

**Report of Statutory Compliance -  
Financial Reporting Requirements  
for Local Governmental Entities**

**Fiscal Year 2024  
Financial Reporting**

**Status as of August 31, 2025**



**David A. Bergantino, CPA, CFE**

**Auditor General**

**General Assembly  
State of Rhode Island  
Office of the Auditor General**



# Office of the Auditor General

State of Rhode Island - General Assembly

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September 9, 2025

## JOINT COMMITTEE ON LEGISLATIVE SERVICES:

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In conjunction with our responsibilities under Rhode Island General Laws (RIGL) to monitor local government compliance with timely completion of audited financial statements and corrective actions for reported financial deficits, the Office of the Auditor General is providing this annual report to summarize local entity performance for the fiscal year 2024 financial reporting period. The following local entities fall under Auditor General oversight: cities and towns, regional school districts, fire districts, charter schools, and educational collaboratives. This report is specifically designed to provide the members of the General Assembly with information relating to the following statutory responsibilities of the Auditor General:

- RIGL Section 45-10-5, in conjunction with Section 45-10-4, requires Rhode Island municipalities and regional school districts to file their annual audit reports with the Auditor General and the State Director of Revenue no later than six months after the close of the fiscal year. The Auditor General may grant extensions upon reasonable cause being demonstrated by the entity.
- RIGL Sections 45-12-22.2, 45-12-22.3 and 16-2-9(f) require Rhode Island municipalities, school districts and fire districts to provide timely reporting of anticipated General Fund or School Fund deficits to the Auditor General and the Division of Municipal Finance along with a corrective action plan to resolve the fund deficit.
- RIGL Section 16-3-11(e) requires Rhode Island regional school districts to provide timely reporting of anticipated School Fund deficits to the Auditor General along with a corrective action plan to resolve the fund deficit.
- RIGL Section 16-77.3-2(b) authorizes the Auditor General to require Rhode Island charter schools to complete and submit annual financial audits as part of annual financial monitoring of those entities.
- RIGL Sections 44-5.2-2 and 44-5-69 require Rhode Island fire districts to file annual financial reports in accordance with guidance promulgated by the Auditor General. The guidance for large and medium-sized fire districts requires either audited financial statements or financial reports accompanied by certain agreed-upon procedures to be filed within six months after the close of the fiscal year. Smaller fire districts complete and submit a self-reporting financial template.

The Executive Summary beginning on page 1 provides a report introduction and information on overall compliance with timely financial reporting requirements and current school district fund deficits. The

Executive Summary also provides context on the various causes that contribute to late financial reporting and current activities to improve the overall timeliness of local government compliance with financial reporting mandates. Sections beginning on pages 5 and 9, respectively, highlight various instances where the Office of the Auditor General has devoted significant attention over the past year working with local entities to improve the timeliness of financial reporting or to facilitate corrective actions on reported deficits for municipalities and other local governmental entities.

The schedules included on pages 10-16 detail the specific information regarding adherence to statutory requirements on annual financial reporting by local entities. In addition, page 17 provides summary compliance trend results, over a five-year period, for Rhode Island's cities and towns, regional school districts, fire districts, charter schools, and educational collaboratives in relation to meeting timely reporting requirements. The schedule on pages 18-19 summarizes fund deficits reported during the 2024 reporting period that required corrective action or specific attention by the Office of the Auditor General.

One of the Auditor General's main objectives is to work with these entities to improve the timeliness of the availability of annual audited financial statements. Such information is vital to ensuring that decision-makers of all entities have accurate and complete financial information to make informed decisions.

This report is intended solely for the information and use of the members of the General Assembly, specifically the Joint Committee on Legislative Services, the oversight body of the Office of the Auditor General, for the purpose of reporting on local entity compliance with the statutory requirements listed above.

Sincerely,

A handwritten signature in black ink that reads "David A. Bergantino". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

David A. Bergantino, CPA, CFE  
Auditor General

**Report of Statutory Compliance - Financial Reporting  
Requirements for Local Governmental Entities**

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## ***Introduction***

Rhode Island's cities and towns, regional school districts, fire districts, charter schools, and educational collaboratives provide critical services to the State's citizens. These entities are continually challenged to work within budgeted resources to ensure the continuity of services to those they serve. The Office of the Auditor General (OAG) spends significant time each year monitoring these entities, reinforcing appropriate fiscal practices (i.e., timely audits), and working with these entities to resolve various issues before they can potentially lead to significant financial challenges. We work cooperatively with the Division of Municipal Finance (DMF) and/or the RI Department of Education (RIDE) in our oversight of these local entities.

## ***Timely Financial Reporting***

Both State statutes and best practices on financial reporting generally define "timely" as the issuance of audited financial statements within six months of the fiscal year-end. This is an important control for any entity in ensuring it has accurate and useful information to make informed decisions. Untimely information can impact its usefulness to decision makers. Timely and accurate financial reporting does not happen without proper planning and disciplined financial management.

Municipalities and school districts continue to experience difficulty when filling financial staffing vacancies due to a lack of qualified government accounting and auditing professionals seeking employment. This same pressure is impacting the small number of independent auditing firms that conduct audits of governmental entities. The lack of qualified government finance professionals continues to challenge timely audit completions and increase audit fees.

Illustration 1 shows the average amount of time it has taken for municipalities to issue audited financial statements for fiscal years 2022, 2023, and 2024. The data supports the continued challenge that timely financial reporting represents to most municipalities. While

oversight has resulted in progress for individual municipalities, the average length of time needed to issue audited financial statements has increased in recent years.

### **Illustration 1**

#### **Municipality Average Audit Issuance In Months after Year-End Fiscal Years 2022 - 2024**

<b>FY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Avg. Mos.</b>	<b>8.0</b>	<b>8.5</b>	<b>9.0</b>

Illustration 2 shows the number of municipalities for fiscal years 2022, 2023, and 2024 that did not have audited financial statements issued within 9 months of the fiscal year-end. The increase in the number of municipalities in recent years is directly attributable to the reasons outlined above. Audited financial statements issued later than 9 months after the fiscal year-end are particularly concerning because it can result in the preparation and adoption of budgets without the benefit of audit results for the preceding fiscal period. Such instances can often leave decision makers unaware of structural deficits when passing consecutive budgets leading to more significant cumulative deficits over time. Discussions with municipalities continue to focus on the need to evaluate the resources and planning devoted to financial reporting to ensure preparation for the annual financial statement audit.

