

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 22, 2022

SERIAL BONDS

RATING: MOODY'S INVESTOR SERVICE: " " See "Bond Rating", herein

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.*

*The Fire District will designate the Bonds as "qualified tax-exempt obligations" pursuant to the provision of Section 265(b)(3) of the Code.*

**CENTERPORT FIRE DISTRICT,  
IN THE TOWN OF HUNTINGTON,  
SUFFOLK COUNTY, NEW YORK**  
(the "Fire District")

**\$1,900,000 FIRE DISTRICT SERIAL BONDS – 2022**  
(the "Bonds")

SEE BOND MATURITY SCHEDULE HEREIN

The Bonds are general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Fire District, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law" herein).

The Bonds maturing on March 15, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Fire District, on March 15, 2029 and thereafter on any date, in accordance with terms described herein. (See "Optional Redemption" under "THE BONDS," herein.)

The Bonds will be issued as registered bonds and, at the option of the purchaser, the Bonds may be either (i) registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds.

If the Bonds are registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds. Principal of and interest on such Bonds will be payable in Federal Funds by the Fire District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

Any Bonds issued in book-entry form will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners of book-entry bonds will not receive certificates representing their respective interests in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on any book-entry Bonds will be paid in Federal Funds by the Fire District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Fire District will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See "Description of Book-Entry System" under "THE BONDS," herein).

Proposals for the Bonds will be received at 11:00 A.M. (Prevailing Time) on March 9, 2022 at the offices of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

*The Bonds are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about March 23, 2022 in New York, New York.*

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE FIRE DISTRICT FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE FIRE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**CENTERPORT FIRE DISTRICT,  
IN THE TOWN OF HUNTINGTON,  
SUFFOLK COUNTY, NEW YORK**

**\$1,900,000 FIRE DISTRICT SERIAL BONDS – 2022**

**BOND MATURITY SCHEDULE**

**Dated: Date of Delivery**

**Principal Due: March 15, 2023 - 2042 inclusive**  
**Interest Due: March 15, 2023, September 15, 2023 and**  
**semi-annually thereafter on March 15**  
**and September 15 in each year to**  
**maturity**

| <u>Amount*</u> | <u>Maturity</u> | <u>Rate</u> | <u>Price or Yield</u> | <u>CUSIP #</u> |
|----------------|-----------------|-------------|-----------------------|----------------|
| \$ 80,000      | 2023            |             |                       |                |
| 90,000         | 2024            |             |                       |                |
| 95,000         | 2025            |             |                       |                |
| 95,000         | 2026            |             |                       |                |
| 90,000         | 2027            |             |                       |                |
| 90,000         | 2028            |             |                       |                |
| 90,000         | 2029            |             |                       |                |
| 95,000         | 2030**          |             |                       |                |
| 95,000         | 2031**          |             |                       |                |
| 95,000         | 2032**          |             |                       |                |
| 95,000         | 2033**          |             |                       |                |
| 95,000         | 2034**          |             |                       |                |
| 95,000         | 2035**          |             |                       |                |
| 100,000        | 2036**          |             |                       |                |
| 100,000        | 2037**          |             |                       |                |
| 100,000        | 2038**          |             |                       |                |
| 100,000        | 2039**          |             |                       |                |
| 100,000        | 2040**          |             |                       |                |
| 100,000        | 2041**          |             |                       |                |
| 100,000        | 2042**          |             |                       |                |

\*Amounts are subject to adjustment by the Fire District following the sale, pursuant to the terms of the Notice of Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law and to effectuate the Fire District's plan of refunding.

\*\*Subject to redemption prior to maturity.

