Roselli, Clark & Associates
Certified Public Accountants

COTUIT FIRE DISTRICT
COTUIT, MASSACHUSETTS

Report on Examination of the
Basic Financial Statements
and Additional Information
Year Ended June 30, 2023

COTUIT FIRE DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Honorable Prudential Committee
Cotuit Fire District

Opinion

We have audited the accompanying financial statements of the Cotuit Fire District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules listed under the required supplementary information section in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is the responsibility of management and is required by the Governmental Accounting Standards Board, who considers these 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.

Roselli Clark & Associates

Roselli, Clark & Associates
Certified Public Accountants
February 21, 2024

Management's Discussion and Analysis

As the management of the Cotuit Fire District (the District), we offer readers of the District's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with their review of the basic financial statements, notes to the basic financial statements and required supplementary information as listed in the table of contents.

Financial Highlights

- The assets and deferred outflows of financial resources exceeded its liabilities and deferred inflows of financial resources at the close of the most recent fiscal year by nearly $4.2 million (*total net position*).

- The District's total net position increased by nearly $0.6 million in the current fiscal year.

- At the close of the current fiscal year, the District's governmental funds balance sheet reported a combining ending fund balance surplus of over $3.0 million, which is consistent with the prior year. Total fund balance in the General Fund was approximately $2.3 million and the Capital Projects Fund balance was over $0.7 million.

- Of the ending fund balance in the District's governmental funds, approximately $1.6 million is *available for spending* at the government's discretion as *unassigned fund balance*.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was 37.1% of the total General Fund expenditures and the total General Fund balance was 50.0% of the total General Fund expenditures.

- The District's total general obligated bond and notes payable debt decreased by almost $0.3 million to approximately $2.7 million. This decrease was due to the normal, scheduled repayments of long-term debt obligations, during the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include prudential operations, fire operations, ambulance operations, water operations and debt service. The District does not have any business-type activities to report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into a single category – governmental funds.

Accounting guidelines distinguish fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts are reported in the following classifications:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventory or prepaid expenses) or (b) legally or contractually required to be maintained intact.
- Restricted – amounts constrained by external parties, constitutional provision, or enabling legislation.
- Committed – amounts constrained by a government using its highest level of decision-making authority.
- Assigned – amounts a government intends to use for a particular purpose.
- Unassigned – amounts that are not constrained at all will be reported in the General Fund or in other major funds if negative.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided in the basic financial statements to help the reader understand the differences, as indicted within the table of contents.

The District maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. This schedule has been prepared as required supplementary information and can be found along with the corresponding notes to the financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees as well as the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund.

Government-Wide Financial Analysis

The condensed comparative statements of net position are as follows:

	Governmental Activities	
	June 30	
	2023	2022
Assets:		
Current and other assets	$ 4,326,977	$ 3,659,072
Capital assets, net	7,929,352	8,047,800
Total assets	12,256,329	11,706,872
Deferred Outflows of Resources	1,343,655	499,739
Liabilities:		
Long term liabilities	7,651,787	6,365,519
Other liabilities	382,900	183,212
Total liabilities	8,034,687	6,548,731
Deferred Inflows of Resources	1,379,775	2,032,948
Net Position:		
Net investment in capital assets	5,416,784	5,786,690
Restricted	880,881	757,113
Unrestricted	(2,112,143)	(2,918,871)
Net Position	$ 4,185,522	$ 3,624,932

The condensed comparative statement of activities are as follows:

	Governmental Activities	
	June 30	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	$ 1,963,139	$ 1,418,812
Operating grants and contributions	102,376	104,224
General revenues:		
Property taxes	2,997,104	3,044,565
Other	97,276	27,561
Total revenues	5,159,895	4,595,162
Expenses:		
Prudential operations	1,255,210	1,100,671
Fire and ambulance operations	2,409,451	1,936,847
Water operations	893,512	656,145
Interest expense	41,132	10,230
Total expenses	4,599,305	3,703,893
Changes in net position	560,590	891,269
Net Position – beginning of the year	3,624,932	2,733,663
Net Position – end of the year	$ 4,185,522	$ 3,624,932

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The liabilities and deferred inflows of financial resources exceeded its assets and deferred outflows of financial resources at the close of the most recent fiscal year by approximately $4.2 million (*total net position*). The government's total net position increased by almost $0.6 million in the current fiscal year. The increase was primarily driven by positive operating results.

The largest portion (over $5.4 million) of the District's net position reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt (netted down by those amounts expected to be reimbursed by the Commonwealth) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (almost $0.9 million) represents resources that are subject to external restrictions on how they may be used. The remaining net position balance is made up of a deficit of over $2.1 million. The recognition of net pension and net other postemployment liabilities of over $4.6 million were directly responsible for this deficit. We expect the deficit will continue to increase until a more aggressive funding schedule is adopted.

Governmental Activities – Total revenues in fiscal year 2023 in the District's governmental activities were up approximately $0.6 million compared with the prior fiscal year. The District's largest revenue source is property taxes, which represent 58.1% of total fiscal year 2023 revenues. These decreased 1.6% over the prior year. Unlike municipalities, fire districts are exempt from the statutory provisions of proposition 2 ½ and may raise taxes to cover annual expenses appropriated at the District meeting without limitation thus the balance from year to year may be volatile.

Charges for services consist of water user charges and ambulance fees. This revenue source increased by over $0.5 million primarily due to increased water rates and water usage.

Other revenues and operating grants are not significant to the overall revenues.

Total expenses increased by approximately $0.9 million, primarily due to increased fire and ambulance expenses and pension expense. Fire and ambulance operations made up 52.4% of total expenses, prudential operations and water operations rounded out expenses and consisted of 27.3% and 19.4% of total expenses, respectively.

Governmental Funds Financial Analysis

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

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the District's governmental funds balance sheet reported a combined ending fund balance of over $3.0 million. Of the ending fund balance, approximately $1.6 million is *available for spending* at the government's discretion as *unassigned fund balance*. The remaining is earmarked for specific expenditures.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately $1.7 million, while total fund balance was approximately $2.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.1% of total General Fund expenditures, while total fund balance represents 50.0% of that same amount.

The District maintains a Capital Projects Fund which is restricted for capital projects. At June 30, 2023, the Capital Projects Fund had a surplus balance of over $0.7 million.

The remainder of the governmental funds are restricted for special revenue in the category of combined nonmajor funds. These are not significant to the overall operation.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were not significant. A budget to actual schedule for the General Fund has been provided as required supplementary information.