### **Illustration 2**

#### **Municipality Audit Issuance Reports Greater Than 9 Months Fiscal Years 2022 - 2024**

<b>FY</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b># of Munis</b>	<b>9.0</b>	<b>11.0</b>	<b>15.0</b>

These continuing challenges have caused an increased need for the OAG to provide consultation to local governmental entities over the past year. The OAG's focus has not only been

on improving financial reporting practices to address current challenges but to also ensure that practices are adopted to promote consistent and sustainable financial reporting practices in the future.

### ***School District Fund Deficits***

Several school districts continue to face challenges that are impacting their ability to avoid operating deficits and ensure timely financial reporting. The ending of pandemic funding, which provided additional resources to operate local governments including additional funding for schools, continues to create fiscal pressure. Additionally, current uncertainty regarding the availability of federal funds and concerns relating to future federal funding cuts challenge both local government financial administration and future planning. These challenges will continue to require close monitoring, prudent financial management, and accurate forecasting by municipalities and school districts to manage government operations within available resources.

Illustration 3 highlights school districts that have reported cumulative deficits in their unrestricted school funds. The table supports how deficits in one year can often compound in future periods when structural deficits are not addressed timely. Late and inaccurate financial reporting can often contribute to accumulated fund deficits when misstatements in the financial statements are not identified until audits are performed.

***Illustration 3***

<b>School Districts Reporting Cumulative Unrestricted Fund Deficits</b>		
<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
Coventry Johnston	Coventry Johnston Warwick	Coventry Johnston Warwick

Significant attention has been devoted to the development of deficit reduction plans by these municipalities. These plans are critical to ensuring that deficits are eliminated and that management has a reasonable plan to maintain

fiscal stability in future years. Most effective deficit reduction plans include a combination of achievable cost savings by the school department coupled with additional education aid provided by the municipality. The above municipalities have and continue to work collaboratively on their respective plans.

In the last year, the Auditor General has reinforced with municipalities the importance of complying with the State's mandated financial reporting with the Division of Municipal Finance. The objectives of mandated financial reporting include:

- Facilitating early identification and notification of potential operating deficits within municipality General and School Funds, and
- Promoting longer-term budgetary planning at the municipal level.

Since a lack of timely financial information for decision makers has been a common theme across local governments, compliance with mandated financial reporting requirements is something that will be monitored more closely to promote the availability of timely financial information.

### ***Conclusion***

This report on annual statutory compliance highlights some key areas of emphasis for the members of the General Assembly and an overall status across local governmental entities that the OAG monitors. In addition, the report provides focus on where compliance is lacking so that changes in policies and procedures can be made to improve future compliance.

Most challenging continues to be municipal compliance with timely submission of audited financial statements. Approximately 31% of municipalities submitted audited financial statements within the mandated 6 months after the fiscal year-end. This represented a slight decrease from the prior year of 36%. Timely financial reporting remains difficult to remedy for many local entities with limited resources. The causes contributing to late reporting include:

- Staffing challenges relating to the hiring and retention of qualified governmental financial accounting, audit and fiscal staff.
- Insufficient number of accounting firms bidding on governmental audit engagements in relation to the number of entities that need audits that concentrate during the same period each year.
- Improper planning to ensure the timely completion of financial statements and required information for audit.
- Financial reporting not being prioritized by staff with multiple finance responsibilities. This challenge is common amongst entities without sufficient fiscal personnel.
- Unexpected temporary absences for personnel in key financial reporting positions during the audit preparation and audit fieldwork timeframe. This is particularly challenging in small finance offices.
- Complexity of new governmental accounting and reporting standards.
- Lack of succession planning for changes in personnel in key financial reporting positions.
- State reporting requirements for local entities which require reconciliation to the audited financial statements before issuance of the financial statements (Municipal Transparency Portal [MTP] for municipalities and school districts and Uniform Chart of Accounts [UCOA] reporting for all school entities). This reporting is vital to provide municipal financial data to the State so that it can meet its statutory requirements for aid distribution and other critical oversight functions.
- *Ongoing fiscal close consultation* – For local entities that experienced significant delays in financial reporting for fiscal year 2024, the Auditor General plans to initiate meetings this fall to discuss: 1) the status of their 2025 fiscal close, 2) challenges the entity is facing and potential solutions, and 3) the entity's readiness for audit.
- *Continuation of early consultation* - Require local entities to provide a minimum of a 45-day notice if they believe issued audited financial statements will be more than 30 days beyond the statutory 6-month due date. The goal is to ensure that discussions and oversight are started immediately to minimize the length of delays in financial reporting.
- *Encourage use of contract resources to minimize the impact of staffing shortages* – For local entities experiencing significant delays in financial reporting due to staffing shortages in key financial reporting positions, utilizing contract resources has assisted those entities in 1) remaining current on transaction processing and account reconciliations, 2) assisting with fiscal closing procedures and preparation for audit, and 3) providing support and aiding transition as permanent staff are on-boarded.
- *Continuation of sponsored training events for government finance professionals* – The Auditor General will continue to organize and offer two sponsored training events annually to provide training opportunities to government finance professionals. These trainings bring some of the most experienced government finance professionals and trainers to Rhode Island and allows government finance professionals to receive 16 hours of training at a low cost that would otherwise not be available to them.

The OAG will continue the following, with the goal of incrementally improving overall compliance with timely financial reporting mandates:

- *University of Rhode Island (URI) State and Municipal Finance Academy* – The program is designed to address the shortage of finance professionals in state agencies, municipalities, and school districts and covers foundational principles of public finance, such as state and municipal budgeting, tax assessment, government accounting, political structure, state reporting requirements, and negotiations. This program is a collaboration between the Rhode Island League of Cities and Towns, URI Office of Strategic Initiatives, and the URI Master of Public Administration program. The Division of Municipal Finance is assisting with the development of course content and presentations by guest instructors.

The challenges faced by local governmental entities are both varied and complex, with a resolution not easily found in a single fiscal year.

*According to the October 2021 Government Finance Review - Issuing Financial Statements Faster, by Todd Buikema* - “The commitment to prepare timely financial statements comes with a price, either for hiring a third-party or devoting staff time to this endeavor, which takes time away from other projects and may require additional accounting staff. All departments need to help provide information for preparing the financial

statements. The support of senior management, possibly including elected officials, is also critical to making timely financial reporting possible.”

The OAG continues to work to support local governmental entities in achieving measurable progress in the timeliness of annual audited financial statements. While much of the ongoing monitoring with these entities is done with finance department officials and the administration, the Auditor General will also routinely provide formal written communications to elected officials or those charged with governance to highlight certain matters and emphasize the importance of addressing issues that may come to light during the ongoing monitoring.