**CENTERPORT FIRE DISTRICT, IN THE TOWN OF HUNTINGTON  
SUFFOLK COUNTY, NEW YORK**

9 Park Circle  
Centerport, New York 11721  
Telephone: 631/261-5936  
Fax: 631/261-5918

**BOARD OF FIRE COMMISSIONERS**

Andrew Stevenson, Chairman

Thomas Boyd  
Jack Geffken

Tom Collins  
Jill Rizzuti

-----

Lisa Jablonowski, Treasurer and Secretary

Chris Ring, Esq, Fire District Attorney

\* \* \*

**BOND COUNSEL**

Hawkins Delafield & Wood LLP  
New York, New York

\* \* \*

**MUNICIPAL ADVISOR**



12 Roosevelt Avenue  
Port Jefferson Station, N.Y. 11776  
(631) 331-8888

E-mail: [info@munistat.com](mailto:info@munistat.com)  
Website: <http://www.munistat.com>

No dealer, broker, salesman or other person has been authorized by the Fire District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Fire District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Fire District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Fire District since the date hereof.

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## OFFICIAL STATEMENT

### CENTERPORT FIRE DISTRICT, IN THE TOWN OF HUNTINGTON, SUFFOLK COUNTY, NEW YORK

#### \$1,900,000 FIRE DISTRICT SERIAL BONDS – 2022

This Official Statement and the appendices hereto present certain information relating to the Centerport Fire District, in the Town of Huntington, Suffolk County, in the State of New York (the “Fire District,” the “Town,” “the County” and “the State,” respectively) in connection with the sale of \$1,900,000 Fire District Serial Bonds – 2022 (the “Bonds”) of the Fire District.

All quotations from and summaries and explanations of provisions of the Constitution and Laws of the State and acts and proceedings of the Fire District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the Fire District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Fire District’s overall economic situation and outlook (and all of the specific Fire District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See “*RISK FACTORS*” herein.)

#### THE BONDS

##### Description of the Bonds

The Bonds will be dated the date of delivery, and will mature on March 15 in each of the years 2023 to 2042, inclusive, in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be payable on March 15, 2023, September 15, 2023 and semi-annually thereafter on April 1 and October 1 in each year to maturity.

The Bonds will be issued as registered bonds and, at the option of the purchaser, the Bonds may be either (i) registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

If the Bonds are registered in the name of the purchaser, a single bond certificate shall be issued for each maturity of the Bonds. Principal of and interest on such Bonds will be payable in Federal Funds by the Fire District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

The Bonds issued in book-entry form will be issued as registered bonds, and, when issued, will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds. Beneficial owners will not receive certificates representing their respective interests in the Bonds. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single bond certificate will be issued for each maturity of the Bonds. Principal of and interest on any book-entry Bonds will be paid in Federal Funds by the Fire District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Fire District will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See “*Description of Book-Entry System*” under “*THE BONDS*,” herein).

The Record Date of the Bonds will be the last business day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Fire District will act as Fiscal Agent for any Bonds issued in book-entry form. For any Bonds issued as certificated bonds, the purchaser will act as Fiscal Agent. Paying Agent fees, if any, will be paid by the purchaser. The Fire District's contact information is as follows: Lisa Jablonowski, Fire District Treasurer, Centerport Fire District in the Town of Huntington, Suffolk County, 9 Park Circle, Centerport, New York 11721 telephone number 631/261-5918 and email: ljablonowskicfd@gmail.com.

### **Optional Redemption**

The Bonds maturing on or before March 15, 2029 will not be subject to redemption prior to maturity. The Bonds maturing on March 15, 2030 and thereafter, will be subject to redemption prior to maturity, at the option of the Fire District, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after March 15, 2029, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Fire District by lot in any customary manner of selection as determined by the Fire District. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

### **Description of Book-Entry System**

DTC will act as Securities Depository for any Bonds issued in book-entry form. The book-entry Bonds will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participant, the "Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Fire District on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee) or the Fire District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Fire District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Fire District or the Fire District may decide to discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered to the beneficial owners. (See "Certificated Bonds," herein.)

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the Fire District takes no responsibility for the accuracy thereof.

THE FIRE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE FIRE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

## **Certificated Bonds**

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fire District and discharging its responsibilities with respect thereto under applicable law, or the Fire District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, and a replacement book-entry securities depository is not appointed, the Bonds will be issued in registered form in denominations of \$5,000, or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the Fire District as the fiscal agent; certificated Bonds may be transferred or exchanged at no cost to the owner of such bonds at any time prior to maturity at the corporate trust office of the fiscal agent for bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the certificate of the Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law.