Capital Asset and Debt Administration

Capital Assets - At June 30, 2023, the District's investment in capital assets totaled over $7.9 million, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment and the total decreased over $0.1 million compared with the prior year as depreciation exceeded current year additions.

Additional information on the District capital assets can be found in Note II, Section D of this report.

Long-Term Debt - At the end of the current fiscal year, the District had total debt outstanding of approximately $2.7 million. The District's long-term debt decreased by almost $0.3 million due to normal, scheduled principal payments during fiscal year 2023.

Additional information on the District's debt can be found in Notes II, Sections E and F of this report.

Economic Factors and Next Year's Budgets and Rates

- District's real estate tax base is made up predominantly of residential taxes, which have consistently been above 97% of the entire levy and in 2024, assessments are expected to exceed $3.1 million.

- The housing market in which the District is located has been very strong for the past several years. This has been bolstered by mortgage rates at historic lows. Current actions by the Federal Open Market Committee to soften the economy due to inflation have caused mortgage rates to spike during fiscal year 2023. Such trends may have an adverse effect on the housing market, and the District is monitoring this in 2024.

- Inflation is peaking near 40-year historic highs. This is having adverse impacts on the District. Wage inflation cannot guarantee that the District will be able to maintain employees without increasing wages. Energy inflation is causing a spike in energy costs. Price inflation is causing a spike in the price of the delivery and cost of goods and services. The construction building index is nearing historic highs which may cause the estimates of major capital projects to increase, in addition to the financing costs of these projects. The District continues to monitor this situation

- The households in the District's region generate median household income at a higher rate than the state-wide and national averages.

These factors, amongst others, were considered in preparing the District's budget for the 2024 fiscal year which was adopted by District Meeting at the end of fiscal 2023.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Office of the Treasurer, 64 High Street, PO Box 1425 Cotuit, MA 02635.

COTUIT FIRE DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets		
Cash and cash equivalents	$	3,353,134
Receivables, net of allowance for uncollectible accounts:		
Property taxes		103,552
Water utility charges		380,482
Other		221,095
Lease receivable		228,212
Due from Town of Barnstable		40,502
Capital assets not being depreciated		1,667,770
Capital assets, net of accumulated depreciation		6,261,582
Total Assets		12,256,329
Deferred Outflows of Resources		
Related to Pensions		1,312,104
Related to OPEB		31,551
Total Deferred Outflows of Resources		1,343,655
Liabilities		
Warrants and accounts payable		39,268
Accrued payroll and withholdings		101,842
Accrued interest		21,346
Other liabilities		70,444
Bond anticipation notes payable		150,000
Noncurrent liabilities:		
Due within one year		417,756
Due in more than one year		7,234,031
Total Liabilities		8,034,687
Deferred Inflows of Resources		
Related to leases		228,212
Related to Pensions		233,582
Related to OPEB		917,981
Total Deferred Inflows of Resources		1,379,775
Net Position		
Net investment in capital assets		5,416,784
Restricted:		
Other purposes		880,881
Unrestricted		(2,112,143)
Total Net Position	**$**	**4,185,522**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
Prudential operations	$ 1,255,210	$ -	$ -	$ -	$ (1,255,210)
Fire operations	2,409,451	416,457	102,376	-	(1,890,618)
Water operations	893,512	1,546,682	-	-	653,170
Interest expense	41,132	-	-	-	(41,132)
Total Primary Government	$ 4,599,305	$ 1,963,139	$ 102,376	$ -	(2,533,790)
		General Revenues:			
		Real and personal property taxes			2,997,104
		Penalties and interest on taxes			28,933
		Unrestricted investment income			68,343
		Total general revenues			3,094,380
		Change in Net Position			560,590
		Net Position:			
		Beginning of year			3,624,932
		End of year			**$ 4,185,522**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,467,671	$ 882,880	$ 2,583	$ 3,353,134
Receivables, net of allowance:				
Property taxes	103,552	-	-	103,552
Water utility charges	380,482	-	-	380,482
Other	221,095	-	-	221,095
Leases	228,212	-	-	228,212
Due from Town of Barnstable	40,502	-	-	40,502
Total Assets	3,441,514	882,880	2,583	4,326,977
Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 3,441,514	$ 882,880	$ 2,583	$ 4,326,977
Liabilities				
Warrants and accounts payable	$ 39,268	$ -	$ -	$ 39,268
Accrued payroll and withholdings	101,842	-	-	101,842
Tax refund	67,965	-	-	67,965
Other liabilities	2,479	-	-	2,479
Short-term notes payable	-	150,000	-	150,000
Total Liabilities	211,554	150,000	-	361,554
Deferred Inflows of Resources				
Unavailable revenues - property taxes	193,786	-	-	193,786
Unavailable revenues - water user charges	380,482	-	-	380,482
Unavailable revenues - leases	228,212	-	-	228,212
Unavailable revenues - other	121,223	-	-	121,223
Total Deferred Inflows of Resources	923,703	-	-	923,703
Fund Balances				
Restricted	-	878,298	2,583	880,881
Assigned	595,286	-	-	595,286
Unassigned	1,710,971	(145,418)	-	1,565,553
Total Fund Balances	2,306,257	732,880	2,583	3,041,720
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 3,441,514**	**$ 882,880**	**$ 2,583**	**$ 4,326,977**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Governmental Fund Balances		**$ 3,041,720**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		7,929,352
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		923,703
Deferred outflows and inflows of resources to be recognized in future expense are not available resources and, therefore, are not reported in the funds:		
Deferred outflows related to net pension liability	1,312,104	
Deferred outflows related to net other postemployment benefits liability	31,551	
Deferred inflows related to leases	(228,212)	
Deferred inflows related to net pension liability	(233,582)	
Deferred inflows related to net other postemployment benefits liability	(917,981)	
Net effect of reporting deferred outflows and inflows of resources		(36,120)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the government funds:		
Bonds and notes payable	(2,724,208)	
Bond premium	(113,037)	
Compensated absences	(180,893)	
Accrued interest	(21,346)	
Net pension liability	(4,447,803)	
Net other postemployment liability	(185,846)	
Net effect of reporting long-term liabilities		(7,673,133)
Net Position of Governmental Activities		**$ 4,185,522**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 2,943,587	$ -	$ -	$ 2,943,587
Charges for utility services	1,422,647	-	-	1,422,647
Intergovernmental	45,911	-	56,465	102,376
Departmental and other revenue	437,549	3,600	1,200	442,349
Penalties and interest on taxes	28,933	-	-	28,933
Investment income	68,343	-	-	68,343
Contributions and donations	-	-	-	-
Total Revenues	4,946,970	3,600	57,665	5,008,235
Expenditures				
Current:				
Prudential operations	1,252,201	12,987	-	1,265,188
Fire and ambulance operations	2,266,427	155,054	56,465	2,477,946
Water operations	708,897	36,944	-	745,841
Debt service:				
Principal	292,632	-	-	292,632
Interest expense	94,479	-	-	94,479
Total Expenditures	4,614,636	204,985	56,465	4,876,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	332,334	(201,385)	1,200	132,149
Other Financing Sources (Uses)				
Transfers in	-	178,535	-	178,535
Transfers out	(178,535)	-	-	(178,535)
Total Other Financing Sources (Uses)	(178,535)	178,535	-	-
Net Change in Fund Balances	153,799	(22,850)	1,200	132,149
FUND BALANCES - Beginning of year	2,152,458	755,730	1,383	2,909,571
FUND BALANCES - End of year	**$ 2,306,257**	**$ 732,880**	**$ 2,583**	**$ 3,041,720**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Fund Balances		**$ 132,149**
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The net amounts are reflected here as reconcling items.		
Capital outlays	$ 257,278	
Depreciation expense	(375,726)	
Net effect of reporting capital assets		(118,448)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. The net amount presented here as a reconciling item represents the following differences:		
Amortization of premiums	50,502	
Repayments of debt	292,632	
Net effect of long-term debt		343,134
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and changes in Fund Balances. Therefore, the recognition of revenue for various tyes of accounts receivable differ between the two statements. The amount presented represents the following differences derived from unavailable revenue.		151,660
In the Statement of Activities, interest is accrued on outstanding long-term debt; whereas in governmental funds interest is not reported until due. The net amount presented here as a reconciling item represents the difference in accruals between this year and the prior year.		2,845
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Compensated absences		10,587
Net pension liability		(220,312)
Net other postemployment liability		258,975
Change in Net Position of Governmental Activities		**$ 560,590**