With several local governmental entities experiencing budgetary pressures, timely and accurate financial reporting is of even greater importance to ensure that decision makers have the most current and accurate information to make the most informed financial decisions.

The issuance of this Statutory Compliance Report is designed to increase the transparency regarding local governmental entity compliance and current fiscal challenges. This report, in addition to direct communication to local governmental entities when progress on issues is lacking, is done to increase awareness regarding the importance of addressing reported challenges before they turn into more significant crises.

### ***Municipalities***

***Town of Bristol*** – Bristol continues to be challenged with issuing timely audited financial statements. The 2023 audited financial statements were issued in early April 2024, ten months after year-end. The 2024 audited financial statements were issued in August 2025, fourteen months after year-end. Bristol experienced turnover in their Finance Director position during 2024 which significantly impacted the timing of their fiscal close and readiness for audit. The OAG will continue to meet with and monitor Bristol regularly to follow the progress of their 2025 fiscal closing and financial statement audit.

***Town of Coventry*** – Coventry made significant progress in improving the timeliness of financial reporting from 2023 to 2024. The 2023 audited financial statements were issued in late February 2025, twenty months after the fiscal year-end while the 2024 audited financial statements were issued in late June 2025, twelve months after the fiscal year-end. Continuity in the Town Manager, Finance Director, and School Director of Finance positions has provided stability and led to progress in improving financial reporting timeliness. With the prior audit backlog now cleared, the Town expects the 2025 fiscal closing and audit issuance to be significantly improved with the goal of issuing audited financial statements in time to meet the December 31<sup>st</sup> statutory mandate.

The improvement in financial reporting has allowed the Town to move forward with issuing general obligation debt for vital school construction projects.

Coventry's School Unrestricted Fund reported a 2024 operating deficit of approximately \$3.0 million, resulting in a cumulative deficit of approximately \$5.9 million at June 30, 2024. A significant portion of this deficit related to prior period misstatements that were identified and corrected during the 2022 audit which was issued more than 2 years after the fiscal year-end. The Town and School Department have worked collaboratively on a five-year deficit reduction

plan to address the reported school fund deficit. The plan currently remains in development while assumptions and projections regarding future School operating costs are refined and validated. Monthly meetings will continue with Coventry to ensure that progress continues to be made on the timeliness of financial reporting and until a deficit reduction plan is finalized and approved.

***City of East Providence*** – The OAG continued monthly meetings with East Providence (which has an October 31<sup>st</sup> fiscal year-end) with the goal of incrementally improving the timeliness of issuing audited financial statements. Audited financial statements for the fiscal year ended October 31, 2023 were not issued until February 2025, sixteen months after year-end which is relatively consistent with the prior year issuance timeframe. The audited financial statements for the fiscal year ended October 31, 2024, due April 30, 2025, have not yet been filed. The City and School Department have both recently experienced turnover in the Finance Director position. Despite the turnover, the City's 2024 audit has progressed at an improved pace over the prior year with audited financial statements expected to be significantly improved over prior years. Monthly meetings will continue through the issuance of the 2024 audit.

***Town of Johnston*** – In the last five years, the Town has been consistently late - averaging around nine months after year-end before audited financial statements were available. In addition, the School Unrestricted Fund reported a cumulative deficit of approximately \$2.3 million for the fiscal year ended June 30, 2024. The School Department is reporting a significant operating deficit for the fiscal year ended June 30, 2025 and expects the cumulative deficit to exceed \$5 million at June 30, 2025.

The Town and School Department continue to work collaboratively on a plan to address the structural deficit in the School Unrestricted Fund. The Town Council and School Committee have approved a Memorandum of Agreement (MOA) which includes a supplemental 2026 Town appropriation to the School Department of \$5,415,847. This appropriation from the Town's

General Fund reserves would serve to eliminate the deficit in the School Unrestricted Fund. The supplemental appropriation will not be subject to maintenance of effort, as allowed by RIGL Section 16-7-23.2. The MOA requires certain Town financial oversight of the School Department, particularly by the Town Finance Director.

In addition to the MOA, the Town and School Department continue to work on a five-year projection that will promote fiscal stability for Johnston schools. The OAG will continue to periodically meet with the Town and School Department until a deficit plan is approved and the timeliness of audited financial statements is improved.

***Town of Lincoln*** – Lincoln has not filed timely audited financial statements in the last five years. Audited financial statements for the fiscal year ended June 30, 2024 were not issued until late May 2025, eleven months after year-end. Town financial management has remained consistent over the past year and is expecting improvements in the timeliness of the fiscal closing and audit completion for 2025. The Auditor General will meet with Lincoln to remain updated on their 2025 fiscal close and expected audit schedule.

***Town of Little Compton*** – Little Compton is experiencing significant delays in the completion of the 2024 audited financial statements. As of August 31, 2025, the 2024 audited financial statements remain unissued, fourteen months after year-end. Little Compton also experienced turnover in their Finance Director position during 2024 and 2025.

In addition to the challenge with 2024 financial reporting, preliminary unaudited results and representations from the Town indicate that the General Fund will have an operating deficit of approximately \$1.7 million for the fiscal year ended June 30, 2024. The Town is also projecting an operating deficit for 2025 of approximately \$2.3 million. Both operating deficits relate to Town Council appropriations of fund balance to balance the budget for those years. The use of fund balance in these instances can result in negative consequences by transferring structural

budget deficits to future periods and simultaneously reducing municipal reserves. These actions coupled with delayed financial reporting for 2024 created a significant challenge for the Town.

These actions contributed to a projected budget shortfall for 2026 that required the Town to introduce legislation before the General Assembly to permit the Town a one-year tax levy cap exemption not to exceed twelve percent, subject to approval by the Little Compton Financial Town Meeting. The legislation passed and was signed by the Governor. At the Financial Town meeting, the voters approved the tax levy increase.

In addition, Little Compton will need to increase its fund balance in future years to restore the Town's reserves. Such reserves are necessary to ensure appropriate cash flow and to fund unexpected expenditures that could arise. Monthly meetings will continue with Little Compton to ensure that progress is made on these challenges.

***Town of Middletown*** – Primarily due to transition and turnover within the School Department, Middletown is significantly late in issuing the 2024 audited financial statements. As of August 31, 2025, the audited financial statements remain unissued, fourteen months after year-end.

Returning Middletown to more timely reporting is important as the Auditor General continues to monitor the recovery of reserves in the School Unrestricted Fund after the fund experienced operating deficits in fiscal years 2020, 2021, and 2022.