### **Authorization and Purpose**

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law and the Local Finance Law, and a bond resolution duly adopted by the Fire District Board of Commissioners on November 15, 2021, and approved as a proposition by a majority of the qualified voters of the Fire District voting thereon at the Special Election held on January 11, 2022, authorizing the issuance of bonds in the amount of \$1,900,000 to finance the acquisition of a parcel of real property located at Route 25A and Little Neck Road and the existing structure thereon.

### **Security and Source of Payment**

Each Bond when duly issued and paid for will constitute a contract between the Fire District and the holder thereof.

The Bonds will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon. The pledge of the faith and credit of municipalities and school districts mandated by Article VIII, Section 2, of the New York Constitution was upheld by the Court of Appeals in several cases decided at the time of the New York City financial crisis in the 1970s and 1980s (see *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 NY 2d 731 (1976) and subsequent cases). The opinion of the Court of Appeals in the *Flushing National Bank* decision states that "...an obligation containing a pledge of the City's 'faith and credit' is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words 'faith' and 'credit' are used and they are not tautological." In the words of the Court of Appeals, "That is what the words say and this is what the courts have held they mean..." is a clear statement as to the meaning of the pledge of faith and credit. Albeit the pledge of the faith and credit of a fire district (including the Fire District) is not constitutionally mandated, such pledge is required pursuant to the Local Finance Law (Section 100.00) for the incurrence of fire district indebtedness and should be accorded a similar judicial interpretation.

For the payment of such principal of and interest on the Bonds, the Fire District has the power and statutory authority to cause the levy of ad valorem taxes on all taxable real property in the Fire District, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein).

Pursuant to the Section 100.00 of the New York State Local Finance Law, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds. The State is precluded from restricting the power of the Fire District to require the levy of taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to cause an increase to its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Towns, on behalf of the Fire District, to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

## REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds if the Fire District defaults in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of such default. Each Bond is a general obligation contract between the Fire District and the owner for which the faith and credit of the Fire District is pledged and while remedies for enforcement of payment are not expressly included in the Fire District's contract with such holders, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional. (See also "*Security and Source of Payment*" herein for discussion of the statutory (but not constitutional) mandate that a fire district, including the Fire District, pledge its faith and credit to the payment of its indebtedness.)

Upon default of the payment of principal of or interest on the Bonds, at suit of the owner, a Court has power in proper and appropriate proceedings to render a judgment against the Fire District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. Courts also have the power in proper and appropriate proceedings to order payment of a judgment on such Bonds from funds lawfully available therefor or, in the absence thereof, to order the Fire District to take all lawful action to obtain the same, including the inclusion of the required amount in the next request to the Town to place such amount in the next annual tax levy. In exercising its discretion as to whether to enter such an order, the Courts may take into account all relevant factors, including the current operating needs of the Fire District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other things, seek to obtain a writ of mandamus from a Court requiring the governing body of the Fire District to cause the assessment, levy and collection of an *ad valorem* tax, upon all property of the Fire District subject to taxation by the Fire District, sufficient to pay the principal of and interest on the Bonds as the same shall come due (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto, all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of holders of bonds and notes, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 644 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Fire District.

Pursuant to Article VIII, Section 2 of the State Constitution, municipalities and school districts are required to provide an annual appropriation of monies for the payment of due principal of and interest on indebtedness. Specifically, this Constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This Constitutional provision providing for first revenue set aside does not apply by its terms to the Fire District. However, pursuant to Section 100.00 of the Local Finance Law, a fire district, including the Fire District, must pledge its faith and credit to the payment of its indebtedness.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While Courts in the State have upheld and sustained the rights of bondholders and/or noteholders, a Court might hold that future events, including a financial crisis as such may occur in the State or in any of its political subdivisions, including municipalities and fire districts of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

## **NO DEFAULT STATE**

No principal or interest payment on Fire District indebtedness is past due. The Fire District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

## **BANKRUPTCY**

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts and fire districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the Fire District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the Fire District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the Fire District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the Fire District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the Fire District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

## **THE FIRE DISTRICT**

### **Description**

The Centerport Fire District which encompasses an area of approximately 6.5 square miles, is a thriving hamlet located on the North Shore of Long Island, on the Long Island Sound, in the Town of Huntington, Suffolk County, New York.