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Other Postemployment Benefits Trust Fund
Assets	
Pooled funds	$ 2,034,437
Total Assets	2,034,437
Net Position	
Held in trust for other postemployment benefits	2,034,437
Total Net Position	$ 2,034,437

See accompanying notes to basic financial statements.

COTUIT FIRE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2023

	Other Postemployment Benefits Trust Fund
Additions	
Contributions:	
Employer	$ 136,127
Total contributions	136,127
Investment income:	
Investment income (loss)	199,113
Total Additions	335,240
Deductions	
Benefits paid	95,707
Total Deductions	95,707
Change in Net Position	239,533
NET POSITION - Beginning of Year	1,794,904
NET POSITION - End of Year	$ 2,034,437

See accompanying notes to basic financial statements.

I. Summary of Significant Accounting Policies

The accompanying basic financial statements of the Cotuit Fire District (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to state and local governments. GAAP is prescribed by the Governmental Accounting Standards Board ("GASB"), which is the primary standard-setting body for state and local governmental entities. The following is a summary of the more significant policies and practices used by the District:

A. Reporting Entity

The District was organized by special acts of the Massachusetts General Court in 1926 and is located in the Cotuit, a village in Barnstable, Massachusetts within Barnstable County. The operations of the District are managed by an elected three-member Prudential Committee. The District provides general governmental services to its residents, including public water supply, street lighting, construction and maintenance of sidewalks, fire-prevention resources, extinguishment of fires, and emergency medical care, rescue and ambulance services to the residences of the Town of Cotuit, Massachusetts.

Component units, while separate entities, are in substance part of the governmental operations if the significance of their operations and/or financial relationship with the District meet certain criteria. Pursuant to these criteria there are no component units required to be included in the financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The primary government reports no business-type activities in these statements.

Separate financial statements are provided for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statement. The primary government reports no fiduciary fund activities in these statements.

Major individual government funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

<u>Major Fund Criteria</u> – Major funds must be reported if both of the following criteria are met:

1) The total assets and deferred outflows of financial resources, liabilities and deferred inflows of financial resources, revenues, or expenditures/expenses of an individual governmental are at least ten percent of the corresponding element for all funds of that category or type, and

2) The total assets and deferred outflows of financial resources, liabilities and deferred inflows of financial resources, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. For the most part, the effect of interfund activity has been removed from the government-wide financial statements.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e. measurable and available). Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when it is due, certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

The District applies the susceptible to accrual criteria to intergovernmental revenues. In applying the susceptible to accrual concept, there are two types of revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized as expenditures are incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues when cash is received, or earlier if the susceptible to accrual criteria are met. State aid is accrued as revenue in the year that the funds are appropriated by the Commonwealth of Massachusetts (the “Commonwealth”).

The District considers property tax revenues to be available if they are collected within sixty days after the end of the fiscal year and are material. Investment income associated with the current fiscal period is susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received and are recognized as revenue at that time.

The government reports the following major governmental funds:

General Fund – is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in other funds.

Capital Projects Fund – is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital of major capital facilities.

N*onmajor governmental funds* - consist of special revenue and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds' financial statements. The following describes the general use of these fund types:

S*pecial Revenue Funds* - are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Permanent Funds - are used to account for financial resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity

Deposits and Investments – The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are recorded at fair value in accordance with GAAP.

Receivables – Real estate and personal property taxes are assessed on January 1 every year. Bills are sent quarterly and are due on August 1, November 1, February 1, and May 1, or thirty days subsequent to the mailing date. Interest accrues on delinquent taxes at the rate of 14% per annum. Property taxes levied are recorded as receivables in the fiscal year of the levy.
Real estate taxes are secured through a lien process in the second quarter of the following fiscal year and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts for these receivables is not reported. All personal property tax receivables are shown net of an allowance for uncollectible accounts comprised of those outstanding amounts greater than five years old. Departmental and other receivables primarily consist of ambulance receivables and are shown net of an allowance for uncollectible balances based on historical trends and specific account analysis.

Lease receivables are measured at the present value of lease payments expected to be received during the lease terms. The payments are recorded as an inflow of resources in the period the payments are received. Deferred inflows are recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized using the effective interest method over the terms of the leases.

Inventories and Prepaid Items – Inventories, which are not material to the basic financial statements, are considered to be expenditures at the time of purchase. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and governmental fund financial statements.

Capital Assets – Capital assets, which include land; buildings and improvements; equipment, machinery; and vehicles and infrastructure (e.g. water lines and facilities, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of $5,000 are capitalized at the date of acquisition or construction, respectively, with expected lives of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets (excluding land and construction-in-process) are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years
Buildings and improvements	40 years
Equipment, machinery, and vehicles	5 to 15 years

Interfund Balances – Activity between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as either *due to/from other funds* or *advances to/from other funds*. All other outstanding balances between funds are reported as due to/from other funds.