A 5-year funding plan was adopted by the Town Council in March 2023 to address the School Department's consecutive operating deficits and has resulted in annual increases in School fund balance reserves annually since adoption. The OAG will continue to meet with Middletown to monitor 1) the completion of the 2024 audit, 2) progress towards timely financial reporting, and 3) the continued fiscal stability of the School Department.

**City of Pawtucket** – Pawtucket’s 2023 audited financial statements were completed in early May 2024, more than 10 months after year-end. As of August 31, 2025, the 2024 audited financial statements remain unissued, fourteen months after year-end. The OAG continued to meet regularly with City and School Department officials, and their auditors to monitor the status and progress of the 2024 audit. Turnover of the School Department CFO in fiscal year 2024, which led to transaction processing and reconciliation backlogs, created significant challenges to the fiscal closing and audit timeline. While continuity in the School Department CFO position should result in improvements for the 2025 fiscal closing, monthly meetings with Pawtucket are planned to monitor the City’s progress in improving audit timeliness.

**Town of Tiverton** – Tiverton’s 2024 audited financial statements were completed in late May 2025, eleven months after year-end. The School Unrestricted Fund reported an operating deficit of approximately \$1.35 million for the fiscal year ended June 30, 2024, leaving total fund balance in the School Unrestricted Fund of \$201,580.

The School Department has reported a projected unaudited 2025 operating deficit of \$1.0-\$1.2 million which would result in a fund balance deficit approximating \$1 million at June 30, 2025.

The Town and School Department continue to work collaboratively on a plan to address the deficit and ensure that future budgets represent reasonable spending plans with the necessary funding to operate the school department. Meetings with Tiverton have begun and will continue until a corrective action plan, that addresses the anticipated deficit, is developed and approved by the Auditor General.

**City of Warwick** – Warwick’s 2024 audited financial statements were completed in late May 2025, eleven months after the fiscal year-end. The City has not issued timely audited financial statements for several years.

Warwick’s School Unrestricted Fund reported an operating deficit totaling approximately \$475

thousand and a cumulative deficit of \$1.2 million for the fiscal year ended June 30, 2024. The 2024 cumulative deficit occurred due to a negative \$1.5 million restatement of beginning fund balance.

In December 2024, prior to the 2024 audit being available, the Warwick School Department also notified City and State officials that its finance department was projecting a \$9 million operating deficit for the fiscal year ended June 30, 2025 for the School Unrestricted Fund. The size of the projected deficit was significant and required immediate action to be taken by the City and the Schools.

Beginning in January 2025, the Auditor General began meeting with the City, School, and State Officials for updates regarding 2025 projections and discussions of budget areas where the School Department could explore cost savings.

The School Department and School Committee identified some immediate cuts to the 2025 budget and scrutinized spending in attempts to minimize overspending.

The City took urgent action and petitioned the General Assembly to enact legislation to create a Warwick Public Schools Budget Commission (the Commission). The legislation passed the General Assembly and the Commission was appointed in April 2025. The Commission was created with limited authority to oversee school spending and the development of a deficit reduction plan that would address the cumulative School Fund deficit reported at June 30, 2025.

Once appointed, the Commission went to work collaboratively with the City and School officials on a 2026 operating budget that was accurate and reflective of proposed cost saving initiatives. Collaboration has resulted in significant progress on the 2026 budget for the School Department. Once completed, the Commission will work with officials on the completion of a deficit reduction plan.

The significance of the financial reporting challenges and need for approval and monitoring of a deficit reduction plan will require continued meetings with Warwick City and School officials.

**Town of Warren** – Warren’s audited financial statements were timely until fiscal year 2023 when the Town experienced significant turnover in key financial positions. The 2023 audited financial statements were issued in April 2024. The 2024 audited financial statements were issued significantly late in July 2025, thirteen months after year-end.

In addition, the Town continues to closely manage its finances to recover from a \$13 million-dollar legal settlement that significantly reduced its General Fund balance reserves in 2024. The Town’s uninsured portion of the liability for the settlement totaled \$8 million and was divided into four payments. The first payment of \$5 million was paid by the Town in 2024, significantly reducing fund balance for the unbudgeted expenditure. The remaining balance of \$3 million will be paid by the Town in increments of \$1 million per year for fiscal years 2025, 2026, and 2027.

The Auditor General will continue periodic meetings with Warren to monitor these challenges.

**City of Woonsocket** – Woonsocket has not filed timely audited financial statements in the last five years. As of August 31, 2025, the 2023 audited financial statements remain unissued, twenty-six months after year-end. Additionally, the 2024 audited financial statements remain unissued, fourteen months after year-end. These significant delays have resulted in municipal bond rating agencies pulling Woonsocket’s bond ratings until more current audited financial statements are available.

The 2023 audit was significantly delayed for several reasons, including:

- withdrawal of the previous independent auditor during the audit;
- time needed to contract with a new independent audit firm;
- additional audit work required by the new audit firm; and
- continued staffing turnover and transition in the City’s finance department.

In order to monitor their financial reporting progress for 2023 and 2024, ongoing meetings with Woonsocket have continued. Due to the significant delays with the 2023 audit, the City implemented the Auditor General’s recommendation to contract additional resources until vacancies in financial positions could be filled. The City hired an outside accounting firm and a retired finance director to assist with the 2023 and 2024 fiscal closings.

While the 2023 audit had many challenges, the City has made progress and is better positioned to address these long-standing issues. Recent progress includes the hiring of a new Finance Director with prior municipal government experience and the retention of its audit firm which will allow for continuity and efficiency for several years. The City also represents that they will continue to utilize outside additional resources to assist with the 2024 closing and audit process.

The OAG will continue to meet regularly with Woonsocket to monitor the progress of the 2024 audit and efforts to significantly improve the City’s financial reporting.

### ***Fire Districts***

***Central Coventry Fire District (CCFD)*** – CCFD (which has an August 31<sup>st</sup> fiscal year-end) continues to be challenged with complying with timely financial reporting filing requirements. CCFD’s 2023 audited financial statements were not issued until February 2025, eighteen months after year-end. The 2023 financial statements reported an operating surplus of approximately \$257 thousand leaving CCFD with a fund balance of approximately \$377 thousand. The 2024 audited financial statements, due February 2025, have not yet been filed.

CCFD’s overall finances have stabilized with taxpayer approvals of a supplemental tax increase in fiscal year 2024 and the passage of the 2025 budget with a proposed tax increase. Auditor General oversight, however, will continue to encourage timely audit completions and to monitor financial results until CCFD can accumulate additional operating reserves.