The area is largely residential in character. Considerable residential development has progressed at a growing pace in recent years. (Rte 25A) a.k.a. Fort Salonga Road and East Main Street is the main road artery in the Fire District, and it bisects the District on an east - west axis. Residents find employment in the School District, the local library, and among other places, the professional and trading centers of Huntington and Melville which are within close proximity. Also, the Long Island Rail Road provides stations in all directions from Centerport and many residents commute to New York City for employment.

### **District Organization**

The Fire District is governed by a five-member Board of Fire Commissioners who are elected to five-year terms on a staggered basis. The Chairman of the Board is elected annually by the Commissioners, and the Board appoints a secretary - Treasurer, and a District Manager each year. The Treasurer, serves as the chief fiscal officer of the Fire District.

### **Employees**

Fire District has four full-time and twenty-two part-time employees, four of whom are covered under the Local 342 - Long Island Public a Service Employees Union who's contract expires on December 31, 2022, but is currently in negotiations.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Trends

The following table sets forth population statistics for the Fire District.

| <u>Year</u> | <u>Centerport</u> | <u>Town of Huntington</u> | <u>Suffolk County</u> | <u>New York State</u> |
|-------------|-------------------|---------------------------|-----------------------|-----------------------|
| 2000        | 5,446             | 195,269                   | 1,419,369             | 18,976,457            |
| 2010        | 5,508             | 203,264                   | 1,493,350             | 19,378,102            |
| 2020        | 5,822             | 204,127                   | 1,525,920             | 20,201,249            |

Source: U.S. Bureau of the Census.

### Income Data

|                    | <u>Per Capita Money Income</u> |             |             |                         |
|--------------------|--------------------------------|-------------|-------------|-------------------------|
|                    | <u>1990</u>                    | <u>2000</u> | <u>2010</u> | <u>2019<sup>a</sup></u> |
| Town of Huntington | \$24,810                       | \$36,390    | \$46,862    | \$65,192                |
| County of Suffolk  | 18,481                         | 26,577      | 35,755      | 48,381                  |
| State of New York  | 16,501                         | 23,389      | 30,791      | 41,857                  |

  

|                    | <u>Median Income of Families</u> |             |             |                         |
|--------------------|----------------------------------|-------------|-------------|-------------------------|
|                    | <u>1990</u>                      | <u>2000</u> | <u>2010</u> | <u>2019<sup>a</sup></u> |
| Town of Huntington | \$65,820                         | \$90,606    | \$116,478   | \$155,596               |
| County of Suffolk  | 53,244                           | 72,112      | 96,220      | 125,309                 |
| State of New York  | 32,965                           | 43,393      | 55,603      | 89,475                  |

Source: United States Department of Commerce, Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2015-2019)

### Selected Listing of Largest Employers in the Town of Huntington

| <u>Name</u>                               | <u>Type</u>               | <u>Estimated Number Of Employees</u> |
|---|---------------------------|--------------------------------------|
| Huntington Hospital                       | Hospital                  | 2,734                                |
| Canon                                     | Imaging Products          | 2,497                                |
| Northport Veterans Affairs Medical Center | Healthcare                | 2,000                                |
| Henry Schein, Inc.                        | Medical & Dental Supplies | 1,400                                |
| Half Hollow Hills School District         | Education                 | 1,398                                |
| Western Suffolk BOCES                     | Education                 | 1,185                                |
| Northport-East Northport UFSD             | Education                 | 1,023                                |
| South Huntington UFSD                     | Education                 | 933                                  |
| Huntington UFSD                           | Education                 | 819                                  |
| Town of Huntington                        | Government                | 815                                  |

Source: Town Officials.