Interfund Transfers – During the course of the District's operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out in the individual fund statements.

Investment Income – Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the General Fund unless otherwise directed by state law.

Compensated Absences – The District's policy is to permit full time employees to utilize vacation and sick-pay benefits. Employees are allowed to carry over consistent with collective bargaining agreements. A provision for amounts earned but not used has been accrued as compensated absences as of the fiscal year end.

Long-Term Obligations – Long-term debt is reported as liabilities in the government-wide statement of net position. Bond premiums and discounts, in addition to issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond anticipation notes payable and other short-term debt instruments are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, the face amount of long-term debt issued is reported as other financing sources. Premiums received on a debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are exclusively reported as general government expenditures regardless of whether they are withheld from the actual proceeds.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of financial resources. This separate financial statement element, *deferred outflows of financial resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The District has two types of items that qualify for reporting as deferred outflow of resources reported on the government-wide statement of net position that relate to outflows from charges in the net pension liability and net other postemployment benefit liability. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of financial resources. This separate financial statement element, *deferred inflows of financial resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports four types of deferred inflows. The first arises only under modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, water usage charges, ambulance services, and leases. The other items are reported on the government-wide statement of net position and relates to inflows from leases, from changes in the net pension liability and the net other postemployment benefit liability. The deferred lease revenues will be recognized in charges for services and investment income in future years as more fully described in Note II, subsection B. The deferred pensions will be recognized in pension expense in future years as more fully described in Note III, subsection A. The deferred other postemployment benefits will be recognized in employee benefits expense in future years as more fully described in Note III, subsection B.

<u>*Net Position*</u> – In the government-wide financial statements, net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt and are not considered to be capital related debt.

Net position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific use. Net position has been *restricted for* the following:

> *Other purposes* represent funds that are restricted by donors and state laws for specific governmental programs and uses.

<u>*Fund Equity*</u> – In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent in which the District is required to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned as described below:

> *Non-spendable* represents amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventory or prepaid expenses) or (b) legally or contractually required to be maintained intact such as the corpus of an endowment.

> *Restricted* represents amounts that have constraints placed either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which consists of the District Meeting members through District Meeting votes. Those committed amounts cannot be used for any other purpose unless the District Meeting removes or changes the specified use by taking the same type of action (through District Meeting votes) it employed previously to commit those amounts.

Assigned represents amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The authority for assigning fund balance is expressed by the District Meeting, Prudential Committee or their designee.

Unassigned represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund and the nonmajor funds. The General Fund and nonmajor funds are the only funds that report positive unassigned fund balance amounts. Other governmental funds besides the General Fund can report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the District's policy to use committed resources first, then assigned, and then unassigned as they are needed. The District has not established financial policies with respect to maintaining minimum fund balance amounts.

The following table reflects the District's fund equity categorizations:

	General	Capital Projects	Nonmajor Governmental Funds	Total
Restricted:				
Fire operations	$ -	$ 77,461	$ 2,583	$ 80,044
Prudential operations	-	294,113	-	294,113
Water	-	506,724	-	506,724
Assigned:				
Fire operations	12,458	-	-	12,458
Prudential operations	2,533	-	-	2,533
Water	45,163	-	-	45,163
Subsequent year	535,132	-	-	535,132
Unassigned	1,710,971	(145,418)	-	1,565,553
Totals	$ 2,306,257	$ 732,880	$ 2,583	$ 3,041,720

Stabilization Fund – The District maintains a general stabilization fund that may be used for any District purpose, which requires a two-thirds vote of a District Meeting to appropriate. The balance of the fund totaled $831,152 on June 30, 2023 and was reported as part of the unassigned fund balance in the General Fund.

Encumbrances - The District's encumbrance policy regarding the General Fund is to (1) classify encumbrances that arise from the issuance of purchase orders resulting from normal purchasing activity approved by the District Accountant as assigned, and (2) classify encumbrances that result from an action of the District Meeting as committed. Encumbrances of funds already restricted or committed are included within the classification of those fund balances and not reported separately. The District reports $60,154 of encumbrances from normal purchasing activity as assigned in the General Fund. There are no encumbrances reported in any other fund.

E. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

II. Detailed Notes to All Funds

A. Deposits and Investments

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as *cash and cash equivalents*. The deposits and investments of trust funds are held separately from those of other funds.

State laws and regulations require the District to invest funds only in pre-approved investment instruments which include but are not necessarily limited to bank deposits, money markets, certificates of deposit, U.S. obligations, repurchase agreements, and State Treasurer's investment pool (the "Pool"). In addition, the statutes impose various limitations on the amount and length of investments and deposits. Repurchase agreements cannot be for a period of over ninety days, and the underlying security must be a United States obligation. During the fiscal year, the District did not enter into any repurchase agreements.

Custodial Credit Risk: Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk relative to cash holdings. At year-end, the carrying amount of the District's deposits was $3,353,137 and the bank balance was $3,392,797, which was covered by federal depository insurance or the depositors' insurance fund.

The District invests in the Plymouth County OPEB Trust (PCOT), which is considered an irrevocable trust. At June 30, 2023, investments held with PCOT was $2,034,437. The District has its own separate trust account and assets are pooled for investment purposes only. The PCOT investment committee works with U.S. Bank and manages the investment pool, which is comprised of fixed income and equity mutual funds. All underlying investments are considered level 1 investments. Disbursements are allowable only for retiree healthcare expenditures or actuarial valuations for OPEB purposes.

Custodial Credit Risk: Investments – In the case of investments, this is the risk that in the event of a invested party not being able to provide required payments to investors, ceasing to exist, or filing of bankruptcy, the District may not be able to recover the full amount of its principal investment and/or investment earnings. The District has not developed formal policies to mitigate custodial credit risk with respect to investments.

Fair Value of Investments – The District reports its investments at fair value. When actively quoted observable prices are not available, the District generally uses either implied pricing from similar investments or valuation models based on net present values of estimated future cash flows (adjusted as appropriate for liquidity, credit, market and/or other risk factors).

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. This hierarchy is based on valuation inputs used to measure the fair value of the asset or liability. The three levels of the hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical investments at the measurement date.

- *Level 2* – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the investment through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

- Level 3 – Inputs reflect the District's best estimate of what market participants would use in pricing the investment at the measurement date.

The remaining investments not categorized under the fair value hierarch as shown as being valued at either amortized cost or at net asset value ("NAV"). These are investments in non-governmental entities for which readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The District did not report any investments carried at fair value on a recurring basis in the statement of net position at June 30, 2023.

