31, 2021 was approximately \$2,053,782,000.

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, 2023 was approximately \$836,000 (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, 2023 are recorded as a receivable. Those net property taxes receivable which were not collected within 60 days immediately following May 31, 2023 are reported as

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

deferred inflow of resources and amounted to \$18,430. Property taxes recognized as revenue for the fiscal year ended May 31, 2023 due to their collection in the 60 days following May 31, 2023 totaled \$8,819.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended May 31, 2023 is as follows:

	Balance June 1, 2022	Additions	Retirements & Disposals	Balance May 31, 2023
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	9,052	-	1,632,834
Equipment and maintenance	282,819	21,102	-	303,921
Apparatus and other vehicles	2,016,165	17,885	-	2,034,050
Total capital assets being depreciated	<u>3,922,766</u>	<u>48,039</u>	<u>-</u>	<u>3,970,805</u>
Total capital assets	<u>4,377,462</u>	<u>48,039</u>	<u>-</u>	<u>4,425,501</u>
Less accumulated depreciation:				
Building and improvements	(771,685)	(51,122)	-	(822,807)
Equipment and maintenance	(84,845)	(57,636)	-	(142,481)
Apparatus and other vehicles	(1,517,249)	(118,547)	-	(1,635,796)
Total accumulated depreciation	<u>(2,373,779)</u>	<u>(227,305)</u>	<u>-</u>	<u>(2,601,084)</u>
Net capital assets	<u>\$ 2,003,683</u>	<u>\$ (179,266)</u>	<u>\$ -</u>	<u>\$ 1,824,417</u>

Depreciation expense charged to public safety was \$227,305 for the year ended May 31, 2023.

NOTE 6 – LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity for the year ended May 31, 2023 was as follows:

	Balance June 1, 2022	Additions	Retirements	Balance May 31, 2023	Amounts Due Within One Year
Governmental Activities:					
Long-term debt:					
Note payable	\$ 289,283	\$ -	\$ (80,972)	\$ 208,311	\$ 37,726
Note payable	113,333	-	(113,333)	-	-
Note payable	20,000	-	-	20,000	20,000
TOTAL	<u>\$ 422,616</u>	<u>\$ -</u>	<u>\$ (194,305)</u>	<u>\$ 228,311</u>	<u>\$ 57,726</u>

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 2023

Notes Payable

Notes payable at May 31, 2023 are comprised of the following:

	Interest Rate	Interest Dates	Issued/Maturity Date	Original Issue	Balance May 31, 2023
Governmental Activities:					
Note payable	4.25%	12/07	12/07/14 - 12/07/29	\$ 520,000	\$ 208,311
Note payable	4.00%	08/04	08/04/18 - 08/01/23	20,000	20,000
TOTAL				<u>\$ 540,000</u>	<u>\$ 228,311</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
2024	\$ 57,726	\$ 8,724	\$ 66,450
2025	39,361	6,489	45,850
2026	41,067	4,783	45,850
2027	42,847	3,003	45,850
2028	44,704	1,146	45,850
2029	2,606	111	2,717
	<u>\$ 228,311</u>	<u>\$ 24,256</u>	<u>\$ 252,567</u>

Interest expense paid on long-term debt obligations and reported in the governmental fund expenditures of the General Fund was \$11,668 for the year ended May 31, 2023. Interest expense reported in the Government-Wide Statement of Activities for the year ended May 31, 2023 was \$10,113.

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 (8.25% at May 31, 2023). 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 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% (8.25% at May 31, 2023). 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. During the year ended May 31, 2023, the interest rate on the note increased to 4.00%. The terms of the note obligation require monthly interest only payments of \$800 for five years thru September 2023.

DUNN'S CORNERS FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 May 31, 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, 2023 is as follows:

	Interfund Receivables		Interfund Payables
Government Activities:			
Major Fund:			
General Fund	\$ -		\$ 653,218
Truck Fund	253,323		-
Non-Major Fund:			
ARPA Grant Fund	75,448		-
Fire Prevention Fund	43,862		-
Memorial Fund	4,585		-
Equipment Fund	138,363		-
Building Fund	137,637		-
TOTAL	\$ 653,218		\$ 653,218

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. 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, 2023 consisted of the following:

Fund	Purpose	Amount
Truck Fund	Acquisition of District vehicles	\$ 253,323
Equipment Fund	Acquisition of firefighting equipment and apparatus	138,363
Building Fund	Acquisition and improvement of District real property	137,637
Memorial Fund	Future commemorations services	4,585
	TOTAL	\$ 533,908

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

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

fund balance is granted to the District Fire Chief by the District taxpayers. The District had assigned fund balance of \$43,862 for fire prevention efforts as of May 31, 2023.

Non-spendable Fund Balance at May 31, 2023 totaled \$24,671 and represented \$22,981 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 – 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, 2023, 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, 2023 were \$11,038. As of May 31, 2023, there were three participants in the plan.