***Lime Rock Fire District (LRFD)*** – LRFD (which has an October 31<sup>st</sup> fiscal year-end) has been challenged with complying with timely financial reporting requirements. In early March 2025, the Auditor General sent a formal written communication to LRFD to express concern with the slow progress in completing the 2023 audited financial statements. LRFD’s 2023 audited financial statements were not issued until after the Auditor General communication in early March 2025, sixteen months after year-end.

As of August 31, 2025, the 2024 audited financial statements remain unissued, ten months after year-end. The delay in the issuance of the 2023 audited financial statements delayed LRFD issuing a request for proposals for audit services for fiscal years 2024, 2025, and 2026. LRFD has engaged an auditor for the 2024 audit. The OAG will continue to monitor LRFD and encourage more timely financial reporting.

***East Burrillville Fire District (EBFD)*** – EBFD (which has an August 31<sup>st</sup> fiscal year-end) was formed with the merger of the former Oakland-Mapleville Fire District (OMFD) and the former

Nasonville Fire District. At the time of the merger, the OMFD was classified as Tier I fire district routinely having annual audits while Nasonville was classified as a Tier III fire district with an audit not required. The final audit for the former OMFD would be the fiscal year ended August 31, 2023. As of August 31, 2025, the 2022 OMFD audited financial statements remain unissued, thirty-six months after year-end.

The Auditor General sent a formal written communication to EBFD to express concern and encourage the Fire District to work cooperatively with the independent audit firm to allow for the OMFD 2022 audited financial statements to be issued. The Auditor General also arranged a conference call between the Fire District, the audit firm, and the OAG to discuss the status of any remaining items, how the items would be satisfactorily resolved, and the timeline for completion of the 2022 audit.

The delay in the issuance of the OMFD 2022 audited financial statements delayed EBFD from issuing a request for proposals for audit services for the OMFD 2023 final audit and the EBFD fiscal years 2024, 2025, and 2026 audits. EBFD has since selected a new independent audit firm for the OMFD 2023 audit and the EBFD 2024, 2025, and 2026 audits. The OAG will continue to closely monitor EBFD, as the District works to bring financial reporting current.

***Stone Bridge Fire District (SBFD)*** – SBFD (which has an April 30<sup>th</sup> fiscal year-end) has been challenged with complying with timely financial reporting filing requirements due to an extended absence of a key District employee responsible for financial reporting. In March 2025, the Auditor General sent a formal written communication to SBFD to request that the District request a formal audit extension to allow for the OAG to begin periodic meetings with the District and the independent audit firm to ensure progress is made in completing the audited financial statements for 2024 and future periods. The OAG continues to communicate with the District regarding the need for an audit extension and the timing of the 2024 audit.

**Municipalities Annual Audit Submission Summary**  
**Fiscal Year Ended (FYE) 2024**

Municipality	FYE Date	Due Date	Date Received or Current Status			
			Timely: 6 months or less	Late: 7 - 9 months	Significantly Late: More than 9 Months	Late and Remains Unfiled
Barrington	06/30/24	12/31/24		02/27/25		
Bristol	06/30/24	12/31/24			08/15/25	
Burrillville	06/30/24	12/31/24	12/23/24			
Central Falls	06/30/24	12/31/24	12/31/24			
Charlestown	06/30/24	12/31/24		03/14/25		
Coventry	06/30/24	12/31/24			06/27/25	
Cranston	06/30/24	12/31/24	12/31/24			
Cumberland	06/30/24	12/31/24		01/15/25		
East Greenwich	06/30/24	12/31/24		02/14/25		
East Providence	10/31/24	04/30/25				Unfiled
Exeter	06/30/24	12/31/24	12/31/24			
Foster	06/30/24	12/31/24			05/14/25	
Glocester	06/30/24	12/31/24		02/06/25		
Hopkinton	06/30/24	12/31/24			05/14/25	
Jamestown	06/30/24	12/31/24	12/31/24			
Johnston	06/30/24	12/31/24		03/31/25		
Lincoln	06/30/24	12/31/24			05/28/25	
Little Compton	06/30/24	12/31/24				Unfiled
Middletown	06/30/24	12/31/24				Unfiled
Narragansett	06/30/24	12/31/24		01/30/25		
New Shoreham	06/30/24	12/31/24				Unfiled
Newport	06/30/24	12/31/24	12/31/24			
North Kingstown	06/30/24	12/31/24		01/16/25		
North Providence	06/30/24	12/31/24		02/06/25		
North Smithfield	06/30/24	12/31/24		02/05/25		
Pawtucket	06/30/24	12/31/24				Unfiled
Portsmouth	06/30/24	12/31/24	12/27/24			
Providence	06/30/24	12/31/24	12/31/24			
Richmond	06/30/24	12/31/24	12/31/24			
Scituate	06/30/24	12/31/24		02/05/25		
Smithfield	06/30/24	12/31/24	12/30/24			
South Kingstown	06/30/24	12/31/24	12/31/24			
Tiverton	06/30/24	12/31/24			05/30/25	
Warren	06/30/24	12/31/24			07/18/25	
Warwick	06/30/24	12/31/24			05/27/25	
West Greenwich	06/30/24	12/31/24	12/31/24			
West Warwick	06/30/24	12/31/24		03/14/25		
Westerly	06/30/24	12/31/24			07/01/25	
Woonsocket	06/30/24	12/31/24				Unfiled

<b>Timely:</b> <b>6 months or less</b>	<b>12</b>	<b>31%</b>
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<b>Late:</b> <b>7 - 9 months</b>	<b>12</b>	<b>31%</b>
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<b>Significantly Late:</b> <b>More than 9 Months</b>	<b>9</b>	<b>23%</b>
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<b>Late and</b> <b>Remains Unfiled</b>	<b>6</b>	<b>15%</b>
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**Regional School Districts Annual Audit Submission Summary**  
**Fiscal Year Ended (FYE) 2024**

Regional School District	FYE Date	Due Date	Date Received or Current Status			
			Timely: 6 months or less	Late: 7 - 9 months	Significantly Late: More than 9	Late and Remains Unfiled
Bristol Warren	06/30/24	12/31/24			05/06/25	
Chariho	06/30/24	12/31/24	12/19/24			
Exeter-West Greenwich	06/30/24	12/31/24		01/27/25		
Foster-Glocester	06/30/24	12/31/24	12/27/24			