Interest Rate Risk: Deposits – Such risk is reduced by the fact that the District maintains such funds in highly liquid bank accounts; thereby, allowing for timely re-allocation of such holdings should the need arise.

Interest Rate Risk: Investments – Debt securities are subject to interest rate risk. Such securities may be adversely affected by changes in interest rates, which may negatively affect the fair value of individual debt instruments, through fair value losses arising from increasing interest rates. The District does not have formal investment policies related to interest rate risk.

Concentration of Credit Risk – Exposure from this risk is relative to the diversity of investment holdings by the District, and the potential significant loss that could be realized should the invested party or parties fail or are unable to meet its or their obligations to investors. The District does not place a limit on the amount that may be invested in any one issuer. The District does not maintain balances in any single investment that would represent more than 5% of the District's total investments.

Concentration of Credit Risk – The District has not adopted a formal policy related to credit risk.

B. Receivables

Receivables as of year-end for the District's individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes	$ 103,552	$ -	$ 103,552
Tax liens and deferrals	140,374	-	140,374
Water user charges	380,482	-	380,482
Ambulance fees	80,721	-	80,721
Leases	228,212	-	228,212
Intergovernmental receivables	40,502	-	40,502
Total	$ 973,843	$ -	$ 973,843

Governmental funds report unavailable revenues in connections with receivables for revenues that are considered unavailable to liquidate liabilities of the current period. The following identifies the components of deferred inflows of resources in the governmental funds.

	General Fund	Net Amount
Receivable type:		
Real estate and personal property taxes	$ 193,786	$ 193,786
Water user charges	380,482	380,482
Ambulance fees	80,721	80,721
Leases	228,212	228,212
Intergovernmental receivables	40,502	40,502
Total	$ 923,703	$ 923,703

Leases – The Town has entered into an agreement for an option and ground lease at 414 Main Street, Village of Cotuit, Barnstable MA to erect a wireless communications facility. Under the agreement, the lessee pays the District annual base fees of $42,000, increasing 3% per year, for a term of five years ending in fiscal year 2023. During fiscal year 2023, the district exercised its option to renew the lease for another five years through fiscal year 2028. The lease receivable is measured as the present value of the future minimum payments expected to be received during the lease terms at a discount rate of 4.92%. In fiscal year 2023, the Town recognized $46,649 of lease revenue and $859 of interest revenue under the lease.

C. Interfund Receivables, Payables and Transfers

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

Transfers Out	Transfers In: Capital Projects Fund	Total	
General Fund	$ 182,135	$ 182,135	(1)
Total	$ 182,135	$ 182,135	

(1) Transfer to capital project to fund projects.

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 1,537,500	$ -	$ -	$ 1,537,500
Construction in process	71,342	204,346	(145,418)	130,270
Total capital assets not being depreciated	1,608,842	204,346	(145,418)	1,667,770
Capital assets being depreciated:				
Buildings and improvements	1,502,242	-	-	1,502,242
Equipment, machinery and vehicles	2,352,340	198,350	(43,313)	2,507,377
Infrastructure	6,700,582	-	-	6,700,582
Total capital assets being depreciated	10,555,164	198,350	(43,313)	10,710,201
Less accumulated depreciation for:				
Buildings and improvements	(997,326)	(50,114)	-	(1,047,440)
Equipment, machinery and vehicles	(1,580,528)	(128,238)	43,313	(1,665,453)
Infrastructure	(1,538,352)	(197,374)	-	(1,735,726)
Total accumulated depreciation	(4,116,206)	(375,726)	43,313	(4,448,619)
Total capital assets being depreciated, net	6,438,958	(177,376)	-	6,261,582
Total governmental activities capital assets, net	$ 8,047,800	$ 26,970	$ (145,418)	$ 7,929,352

For the fiscal year ended June 30, 2023, depreciation expense was charged to functions/programs as follows:

Governmental Activities:		
Fire operations	$	122,859
Water operations		252,867
Total governmental activities	$	375,726

E. Temporary Debt

The District is authorized to borrow on a temporary basis to fund the following:

Current Operating Costs – Prior to the collection of revenues, expenditures may be financed through the issuance of revenue (RANS) or tax anticipation notes (TANS).

Capital Projects and Other Approved Costs – Projects may be temporarily funded through the issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS). In certain cases, prior to the issuance of these temporary notes, the governing body must take the necessary legal steps to authorize the issuance of the general obligation bonds. Temporary notes may not exceed the aggregate amount of bonds authorized or the grant award amount.

Temporary notes are general obligations of the District and generally carry maturity dates of less than one year and are interest bearing and will be paid through future issuance of general obligation bonds.

The District had the following short term debt outstanding as of June 30, 2023:

Type	Interest Rate	Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance
BAN	4.75%	6/6/24	$ -	$ 150,000	$ -	$ 150,000
Total Short Term Notes Payable			$ -	$ 150,000	$ -	$ 150,000

The bond anticipation notes funded $75,000 for an ambulance and $75,000 for a service truck.

F. Long–Term Obligations

The District issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. Additionally, the District incurs various other long-term obligations relative to associated personnel costs.

State law permits the District, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5.0 percent of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." The District may authorize debt in excess of that limit for specific purposes, such as debt when issued, is designated as being "outside the debt limit".

The following reflects the current year activity in the long-term liability accounts:

Description of Liability	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
General obligation bonds	$ 1,280,000	$ -	$ (240,000)	$ 1,040,000	$ 235,000
Direct placements and borrowings	1,736,840	-	(52,632)	1,684,208	52,632
Debt premium	163,539	-	(50,502)	113,037	39,677
Compensated absences	191,480	85,153	(95,740)	180,893	90,447
Net pension liability	2,410,439	2,688,551	(651,187)	4,447,803	-
Net OPEB liability	583,221	779,581	(1,176,956)	185,846	-
Total Long-Term Liabilities	$ 6,365,519	$ 3,553,285	$ (2,267,017)	$ 7,651,787	$ 417,756

The governmental activities liabilities will be liquidated by the General Fund.