## Unemployment Rate Statistics

| <u>Annual Averages:</u> | <u>Town of<br/>Huntington (%)</u> | <u>County of<br/>Suffolk (%)</u> | <u>State of<br/>New York (%)</u> |
|-------------------------|-----------------------------------|----------------------------------|----------------------------------|
| 2017                    | 4.3                               | 4.8                              | 5.1                              |
| 2018                    | 3.4                               | 3.9                              | 4.1                              |
| 2019                    | 3.3                               | 3.7                              | 4.0                              |
| 2020                    | 7.9                               | 8.5                              | 10.0                             |
| 2021                    | 4.4                               | 4.9                              | 7.2                              |

Source: Department of Labor, State of New York

## INDEBTEDNESS OF THE FIRE DISTRICT

**Constitutional Requirements.** The New York State Constitution (Article VIII, Section 2) does not directly address the power of fire districts, including the Fire District, to contract indebtedness and the levy of taxes upon real estate in support thereof (although Article VIII, Section 3 thereof excludes, inter alia, fire districts from limitations imposed therein upon municipal or other corporations possessing the power to contract indebtedness or to levy or require the levy of taxes or benefit assessments upon real estate).

**Local Finance Law Requirements.** The New York State Local Finance Law limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Bonds.

**Purpose and Pledge.** Pursuant to the Local Finance Law, the Fire District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Fire District may contract indebtedness only for a Fire District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the periods of probable usefulness of the objects or purposes as determined by statute or in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Fire District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Fire District is required to provide an annual appropriation for the payment of interest due during the fiscal year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

**General.** The Fire District is subject to certain statutory limitations restricting the powers of the Fire District in the areas of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Fire District, so as to prevent abuses in the exercise of such powers. As has been noted under "*Security and Source of Payment*", the State Legislature is prohibited from restricting the power of the Fire District to cause the levy of taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

## Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Fire District to borrow and incur indebtedness subject, of course, to the provisions set forth above. The power to spend money, however, generally derives from other laws, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonded indebtedness by the adoption of a bond resolution approved by a vote of at least three-fifths of the entire membership of the Board of Fire Commissioners, which, pursuant to the Local Finance Law, is the finance board of the Fire District. All of such resolutions are subject to referendum.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, appropriates the requisite funds, authorizes the issuance of serial bonds to finance the appropriation, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect to such object or purpose.

Each bond resolution also provides for the authorization of the issuance of bond anticipation notes prior to the issuance of the subject serial bonds. Statutory law in New York permits notes to be renewed each year provided that (i) amortization of principal commences within two years of the date of incurrence of the debt, and, (ii) such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. (See "*Payment and Maturity*" under "*Constitutional Requirements*" herein).

The Local Finance Law also provides for a twenty-day statute of limitations commenced by publication of the bond resolution or a summary thereof, following its effective date which, in effect, thereafter estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations.

In addition, pursuant to the bond resolution, the Board of Fire Commissioners may delegate to the Fire District Treasurer, the chief fiscal officer of the Fire District, the power to issue and sell bonds and bond anticipation notes.

In general, the Local Finance Law contains similar provisions providing the Fire District with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes, subject to the prescribed statutory procedures and limitations.

**Debt Limit.** The Fire District has the power to contract indebtedness for any Fire District purpose authorized by the Legislature of the State so long as the aggregate principal amount thereof shall not exceed three per centum (3.00%) of the full valuation of taxable real property of the Fire District, except as otherwise provided by the New York Local Finance Law, and subject to certain enumerated exclusions and deductions such as cash or appropriations for principal of debt. The three per centum limit may be exceeded if the proposition for approval of the bond resolution is approved by a two-thirds vote of the qualified voters of the Fire District and the State Comptroller consents thereto. The method for determining full valuation is by taking the assessed valuation of taxable real property for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

There is no constitutional limitation on the amount that may be raised by the Fire District by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the Fire District to increase its annual tax levy, unless the Fire District complies with certain procedural requirements to permit the Fire District to cause the levy of certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein).

The following pages set forth certain details with respect to the indebtedness of the Fire District.