NOTE 10 – FIRE PROTECTION CONTRACTS

For the year ended May 31, 2023, the District had contracts with four other area fire districts to provide fire protection services for an annual fee. The contracts, which ranges from 4 ½ to 5 years, have fees which are based on each participating districts' property tax assessment, the District's own applicable mill rate, and other factors. For the year ended May 31, 2023, fees earned under these contracts totaled \$332,129. These fire protection contracts represent approximately 26% of total revenue for the District.

NOTE 11 – 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, 2023, 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 12 – 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

DUNN'S CORNERS FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
May 31, 2023

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 14, 2023, the date which the financial statements were available to be issued. During the fiscal year ended May 31, 2023, the District applied for ARPA funding from the Town of Westerly and was awarded approximately \$32,000. As of the date of the financial statements, the District had not received the funds from the Town of Westerly.

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>			
Property taxes	\$ 836,083	\$ 832,160	\$ (3,923)
Interest and fees on taxes	-	19,933	19,933
Contracted services	331,742	332,129	387
Intergovernmental grant income	-	21,987	21,987
Fire details	-	1,872	1,872
Fire accident claims	4,000	2,413	(1,587)
Community building	6,000	8,177	2,177
Licenses and fees	6,000	15,197	9,197
Investment income	-	6,634	6,634
Insurance claim proceeds	-	2,656	2,656
TOTAL REVENUES	<u>\$ 1,183,825</u>	<u>\$ 1,243,158</u>	<u>59,333</u>

EXPENDITURES

Current:

Operating

Salaries and wages	338,600	303,019	35,581
Employment taxes and fringes	69,965	77,761	(7,796)
Fire department grant	15,000	15,072	(72)
Payroll processing fees	3,000	1,549	1,451
Dispatching service	14,900	14,660	240
Communications	13,500	13,276	224
Dues and memberships	8,850	8,152	698
Insurance	68,000	56,538	11,462
Maintenance supplies and equipment	58,000	53,122	4,878
Firefighter equipment	34,500	26,821	7,679
Apparatus maintenance	58,001	58,784	(783)
Fuel	17,200	19,275	(2,075)
Occupancy/Building maintenance	55,500	48,840	6,660
Training	29,000	30,383	(1,383)
EMS supplies	12,000	10,362	1,638
Audit and legal	15,700	11,045	4,655
Consultants and professional fees	5,340	4,914	426
Recruitment and retention	72,200	68,529	3,671
Fire hydrant rental	13,500	12,150	1,350

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>EXPENDITURES (CONTINUED)</u>			
Current:			
<i>Operating</i>			
Tax assessor/collector expenses	7,800	9,529	(1,729)
Grant expenses	-	27,956	(27,956)
Office expense	11,600	8,183	3,417
Information systems	9,000	7,979	1,021
Miscellaneous	11,569	7,938	3,631
<i>Debt Service</i>			
Principal	92,000	137,638	(45,638)
Interest	14,100	11,668	2,432
<i>Capital</i>			
Capital equipment	-	17,885	(17,885)
Contribution to Equipment Fund	60,000	60,000	-
Contribution to Truck Fund	45,000	45,000	-
Contribution to Building Fund	30,000	30,000	-
TOTAL EXPENDITURES	<u>1,183,825</u>	<u>1,198,028</u>	<u>(14,203)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ 45,130</u>	<u>\$ 45,130</u>

DUNN'S CORNERS FIRE DISTRICT
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 May 31, 2023

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	ARPA Grant Fund	Fire Prevention Fund	Memorial Fund	Equipment Fund	Building Fund	
<u>ASSETS</u>						
Due from other funds	\$ 75,448	\$ 43,862	\$ 4,585	\$ 138,363	\$ 137,637	\$ 399,895
TOTAL ASSETS	<u>\$ 75,448</u>	<u>\$ 43,862</u>	<u>\$ 4,585</u>	<u>\$ 138,363</u>	<u>\$ 137,637</u>	<u>\$ 399,895</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Unearned revenue	\$ 75,448	\$ -	\$ -	\$ -	\$ -	\$ 75,448
TOTAL LIABILITIES	<u>75,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,448</u>
Fund Balances:						
Assigned	-	43,862	-	-	-	43,862
Committed	-	-	4,585	138,363	137,637	280,585
TOTAL FUND BALANCES	<u>-</u>	<u>43,862</u>	<u>4,585</u>	<u>138,363</u>	<u>137,637</u>	<u>324,447</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 75,448</u>	<u>\$ 43,862</u>	<u>\$ 4,585</u>	<u>\$ 138,363</u>	<u>\$ 137,637</u>	<u>\$ 399,895</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, 2023