<b>Timely:</b> <b>6 months or less</b>	<b>2</b>	<b>50%</b>
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<b>Late:</b> <b>7 - 9 months</b>	<b>1</b>	<b>25%</b>
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<b>Significantly Late:</b> <b>More than 9 Months</b>	<b>1</b>	<b>25%</b>
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<b>Late and</b> <b>Remains Unfiled</b>	<b>0</b>	<b>0%</b>
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**Charter Schools Annual Audit Submission Summary**  
**Fiscal Year Ended (FYE) 2024**

Charter School	FYE Date	Due Date	Date Received or Current Status			
			Timely: 6 months or less	Late: 7 - 9 months	Significantly Late: More than 9 Months	Late and Remains Unfiled
Achievement First Rhode Island, Inc. (RI Mayoral Academy)	06/30/24	12/31/24	12/23/24			
Apprenticeship Exploration School	06/30/24	12/31/24	12/30/24			
Beacon Charter School Corporation	06/30/24	12/31/24		03/07/25		
Blackstone Academy Charter School, Inc.	06/30/24	12/31/24		01/30/25		
Charette Charter School	06/30/24	12/31/24		01/29/25		
Excel Academy Rhode Island	06/30/24	12/31/24	12/20/24			
Kingston Hill Academy	06/30/24	12/31/24			05/23/25	
Nuestro Mundo Public Charter School	06/30/24	12/31/24			04/11/25	
Providence Preparatory Charter School	06/30/24	12/31/24		02/14/25		
Rhode Island Nurses Institute - Middle College Charter High School	06/30/24	12/31/24	12/31/24			
Rhode Island Mayoral Academy Blackstone Valley and Subsidiary	06/30/24	12/31/24		03/07/25		
RISE Prep Mayoral Academy	06/30/24	12/31/24		01/31/25		
Segue Institute for Learning	06/30/24	12/31/24		03/19/25		
Sheila C. "Skip" Nowell Leadership Academy	06/30/24	12/31/24		01/27/25		
Southside Elementary Charter School	06/30/24	12/31/24		02/26/25		
The Compass School	06/30/24	12/31/24		01/21/25		
The Greene School	06/30/24	12/31/24		03/12/25		
The Highlander Charter School and Affiliate	06/30/24	12/31/24		03/19/25		
The Hope Academy (RI Mayoral Academy)	06/30/24	12/31/24		02/03/25		
The International Charter School Corporation	06/30/24	12/31/24		01/15/25		
The Learning Community Charter School, Inc.	06/30/24	12/31/24			05/20/25	
The Paul Cuffee School	06/30/24	12/31/24	12/31/24			
Times <sup>2</sup> Incorporated	06/30/24	12/31/24		02/12/25		
Trinity Academy for the Performing Arts	06/30/24	12/31/24			08/07/25	
Village Green Charter School	06/30/24	12/31/24		01/30/25		

<b>Timely:</b> <b>6 months or less</b>	<b>5</b>	<b>20%</b>
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<b>Late:</b> <b>7 - 9 months</b>	<b>16</b>	<b>64%</b>
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<b>Significantly Late:</b> <b>More than 9 Months</b>	<b>4</b>	<b>16%</b>
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<b>Late and Remains Unfiled</b>	<b>0</b>	<b>0%</b>
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***Educational Collaborative Results***  
***Fiscal Year 2024 Reporting Period***

**Educational Collaboratives Annual Audit Submission Summary**  
**Fiscal Year Ended (FYE) 2024**

Educational Collaborative	FYE Date	Due Date	Date Received or Current Status			
			Timely: 6 months or less	Late: 7 - 9 months	Significantly Late: More than 9	Late and Remains Unfiled
East Bay	06/30/24	12/31/24		01/10/25		
Northern Rhode Island <sup>1</sup>	06/30/24	12/31/24	09/18/24			
Urban	06/30/24	12/31/24			06/02/25	
West Bay	06/30/24	12/31/24		02/13/25		
YouthBuild Preparatory Academy	06/30/24	12/31/24			06/11/25	
Note 1 - Northern Rhode Island Collaborative had an Agreed-Upon Procedures engagement for FYE 2024 as the Collaborative closed and was dissolved.						

<b><i>Timely:</i></b> <b><i>6 months or less</i></b>	<b><i>1</i></b>	<b><i>20%</i></b>
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<b><i>Late:</i></b> <b><i>7 - 9 months</i></b>	<b><i>2</i></b>	<b><i>40%</i></b>
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<b><i>Significantly Late:</i></b> <b><i>More than 9 Months</i></b>	<b><i>2</i></b>	<b><i>40%</i></b>
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<b><i>Late and</i></b> <b><i>Remains Unfiled</i></b>	<b><i>0</i></b>	<b><i>0%</i></b>
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**Fire Districts - Tier I Annual Reporting Summary**  
**Fiscal Year Ended (FYE) 2024**

<b>Fire District - Tier I: Annual Audit Report Required</b>	<b>FYE Date</b>	<b>Due Date</b>	<b>Date Received or Current Status</b>			
			<b>Timely: 6 months or less</b>	<b>Late: 7 - 9 months</b>	<b>Significantly Late: More than 9 Months</b>	<b>Late and Remains Unfiled</b>
Ashaway	08/31/24	02/28/25	01/09/25			
Central Coventry	08/31/24	02/28/25				Unfiled
Charlestown	09/30/24	03/31/25		04/24/25		
Coventry	12/31/24	06/30/25				Unfiled
Cumberland	06/30/24	12/31/24	12/31/24			
Dunn's Corners	05/31/24	11/30/24	11/07/24			
East Burrillville	08/31/24	02/28/25				Unfiled
Exeter	06/30/24	12/31/24			05/13/25	
Harrisville	08/31/24	02/28/25			07/10/25	
Hope Valley-Wyoming	06/30/24	12/31/24	12/30/24			
Hopkins Hill	08/31/24	02/28/25	02/28/25			
Kingston	06/30/24	12/31/24	12/05/24			
Lime Rock	10/31/24	04/30/25				Unfiled
Lincoln	10/31/24	04/30/25				Unfiled
North Tiverton	04/30/24	10/31/24		11/25/24		
Pascoag	10/31/24	04/30/25		06/11/25		
Portsmouth Water and Fire	04/30/24	10/31/24	09/26/24			
Richmond-Carolina	06/30/24	12/31/24	01/02/25			
Stone Bridge	04/30/24	10/31/24				Unfiled
Union	06/30/24	12/31/24			04/28/25	
Westerly	07/31/24	01/31/25		02/07/25		
Western Coventry	02/29/24	08/31/24		09/09/24		