**Computation of Constitutional Debt Contracting Margin**  
(As of March 1, 2022)

| <u>In Town of:</u>                            | <u>Assessed<br/>Valuation</u> | <u>State<br/>Equalization<br/>Rate (%)</u> | <u>Full Valuation</u>      |
|---|-------------------------------|--|----------------------------|
| Huntington (2021-2022)                        | \$12,415,454                  | 0.74                                       | \$1,677,764,054            |
| Debt Limit - 3% of Full Valuation             |                               |  | \$50,332,922               |
| Inclusions:                                   |                               |  |                            |
| Outstanding Bonds                             |                               |  | \$0                        |
| Bond Anticipation Notes                       |                               |  | <u>0</u>                   |
| Total Indebtedness                            |                               |  | <u>0</u>                   |
| Appropriations                                |                               |  | <u>0</u>                   |
| Total Net Indebtedness                        |                               |  | <u>0</u>                   |
| Total Net Indebtedness                        |                               |  | <u>0</u>                   |
| Net Debt Contracting Margin                   |                               |  | <u><u>\$50,332,922</u></u> |
| Per Cent of Debt Contracting Margin Exhausted |                               |  | 0.00%                      |

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**Details of Short-Term Indebtedness Outstanding**  
(As of March 1, 2022)

As of the date of this Official Statement, the Fire District has no outstanding short-term debt.

**Authorized and Unissued Debt**

As of the date of this Official Statement, the Fire District has authorized but unissued debt in the amount of \$1,900,000; such authorization is being funded by the issuance of the Bonds.

**Trend of Outstanding Indebtedness**

|              | <u>2017</u>       | <u>2018</u>       | <u>2019</u>       | <u>2020</u> | <u>2021</u> |
|--------------|-------------------|-------------------|-------------------|-------------|-------------|
| Bonds        | \$ 450,000        | \$ 300,000        | \$ 150,000        | \$ 0        | \$ 0        |
| BANs         | -                 | -                 | -                 | -           | -           |
| Other        | -                 | -                 | -                 | -           | -           |
| <b>Total</b> | <b>\$ 450,000</b> | <b>\$ 300,000</b> | <b>\$ 150,000</b> | <b>\$ 0</b> | <b>\$ 0</b> |

**Calculation of Estimated Overlapping and Underlying Indebtedness**

| <u>Overlapping Units</u>                | <u>Date of Report</u> | <u>Percentage Applicable (%)</u> | <u>Applicable Total Indebtedness</u> | <u>Applicable Net Indebtedness</u> |
|---|-----------------------|----------------------------------|--------------------------------------|------------------------------------|
| County of Suffolk                       | 11/24/2021            | 0.62                             | \$ 9,017,573                         | \$ 8,248,176                       |
| Town of Huntington                      | 07/01/2021            | 3.80                             | 3,791,860                            | 3,791,860                          |
| Harborfields Union Free School District | 08/24/2021            | 48.83                            | 6,260,006                            | 6,260,006                          |
| <b>Totals</b>                           |                       |                                  | <b>\$19,069,439</b>                  | <b>\$18,300,042</b>                |

Sources: State Comptroller's Special Report on Municipal Affairs or more recently published Official Statements.

**Debt Ratios<sup>a</sup>**  
(As of March 1, 2022)

|  | <u>Amount</u> | <u>Per Capita<sup>a</sup></u> | <u>Percentage Of Full Value (%)<sup>b</sup></u> |
|--|---------------|-------------------------------|---|
| Total Direct Debt                                | \$ 0          | \$ 0                          | 0.000   |
| Net Direct Debt                                  | 0             | 0                             | 0.000   |
| Total Direct & Applicable Total Overlapping Debt | 19,069,439    | 3,275                         | 1.137   |
| Net Direct & Applicable Net Overlapping Debt     | 18,300,042    | 3,143                         | 1.091   |

a. Current Population of the Fire District is .

b. The full valuation of taxable property is \$1,677,764,054.

## **FINANCES OF THE FIRE DISTRICT**

### **Impact of COVID-19**

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Fire District's financial condition and operating results in various ways, including by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency which has since been terminated and the Governor took steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Fire District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or a resurgence could have a material adverse effect on the State and municipalities and school districts located in the State, including the Fire District. The Fire District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

### **Financial Statements and Accounting Procedures**

The Financial Statements of the Fire District are audited annually by an independent public accountant. For the fiscal year ended December 31, 2020, the audit was performed by the firm Jones, Little & Co and is attached as Appendix B. The Fire District also prepares an Unaudited Financial Report Update Document "AUD".