General obligation bonds and notes payable outstanding on June 30, 2023 were as follows:

Description of Issue	Interest Rate	Beginning Balance	Additions	Maturities	Ending Balance
General refunding obligation bonds	2.0 - 5.0%	$ 1,280,000	$ -	$ (240,000)	$ 1,040,000
Direct borrowings and placements	2.25%	1,736,840	-	(52,632)	1,684,208
Total Long-Term Debt Obligations		$ 3,016,840	$ -	$ (292,632)	$ 2,724,208

Payments on outstanding general obligation bonds and notes payable due in future years consist of the following:

Year Ending	General Obligation Bonds		Direct Borrowings and Placements	
June 30	Principal	Interest	Principal	Interest
2024	$ 235,000	$ 43,525	$ 52,632	$ 37,895
2025	230,000	31,900	52,632	36,710
2026	225,000	20,525	52,632	35,526
2027	90,000	12,650	52,632	34,342
2028	90,000	8,600	52,632	33,158
2029 - 2033	170,000	6,800	263,160	148,026
2034 - 2038	-	-	263,160	118,420
2039 - 2043	-	-	263,160	88,815
2044 - 2048	-	-	263,160	59,209
2049 - 2053	-	-	263,160	29,604
2054 - 2055	-	-	105,248	3,552
Total	$ 1,040,000	$ 124,000	$ 1,684,208	$ 625,257

Authorized and Unissued Debt – At June 30, 2023, the District had $270,000 of authorized and unissued debt for the purchase of an Ambulance.

III. Other Information

A. Retirement System

Plan Description – The District contributes to the Barnstable County Retirement Association (the System), a cost-sharing multiple-employer defined benefit pension plan established under Chapter 32 of the Commonwealth of Massachusetts General Laws (MGL) and administered by the Barnstable County Retirement Board. Stand-alone audited financial statements for the year ended December 31, 2022, were issued and may be obtained by writing to the Barnstable County Retirement Association, 750 Attucks Lane, Hyannis MA 02601.

Membership – Membership in the System as of December 31, 2022, was as follows:

Retired participants and beneficiaries receiving benefits	3,739
Inactive participants entitled to a return of their employee contributions	1,280
Active participants	4,986
Total	10,005

Benefit Terms – The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund directly. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

Membership in the System is mandatory for all full-time employees and non-seasonal, part-time employees who, in general, regularly work more than twenty hours per week. Members of the System do not participate in the federal Social Security retirement system.

Massachusetts contributory retirement system benefits are uniform from retirement system to retirement system. The System provides for retirement allowance benefits up to a maximum of 80% of a participant's highest three-year or five-year average annual rate of regular compensation, depending on the participant's date of hire. Benefit payments are based upon a participant's age, length of creditable service, level of compensation and job classification.

Contributions Requirements – The System has elected provisions of Chapter 32, Section 22D (as amended) of Massachusetts General Laws, which require that a funding schedule be established to fully fund the pension plan by June 30, 2040. Under provisions of this law, participating employers are assessed their share of the total retirement cost based on the entry age, normal actuarial cost method.

The District contributed $417,605 to the System in fiscal year 2023, which was the actuarially determined contribution requirement for the fiscal year and represented 23.2% of covered payroll.

Net Pension Liability – At June 30, 2023, the District reported a liability of $4,447,803 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

The District's proportion of the net pension liability is based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all employers. The District's proportion was approximately 0.54% at December 31, 2022.

Actuarial Valuation – The measurement of the System's total pension liability is developed by an independent actuary. The latest actuarial valuation was performed as of January 1, 2022 and included the following significant assumptions:

Investment rate of return	Full prefunding: 6.90% per year, net of investment expenses
Discount Rate	6.90%
Salary Increases	3.25%
Cost of Living Adjustment	3% of first $18,000
Pre-Retirement Mortality	RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021
Post-Retirement Mortality	RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021
Disabled Mortality	RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021

There was no significant changes in assumption between fiscal year 2023 and 2022.

Pension Expense – The District recognized $637,917 in pension expense in the statement of activities in fiscal year 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings	$ 491,073	$ -
Changes in assumptions	234,462	-
Changes in proportion differences	586,569	-
Differences between expected and actual experience	-	13,844
Changes in proportion differences	-	219,738
	$ 1,312,104	$ 233,582

The deferred outflows of resources and deferred inflows of resources are expected to be recognized in the District's pension expense as follows:

Year Ended June 30,	Amount
2024	$ 118,913
2025	208,104
2026	221,799
2027	419,259
2028	110,447
Total	$ 1,078,522

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed plan member contributions were made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates and the member rate.

Based on those assumptions, the Retirement System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocations and best estimates of arithmetic real returns for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Investment Rate of Return
Domestic Equity	20.50%	6.59%
International Equity	12.00%	6.87%
International Emerging Markets	4.50%	8.30%
Core fixed income	15.00%	1.53%
High Yield Fixed Income	8.00%	3.54%
Real Estate	10.00%	3.44%
Commodities	4.00%	4.01%
Hedge Fund, GTAA, Risk Parity	10.00%	3.06%
Private Equity	16.00%	9.49%
	100.00%	

Sensitivity Analysis – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90% as well as the District's proportionate share of the net pension liability using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		Discount Rate		
	Current Rate	1% Lower	Current	1% Greater
Net Pension Liability	6.90%	$ 5,870,445	$ 4,447,803	$ 3,251,019

B. Other Postemployment Benefits

The District administers a single employer defined benefit healthcare plan (the "OPEB Plan"). The OPEB Plan provides health, dental and life insurance benefits (other postemployment benefits) to current and future retirees, their dependents and beneficiaries in accordance with Section 20 of Massachusetts General Law Chapter 32B.

Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law and District ordinance. All benefits are provided through the District's premium-based insurance program. The OPEB Plan does not issue an audited stand-alone financial report and is presented as a fiduciary fund in the District's financial statements.

Employees Covered by Benefit Terms – The following employees were covered by the benefit terms as of June 30, 2023:

Active employees	13
Inactive employees	14
Total	27

Contributions – The contribution requirements of OPEB Plan members and the District are established and may be amended by the District. Retirees contribute 20% of the set premium for medical insurance. The remainder of the cost is funded by general revenues of the District.

The District currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the OPEB Plan are paid by the District..

Net OPEB Liability – The District's net OPEB liability was measured as of June 30, 2023, using an actuarial valuation as of June 30, 2022. The components of the net OPEB liability of the District as of June 30, 2023 were as follows:

Total OPEB Liability	$	2,220,283
Plan fiduciary net position		(2,034,437)
Net OPEB liability	$	185,846
Plan fiduciary net position as a percentage of the total OPEB liability		91.6%

The total OPEB liability in the most recent actuarial valuation was determined using the following key actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	7.0%, net of OPEB plan investment expense including inflation.
Discount Rate	7.0%, net of OPEB plan investment expense including inflation.
Inflation	3.25% annually
Health Care Trend Rate	7.0% decreasing to 4.5%
Salary Increases	3.25% annually
Pre-Retirement Mortality	RP-2014; blue collar employee mortality table projected generationally with scale MP-2021
Post-Retirement Mortality	RP-2014; blue collar healthy annuitant mortality table projected generationally with scale MP-2021
Disabled Mortality	RP-2014; blue collar healthy annuitant mortality table set forward one year projected generationally with scale MP-2021
Actuarial Cost Method	Individual entry age normal

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0%. There were no significant changes in assumptions from the prior year.