<b>Timely: 6 months or less</b>	<b>8</b>	<b>36%</b>
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<b>Late: 7 - 9 months</b>	<b>5</b>	<b>23%</b>
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<b>Significantly Late: More than 9 Months</b>	<b>3</b>	<b>14%</b>
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<b>Late and Remains Unfiled</b>	<b>6</b>	<b>27%</b>
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**Fire Districts - Tier II Annual Reporting Summary**  
**Fiscal Year Ended (FYE) 2024**

Fire District - Tier II: Annual Agreed-Upon Procedures Report & Self-Reporting Template (Form FD-4) Required	FYE Date	Due Date	Date Received or Current Status			
			Timely: 6 months or less	Late: 7 - 9 months	Significantly Late: More than 9 Months	Late and Remains Unfiled
Chepachet	06/30/24	12/31/24		01/09/25		
Harmony	06/30/24	12/31/24		01/10/25		
Misquamicut	06/30/24	12/31/24		02/28/25		
Watch Hill	05/31/24	11/30/24	08/28/24			
West Glocester	06/30/24	12/31/24	12/03/24			
Weekapaug	12/31/24	06/30/25	06/30/25			

<b>Timely:</b> <b>6 months or less</b>	<b>3</b>	<b>50%</b>
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<b>Late:</b> <b>7 - 9 months</b>	<b>3</b>	<b>50%</b>
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<b>Significantly Late:</b> <b>More than 9 Months</b>	<b>0</b>	<b>0%</b>
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<b>Late and</b> <b>Remains Unfiled</b>	<b>0</b>	<b>0%</b>
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**Fire Districts - Tier III Annual Reporting Summary**  
**Fiscal Year Ended (FYE) 2024**

Fire District - Tier III: Annual Self-Reporting Template (Form FD-4) Required	FYE Date	Due Date	Date Received or Current Status			
			Timely: 2 months or less	Late: 3 - 5 months	Significantly Late: More than 5 Months	Late and Remains Unfiled
Bonnet Shores	04/30/24	06/30/24			10/18/24	
Bradford	08/31/24	10/31/24	09/25/24			
Buttonwoods	05/31/24	07/31/24		08/07/24		
Indian Lake Shores	06/30/24	08/31/24		10/27/24		
Manville	09/30/24	11/30/24				Unfiled
Pojac Point	03/31/24	05/31/24		08/21/24		
Quinnville	04/30/24	06/30/24		08/21/24		
Quonochontaug Central Beach	12/31/24	02/28/25	02/20/25			
Shady Harbor	07/31/24	09/30/24	08/11/24			
Shelter Harbor	06/30/24	08/31/24	08/26/24			

<b>Timely:</b> <b>6 months or less</b>	<b>4</b>	<b>40%</b>
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<b>Late:</b> <b>7 - 9 months</b>	<b>4</b>	<b>40%</b>
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<b>Significantly Late:</b> <b>More than 9 Months</b>	<b>1</b>	<b>10%</b>
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<b>Late and</b> <b>Remains Unfiled</b>	<b>1</b>	<b>10%</b>
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**General Notes:**

- 1) For entities with a June 30 fiscal year-end, audit reports received by Tuesday, December 31, 2024, were considered to meet the General Law requirement for timely filing.

- 2) Fire District Tier Definitions:

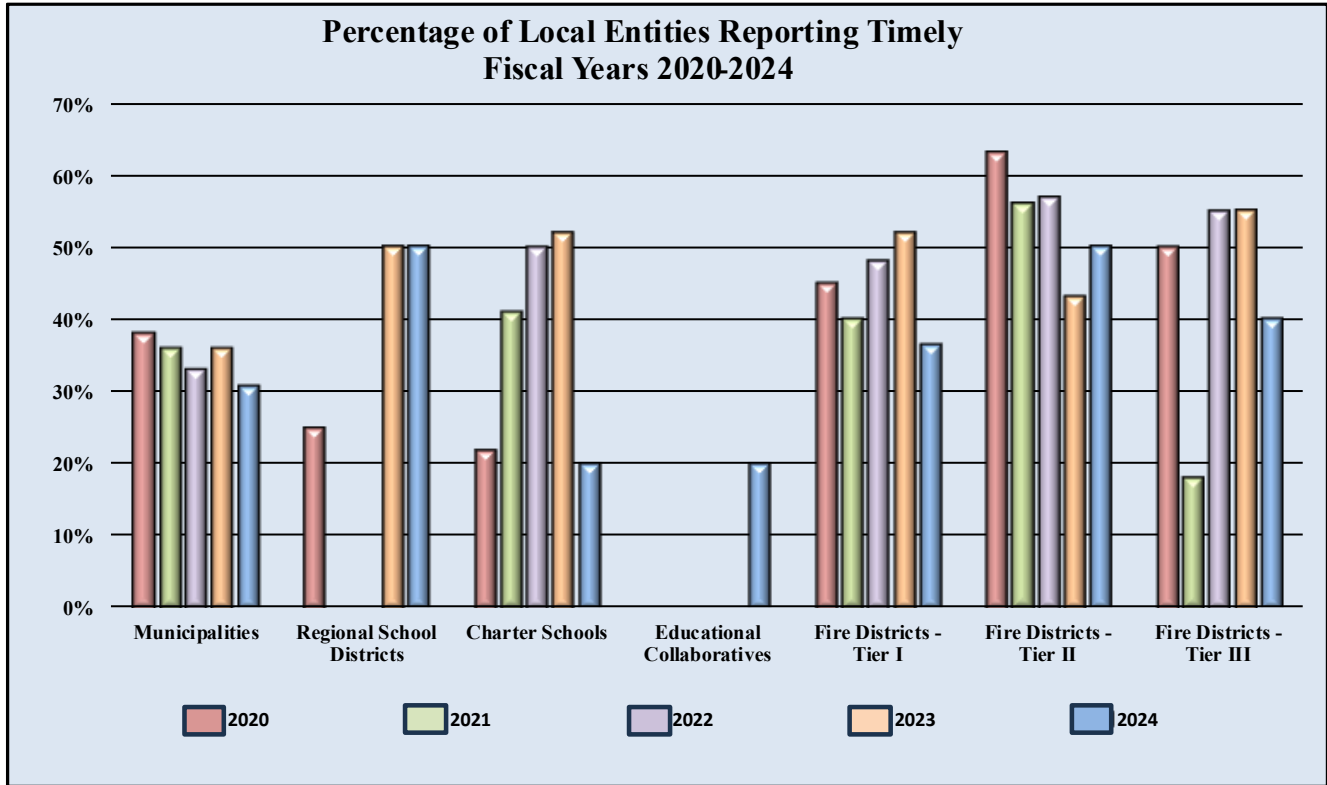
Tier I – Fire district located in Coventry; annual operating expenditures (exclusive of capital outlay) are equal to or more than \$1.85 million; or internal or another external requirement for an audit.

