



**ROSELLI, CLARK & ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANTS**

500 West Cummings Park  
Suite 4900  
Woburn, MA 01801

Telephone: (781) 933-0073

[www.roselliclark.com](http://www.roselliclark.com)

February 21, 2024

Cotuit Fire District  
Prudential Committee  
Barnstable, MA

Dear Honorable Committee:

We have audited the financial statements of the West Barnstable Fire District “the District” as of and for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We communicated such information to the District’s management prior to our commencement of auditing procedures. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Scope limitation*

There were no scope limitations.

*GAAP Departure*

There were no GAAP departures.

*Material Weaknesses*

There were no material weaknesses.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates applied to the accounting records for the year ended June 30, 2023.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are those that describe the District's net pension related activity at June 30, 2023.

The financial statement disclosures are neutral, consistent, and clear.

#### Difficulties Encountered in Performing the Audit

There were no difficulties encountered.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No variances rose to this level during the course of the audit.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 21, 2024.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Observations

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following summarize those observations:

1. Network security should be an item that the District should continue to challenge. Making sure that its system is not vulnerable to outside threats is a critical aspect of its operating system.
2. The District continues to make effective progress on its OPEB liability. Current plan assets reflect over 90% of the gross liability. This is one of the highest in the Commonwealth.

3. The District began to take advantage of the surge in investment yields by investing in high yielding certificate of deposits earning over 4%. We are pleased with the District's efforts to utilize cash as a revenue producing asset in safe investment vehicles.
4. The District currently maintains multiple capital project balances that total nearly \$600,000 that have not had any activity in two to three years. If these projects are complete and these balances are stagnant, the District should consider repurposing the projects to a similar project as is permissible under the MGL or use up to \$50,000 per year to retire debt.
5. Unlike property tax bills that are collected by Barnstable on behalf of the District, water bills are collected and recorded by the same individual who sends the bills out. In addition, the collection of bills is currently a manual process so it can tend to be inefficient. We suggest the District evaluate the merits of a lock-box system to collect bills. This will not only improve segregation of duties issues, but also promote a much more efficient process of collecting the water bills.

### Other Matters

We applied certain limited procedures to the System's required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Informational Items

#### *Current Challenges*

With inflation peaking near 40-year highs, and an aggressive Federal Policy Committee increasing rates at a historic pace, the District can expect challenges in other areas that it has not faced in many decades:

- Wage inflation – the ability to maintain quality employees at reasonable wages.
- Interest rates – the ability to finance capital projects at reasonable financing costs.
- Construction inflation – the ability to complete capital projects at budgeted costs.
- Energy inflation – the rising costs of oil, gas and electricity.
- Goods and services – the supply chain disruptions impacting efficiency and cost of delivery of services.

We urge the District to monitor these situations very closely and plan accordingly as it sets forth in its fiscal future budget processes and capital planning.

### Restriction on Use

This information is intended solely for the information and use of the management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,  
*Roselli Clark & Associates*  
Roselli, Clark & Associates  
Certified Public Accountants  
Woburn, Massachusetts