Long Term Expected Rate of Return – The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return were as reflected in the following table:

Asset Class	Expected Investment Rate of Return
Domestic Equity	6.59%
International Equity - Developed Market	6.87%
International Equity - Emerging Market	8.30%
Core Fixed Income	1.53%
High yield fixed income	3.54%
Real Estate	3.44%
Commodities	4.01%
Hedge fund, GTAA, Risk parity	3.06%
Private equity	9.49%

Sensitivity Analyses – The following presents the District's net OPEB liability as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate as well as if the healthcare cost trend rates are 1% lower or higher than the current healthcare cost trend rates:

	Discount Rate			
	Current	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	7.00%	$ 462,286	$ 185,846	$ (42,899)

	Healthcare Trend Rate			
	Current	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	6.75% decreasing to 4.5%	$ (93,548)	$ 185,846	$ 533,605

Changes in the Net OPEB Liability – The following table summarizes the changes in the net OPEB liability for the year ended June 30, 2023:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$ 2,378,125	$ 1,794,904	$ 583,221
Changes for the year:			
Service cost	82,644	-	82,644
Interest	168,961	-	168,961
Investment income	-	199,113	(199,113)
Difference between expected and actual experience	(162,192)	-	(162,192)
Change in assumptions	(151,548)	-	(151,548)
Employer contributions	-	136,127	(136,127)
Benefit payments withdrawn	-	(95,707)	95,707
Benefit payments	(95,707)	-	(95,707)
Net changes	(157,842)	239,533	(397,375)
Balances at June 30, 2023	$ 2,220,283	$ 2,034,437	$ 185,846

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized OPEB income of $122,848. Deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2023 were reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 369,906
Differences between projected and actual earnings	31,551	-
Differences between actual and expected experience	-	548,075
	$ 31,551	$ 917,981

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30	
2024	$ (250,689)
2025	(226,456)
2026	(131,701)
2027	(187,944)
2028	(44,820)
thereafter	(44,820)
	$ (886,430)

Investment Custody – In accordance with Massachusetts General Laws, the District Treasurer is the custodian of the OPEB Plan and since the District has not designated a Board of Trustees, the District Treasurer is also the Trustee and as such is responsible for the general supervision of the management, investment and reinvestment of the OPEB Plan assets. OPEB Plan assets may be invested and reinvested by the custodian consistent with the prudent investor rule established in Chapter 203C and may, with the approval of the State Retiree Benefits Trust Fund Board of Trustees, be invested in the State Retiree Benefits Trust Fund established in Section 24 of Chapter 32A. OPEB Plan assets must be segregated from other funds and not be subject to the claims of any general creditor of the District.

Investment Policy – The OPEB Plan follows the same investment policies that apply to all other District Trust funds. Notably it can be invested in accordance with State Statutes that govern Trust investments including PRIM which is an external investment pool managed by the State.

Investment Rate of Return – For the year ended June 30, 2023 the annual money-weighted rate of return on investments, net of investment expense, was 9.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Risk Financing

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. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

D. Commitments and Contingencies

The District is party to certain legal claims, which are subject to many uncertainties, and the outcome of individual litigation matters is not always predictable with assurance. Although the amount of liability, if any, at June 30, 2023, cannot be determined, District management believes that any resulting liability, if any, should not materially affect the basic financial statements of the District at June 30, 2023.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is subject to certain Federal arbitrage laws in regarding its long-term borrowing agreements. Failure to comply with the rules could result in payments of penalties. The amount of penalties, if any, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

IV. Implementation of New GASB Pronouncements

Current Year Implementations –

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement was to standardize the reporting of conduit debt obligations by issuers by clarifying the existing definition of conduit debt obligation, among other matters. As amended, the provisions of this Statement became effective for financial reporting periods beginning after December 15, 2021 (fiscal year 2023). The adoption of this standard did not have a material impact on the District's financial statements.

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement was to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The provisions of this Statement became effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The adoption of this standard did not have a material impact on the District's financial statements.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of this Statement was to address accounting for subscription-based information technology arrangements to government end users based on the standards established in Statement No. 87, as amended. The provisions of this Statement became effective for financial reporting periods beginning after June 15, 2022 (fiscal year 2023). The adoption of this standard did not have a material impact on the District's financial statements.

Future Implementations –

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for decision making or assessing accountability. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2023 (fiscal year 2024). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for financial reporting periods beginning after December 15, 2023 (fiscal year 2025). The District is currently evaluating whether adoption will have a material impact on the financial statements.

In December 2023, the GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or restraints. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2024 (fiscal year 2025). The District is currently evaluating whether adoption will have a material impact on the financial statements.

COTUIT FIRE DISTRICT, MASSACHUSETTS

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
YEARS ENDED JUNE 30, 2023

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended December 31,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.54%	$ 4,447,803	$ 1,797,323	247.47%	63.77%
2021	0.44%	2,410,439	1,415,787	170.25%	75.07%
2020	0.48%	3,301,522	1,532,015	215.50%	66.82%
2019	0.49%	3,659,612	1,498,107	244.28%	62.34%
2018	0.48%	3,769,183	1,415,729	266.24%	57.63%
2017	0.47%	3,180,421	1,330,401	239.06%	61.86%
2016	0.43%	3,013,475	1,213,528	248.32%	57.28%
2015	0.41%	2,578,353	1,991,584	129.46%	58.10%
2014	0.46%	2,581,550	1,199,394	215.24%	60.43%

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PENSION PLAN

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	$ 417,605	$ 417,605	-	$ 1,824,283	22.89%
2022	322,863	322,863	-	1,437,024	22.47%
2021	332,441	332,441	-	1,554,995	21.38%
2020	320,715	322,052	(1,337)	1,520,579	21.18%
2019	299,765	299,765	-	1,436,965	20.86%
2018	278,935	278,935	-	1,350,357	20.66%
2017	243,122	243,122	-	1,231,731	19.74%
2016	221,138	221,138	-	2,021,458	10.94%
2015	242,702	242,702	-	1,217,385	19.94%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years in which information is available.

See accompanying independent auditors' report.