Tier II - Annual operating expenditures (exclusive of capital outlay) are more than \$650,000 but less than \$1.85 million or annual operating expenditures (exclusive of capital outlay) are equal to or less than \$650,000 but outstanding debt is greater than 3 times annual operating expenditures.

Tier III - Annual operating expenditures (exclusive of capital outlay) are equal to or less than \$650,000.

**Compliance Trend Information – Reporting Periods 2020-2024**

The table and chart below show the trend of compliance with statutory reporting requirements by local entity category for the last five reporting periods:



Local Entity	2020	2021	2022	2023	2024
Municipalities	38%	36%	33%	36%	31%
Regional School Districts	25%	0%	0%	50%	50%
Charter Schools	22%	41%	50%	52%	20%
Educational Collaboratives	0%	0%	0%	0%	20%
Fire Districts - Tier I	45%	40%	48%	52%	36%
Fire Districts - Tier II	63%	56%	57%	43%	50%
Fire Districts - Tier III	50%	18%	55%	55%	40%

Our evaluation of compliance percentages for the above five-year reporting periods supports the following:

- 1) Compliance with timely financial reporting requirements continues to be a significant challenge across all entity groups, highlighted by the highest percentage of timely submissions being only 50 percent timely in 2024 (Regional School Districts and Tier II Fire Districts).
- 2) COVID-19, specifically in fiscal 2021, negatively impacted compliance with continued impact into 2022.
- 3) Fiscal year 2024 showed a decline in timeliness for Municipalities, Charter Schools, Tier I Fire Districts, and Tier III Fire Districts. Regional School Districts remained consistent with prior periods. Educational Collaboratives and Tier II Fire Districts showed slight improvement in the number of entities filing timely.

**Summary of Reported Deficits – Local Governmental Entities – Fiscal Year 2024 Reporting Period**

Rhode Island General Law Sections 45-12-22.2, 45-12-22.3, 16-2-9, and 16-3-11 require Rhode Island municipalities, school districts, regional school districts, and fire districts to provide timely reporting of anticipated General Fund or School Fund deficits to the Auditor General and the Division of Municipal Finance with a corrective action plan to eliminate the fund deficit. Additionally, the Auditor General receives and reviews audited financial statements of charter schools and educational collaboratives and will follow through on any issues noted that require attention or corrective action.

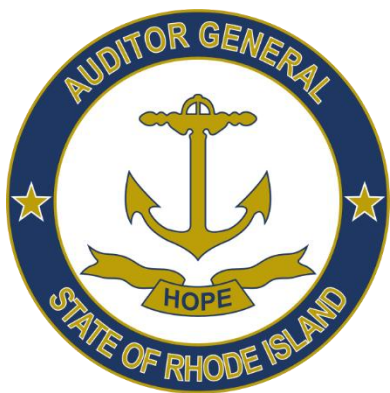
Fund balance is the accumulation of operating surpluses and deficits since the beginning of the local entity's existence. Reported fund balance (or net position/asset) deficits indicate that local entities have expended more than the resources available for that fund. Deficits can result from a variety of reasons including unexpected expenditures, revenue shortfalls, emergencies, etc. The purpose of the statutory requirements is timely identification of deficits, evaluation of the causes, and corrective actions to address the causes and return the entity to fiscal stability. The table below details anticipated deficits that received attention during the year and, when applicable, the adopted corrective action or status of the issue.

Entity	Fund / Fiscal Year	Net Change in Fund Balance, Net Assets or Net Position	Ending Total Fund Balance, Net Assets or Net Position	Date and Status of Deficit Reduction Plan
Coventry	School Dept. / Unrestricted Fund / 2024	\$ (3,068,708)	\$ (5,869,710)	Deficit reduction plan pending - OAG continues to meet with Town, School Department, and other State Officials monthly. The School Department is currently working to close out fiscal year 2025 and provide an updated estimate of the 2025 operating results. The Town and School Department have provided a preliminary five-year plan; however, the final plan will be significantly influenced by the 2025 School Unrestricted Fund operating results.
Johnston	School Dept. / Unrestricted Fund / 2024	\$ (721,147)	\$ (2,276,613)	Deficit reduction plan pending - OAG had been meeting with Town, School Department, and other State Officials since the School Department first started projecting a deficit for fiscal year 2021. A pause in meetings was requested to allow both parties to work towards a plan. The Town Council and School Committee have approved a Memorandum of Agreement (MOA) which includes a supplemental 2026 Town appropriation. A formalized plan is required to be submitted to the Auditor General for approval. The Town and School Department are working towards formalizing a plan.

*Continued on next page.*

**Summary of Reported Deficits**  
Fiscal Year 2024 Reporting Period

Entity	Fund / Fiscal Year	Net Change in Fund Balance, Net Assets or Net Position	Ending Total Fund Balance, Net Assets or Net Position	Date and Status of Deficit Reduction Plan
Tiverton	School Dept. / Unrestricted Fund / 2024	\$ (1,346,879)	\$ 201,580	The School Department has reported a projected unaudited 2025 operating deficit of \$1-\$1.2 million. A corrective action plan that addresses the anticipated deficit through June 30, 2025 is required. The OAG has and will continue to meet with the Town and School Department to discuss their plan to address the anticipated deficit.
Warwick	School Dept. / Unrestricted Fund / 2024	\$ (474,802)	\$ (1,222,130)	The OAG had been meeting with City, School, and other State Officials since the School Department first started projecting a deficit in 2024. The School has reported an additional significant projected unaudited 2025 operating deficit. During the 2025 legislative session, a Budget Review Commission was created to oversee the operations of the Schools, present a preliminary analysis of the financial situation, provide recommendations to immediately address the operating and structural deficits, and develop a financial plan to achieve fiscal stability. The Commission is meeting regularly.
YouthBuild Preparatory Academy	Collaborative / Net Assets / 2024	\$ 38,934	\$ (159,387)	Negative total net assets - The OAG met with YouthBuild in August 2024 to discuss the 2023 financial results and their plan to address the reported deficit. YouthBuild reported they operated mostly without State Funding in 2023 due to an issue which has since been resolved. YouthBuild expected the full receipt of State funds in 2024. The OAG will continue to monitor YouthBuild's plan to address the deficit and increase net asset reserves.



**State of Rhode Island**  
**General Assembly**  
**Office of the Auditor General**  
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