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	ARPA Grant Fund	Fire Prevention Fund	Memorial Fund	Equipment Fund	Building Fund	
<u>REVENUES</u>						
Intergovernmental grant income	\$ 17,552	\$ -	\$ -	\$ -	\$ -	\$ 17,552
Fire prevention	-	600	-	-	-	600
TOTAL REVENUES	<u>17,552</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,152</u>
<u>EXPENDITURES</u>						
Current:						
Fire prevention	-	27,071	-	-	-	27,071
Building maintenance	-	-	-	-	1,277	1,277
EMS supplies	1,763	-	-	-	-	1,763
Capital:						
Building improvements	-	-	-	-	14,365	14,365
EMS equipment	15,789	-	-	-	-	15,789
TOTAL EXPENDITURES	<u>17,552</u>	<u>27,071</u>	<u>-</u>	<u>-</u>	<u>15,642</u>	<u>60,265</u>
Excess of expenditures over revenues before other financing sources	<u>-</u>	<u>(26,471)</u>	<u>-</u>	<u>-</u>	<u>(15,642)</u>	<u>(42,113)</u>
<u>OTHER FINANCING SOURCES</u>						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>30,000</u>	<u>90,000</u>
Change in fund balances	-	(26,471)	-	60,000	14,358	47,887
FUND BALANCE - June 1, 2022	<u>-</u>	<u>70,333</u>	<u>4,585</u>	<u>78,363</u>	<u>123,279</u>	<u>276,560</u>
FUND BALANCE - May 31, 2023	<u>\$ -</u>	<u>\$ 43,862</u>	<u>\$ 4,585</u>	<u>\$ 138,363</u>	<u>\$ 137,637</u>	<u>\$ 324,447</u>

DUNN'S CORNERS FIRE DISTRICT
SCHEDULE OF PROPERTY TAXES RECEIVABLE
For the Year Ended May 31, 2023

FISCAL YEAR ENDED	BALANCE June 1, 2022	CURRENT YEAR ASSESSMENT	SUPPLEMENTAL ADDENDUMS (NET)	REFUNDS AND ADJUSTMENTS	ABATEMENTS AND ADJUSTMENTS	AMOUNT TO BE COLLECTED	CURRENT YEAR COLLECTIONS	BALANCE May 31, 2023	FY 2023 CASH COLLECTIONS SUMMARY			JUNE - JULY (FY24) CASH COLLECTIONS SUBJECT TO 60-DAY RULE
									JUNE - JULY 2022 COLLECTIONS SUBJECT TO 60-DAY RULE	AUGUST 2022 - MAY 2023 COLLECTIONS NOT SUBJECT TO 60-DAY RULE	TOTAL FY 2023 CASH COLLECTIONS	
2023	\$ -	\$ 836,083	\$ -	\$ -	\$ (34)	\$ 836,049	\$ 815,940	\$ 20,109	\$ -	\$ 815,940	\$ 815,940	\$ 6,776
2022	17,334	-	-	-	-	17,334	13,567	3,767	7,310	6,257	13,567	1,202
2021	3,511	-	-	-	-	3,511	1,658	1,853	514	1,144	1,658	841
2020	(569)	-	-	162	-	(407)	-	(407)	-	-	-	-
2019	(798)	-	-	514	(100)	(384)	-	(384)	-	-	-	-
2018	(32)	-	-	37	-	5	-	5	-	-	-	-
2017	(14)	-	-	-	-	(14)	-	(14)	-	-	-	-
2016	(92)	-	-	-	-	(92)	-	(92)	-	-	-	-
2015	129	-	-	-	(122)	7	-	7	-	-	-	-
2014	185	-	-	-	(180)	5	-	5	-	-	-	-
2013	(7)	-	-	-	(162)	(169)	-	(169)	-	-	-	-
2012	172	-	-	-	(167)	5	-	5	-	-	-	-
2011	152	-	-	-	(147)	5	-	5	-	-	-	-
2010	152	-	-	-	(147)	5	-	5	-	-	-	-
2009	98	-	-	-	(98)	-	-	-	-	-	-	-
2008	89	-	-	-	(89)	-	-	-	-	-	-	-
	20,310	\$ 836,083	\$ -	\$ 713	\$ (1,246)	\$ 855,860	\$ 831,165	24,695	\$ 7,824	\$ 823,341	\$ 831,165	\$ 8,819

Less: Allowance for Uncollectible Taxes

-	-
<u>\$ 20,310</u>	<u>\$ 24,695</u>

SCHEDULE OF NET ASSESSED PROPERTY VALUE BY CATEGORY
ASSESSED DECEMBER 31, 2021

DESCRIPTION OF PROPERTY	VALUATIONS	LEVY
Real property	\$ 2,053,782,472	
Exemptions	-	
Net Real Property	2,053,782,472	\$ 836,083
Tangible Personal Property	-	-
NET ASSESSED VALUE	\$ 2,053,782,472	\$ 836,083

RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE

Current year collections	\$ 831,165
Revenue collected within 60 days subsequent fiscal year ending May 31, 2023	8,819
Less prior year 60 day revenue rule collections	(7,824)
CURRENT YEAR PROPERTY TAX REVENUE	\$ 832,160

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, 2023, 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 14, 2023.

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 14, 2023