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	$ 82,644	$ 79,923	$ 93,348	$ 97,413	$ 102,549	$ 99,756	$ 101,441
Interest	168,961	159,160	209,986	210,871	195,918	186,989	176,971
Change in assumptions	(151,548)	-	(238,059)	(191,569)	18,415	(28,068)	(83,204)
Difference between expected and actual plan experience	(162,192)	-	(662,936)	-	(189,568)	-	-
Benefit payments	(95,707)	(107,669)	(122,087)	(130,572)	(170,650)	(148,413)	(142,022)
Net change in total OPEB liability	(157,842)	131,414	(719,748)	(13,857)	(43,336)	110,264	53,186
Total OPEB liability - beginning of year	2,378,125	2,246,711	2,966,459	2,980,316	3,023,652	2,913,388	2,860,202
Total OPEB liability - end of year (a)	$ 2,220,283	$ 2,378,125	$ 2,246,711	$ 2,966,459	$ 2,980,316	$ 3,023,652	$ 2,913,388
Plan fiduciary net position:							
Contributions - employer	$ 136,127	$ 347,269	$ 246,087	$ 271,053	$ 545,650	$ 348,413	$ 237,438
Net investment income	199,113	(281,115)	515,668	29,833	39,486	61,381	(8,097)
Benefit payments	(95,707)	(107,669)	(122,087)	(130,572)	(170,650)	(148,413)	(142,022)
Net change in Plan fiduciary net position	239,533	(41,515)	639,668	170,314	414,486	261,381	87,319
Plan fiduciary net position - beginning of year	1,794,904	1,836,419	1,196,751	1,026,437	611,951	350,570	263,251
Plan fiduciary net position - end of year (b)	$ 2,034,437	$ 1,794,904	$ 1,836,419	$ 1,196,751	$ 1,026,437	$ 611,951	$ 350,570
Net OPEB liability - end of year (a) - (b)	$ 185,846	$ 583,221	$ 410,292	$ 1,769,708	$ 1,953,879	$ 2,411,701	$ 2,562,818
Plan fiduciary net position as a percentage of the total OPEB liability	91.63%	75.48%	81.74%	40.34%	34.44%	20.24%	12.03%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See independent auditors' report.

COTUIT FIRE DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
YEAR ENDED JUNE 30, 2023

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Actuarially-determined contribution	$ 115,412	$ 141,108	$ 136,547	$ 231,381	$ 224,098	$ 219,931
Contributions in relation to the actuarially-determined contribution	(136,127)	(347,269)	(246,087)	(271,053)	(545,650)	(348,413)
Contribution deficiency (excess)	$ (20,715)	$ (206,161)	$ (109,540)	$ (39,672)	$ (321,552)	$ (128,482)
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Valuation Date	June 30, 2022
Amortization Period	24 years
Investment rate of return	7.00%
Single Equivalent Discount Rate	7.00%
Inflation	3.25%
Salary increases	3.25%
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value of Assets as of Reporting Date

SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	9.09%	-15.46%	34.00%	2.70%	5.90%	11.39%

Note: This schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years in which information is available.

See independent auditors' report.

COTUIT FIRE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual		Actual	Variance
	Original Budget	Final Budget	Budgetary Amounts	Encumbrances	Budgetary Adjusted	Positive (Negative)
REVENUES						
Real estate and personal property taxes, net	$ 2,926,316	2,926,316	$ 2,860,977	$ -	$ 2,860,977	$ (65,339)
Charges for services	1,007,094	1,007,094	1,422,647	-	1,422,647	415,553
Departmental and other revenue	287,090	287,090	437,549	-	437,549	150,459
Intergovernmental	-	-	45,911	-	45,911	45,911
Penalties and interest on taxes	16,500	16,500	28,933	-	28,933	12,433
Investment income	2,500	2,500	49,647	-	49,647	47,147
Total Revenues	4,239,500	4,239,500	4,845,664	-	4,845,664	606,164
EXPENDITURES						
Fire operations	2,300,007	2,312,007	2,266,427	12,458	2,278,885	33,122
Water operations	817,613	817,613	708,897	45,163	754,060	63,553
Prudential operations	1,326,832	1,314,832	1,211,783	2,533	1,214,316	100,516
Debt service	387,160	387,160	387,111	-	387,111	49
Total Expenditures	4,831,612	4,831,612	4,574,218	$ 60,154	4,634,372	197,240
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-		-	-
Transfers out	(700,352)	(700,352)	(703,087)		(703,087)	(2,735)
Total Other Financing Sources (Uses)	(700,352)	(700,352)	(703,087)		(703,087)	(2,735)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES/USE OF PRIOR YEAR BUDGETARY FUND BALANCE	(1,292,464)	(1,292,464)	(431,641)		(491,795)	800,669
Other budget items:						
Free Cash	1,209,860	1,209,860				
Prior year encumbrances and carryovers	83,032	83,032				
Miscellaneous items	(428)	(428)				
Total other budget items	1,292,464	1,292,464				
Net budget	$ -	$ -				

See accompanying notes to financial statements.

I. Budgetary Basis of Accounting

An annual budget is legally adopted for the General Fund. Financial orders are initiated by department heads, recommended by the Prudential Committee and approved by District Meeting annually in Spring. Expenditures may legally exceed appropriations at the department line-item level. Department heads may transfer, without District Meeting approval, appropriation balances from one expenditure account to another within their department or budget. The District Meeting and the department head however must approve any transfer of unencumbered appropriation balances between departments or agencies. At the close of each fiscal year, unencumbered appropriation balances lapse or reverts to unassigned fund balance.

The District Treasurer has the responsibility to ensure that budgetary controls are maintained in the manner in which the appropriations were voted by District Meeting. Budgetary control is exercised through the District's accounting system.

Budgetary-to-GAAP Reconciliation – The District's General Fund budget is prepared on a basis other than GAAP to confirm to the Uniform Municipal Accounting System basis of accounting as prescribed by the Massachusetts Department of Revenue. A reconciliation of the budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2023, is as follows:

	Basis of Accounting Differences	Fund Perspective Differences	Total
Revenues on a budgetary basis			$ 4,845,664
Revenue recognition differences	$ 83,271	$ -	83,271
Stabilization investment income	-	18,036	18,036
Revenues on a GAAP basis	$ -	$ 18,036	$ 4,946,971
Expenditures on a budgetary basis			$ 4,574,218
OPEB funding contributions	-	40,420	40,420
Expenditures on a GAAP basis	$ -	$ 40,420	$ 4,614,638
Other financing sources (uses) on a budgetary basis			$ (699,487)
Stabilization transfers	$ -	$ 480,532	480,532
OPEB funding contributions	-	40,420	40,420
Other financing sources (uses) on a GAAP basis	$ -	$ 520,952	$ (178,535)