

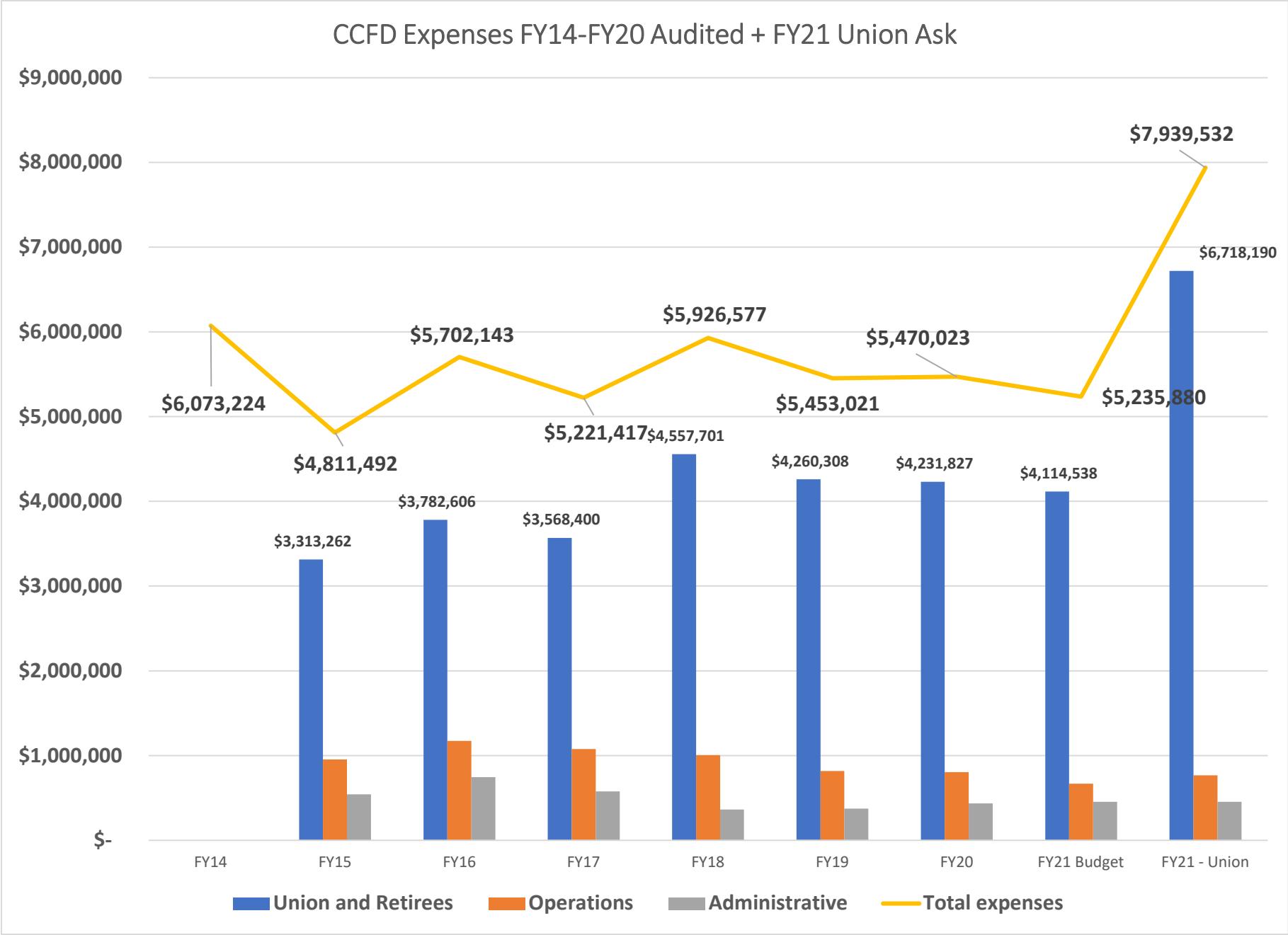
## **Analysis of Central Coventry Fire District Audited Financials FY14-FY20**

The Central Coventry Fire District Board of Directors (Board) confronted the factors that precipitated the bankruptcy prior to fiscal year 2014 - lack of financial transparency, unsustainable union contract, and debt – with fiscal conservatism. “Living within the District’s means” ensured balance between what taxpayers would pay and the level of service received. The Board directed elimination of receivership liabilities, sales of unused assets, debt-free operations, and continued investments in capital assets while proposing budgets that decreased or increased tax levies as needed.

For the fiscal year 2014 the Board budgeted its first fiscal audit. Given the state of the District’s accounts at that time, the audit, while eventually completed, was not able to provide detail. Starting in fiscal year 2015, standardized accounts and accounting procedures allowed for detailed year-over-year comparisons.

The charts below outline the results of the Board’s fiscal strategies over the seven-year period following the receivership and bankruptcy and the challenges it now faces.

**4c. Expenses** – Pension costs, overtime law mandate, and union demands potentially increase union costs to \$6.7m or 85% of costs, overall expenses would increase by 52% to \$7.9m, necessitating a 65% increase in tax levy.



**5. Rainy Day Fund** – while the Board was able to establish a positive rainy day fund, pension costs, overtime law mandate, and union demands will eliminate it.