### **Investment Policy**

Pursuant to State law, including Sections 10 and 11 of the GML, the Fire District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Fire District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Fire District, itself; (5) certificates of participation issued in connection with installment purchase agreements entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Fire District pursuant to law, in obligations of the Fire District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Fire District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML.

The Board of Fire Commissioners of the Fire District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Fire District are made in accordance with such policy.

## **Service Award Program**

The Fire District adopted a Service Award Program effective January 1, 1991, as provided in Section 216 of the General Municipal Law and Amended on August 10, 2004. The program is a defined benefit plan where the award to be paid to eligible volunteer firefighters is \$20 per month for each qualified year of active firefighter's service not to exceed forty years. Payment is to commence when the eligible firefighter reaches age sixty and completes one year of active participation. The firefighter may continue to earn benefits past the age of entitlement up to forty years of service provided the firefighter is active and medically cleared by the district's physician. To earn a year of credited service a participant must accumulate 50 points under the fire district's point system as defined in the General Municipal Law. The participant's accrued benefit is 100% vested after the firefighter has earned credit for five years of vested service, attains the entitlement age, is awarded a finding of total and permanent disability or dies. All active volunteer firefighters of the Fire District who are members of the Centerport Volunteer Fire Department are eligible to participate in the Service Award Program.

## **Employee Pension System**

Substantially all employees of the Fire District are members of the New York State and Local Employees' Retirement System (the "Retirement System"). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement Systems Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service for employees hired prior to January 1, 2010. The Retirement System Law generally provides that all participating employers in the Retirement Systems are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, the Governor signed into law the creation of a new Tier V, which is effective for new Retirement System employees hired after January 1, 2010 and before April 1, 2012. Retirement System employees in Tier V contribute 3% of their salaries and there is no provision for these contributions to cease for Tier V employees after a certain period of service. Additionally, on March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new Retirement System employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

It is anticipated that the employer contribution rate for the State's Retirement System in future years may be significantly higher than the minimum contribution rate established under applicable law. The Office of the New York State Comptroller has informed participating employers that due to the global economic crisis of 2008-2009, the rate of return of the pension fund experienced significant declines and consequently, for several years, contribution rates increased. The Employer Contribution Stabilization Program, signed into law on August 11, 2010 gives local governments the option to amortize a portion of annual pension costs. Amortizations are paid in equal installments over a ten-year period at an interest rate that is set annually. The interest rate for 2011 fiscal year was 5 percent. The interest rate for 2012 is 3.75 percent. Under such legislation, local governments and school districts that choose to amortize will be required to set aside and reserve funds for certain future rate increases. The legislation also authorizes local governments and school district to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance. The Fire District has eight (8) full-time employees. The Fire District has not amortized any payments to the Retirement System and has no plans to do so in the foreseeable future.

## **Budgetary Procedures**

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares a budget each year. The budget is then adopted by the Board as its final budget for the coming fiscal year. The budget is not subject to referendum unless the operating portion exceeds the limitations provided by law. The budget is submitted to the Town and the Town is specifically prohibited from making any change in the Fire District budget, which is included in the Town budget. Following adoption by the Town Board such budget becomes the adopted budget of the Town, which levies and collects taxes for Fire District purposes.

## Revenues

The Fire District receives most of its revenue from a real property tax on all non-exempt real property situated within the Fire District. A summary of such revenues for the five most recently completed fiscal years and the amounts budgeted for 2021 and 2022 may be found in Appendix A.

### *Real Property Taxes*

See "Tax Information", herein.

## Expenditures

A summary of such Expenditures for the five most recently completed fiscal years and the amounts budgeted for 2021 and 2022 may be found in Appendix A.

## TAX INFORMATION

### Real Property Taxes

Methods and procedures to require the levy, collection and enforcement of this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the Fire District are prepared by the Town. Assessment valuations are determined by the Town assessor and the State Office of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Fire District is not subject to constitutional real property taxing limitations. However, the Tax Levy Limit Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy. As a result, the power of the Fire District to levy real estate taxes on all the taxable real property within the Fire District is subject to statutory limitations set forth in Tax Levy Limit Law.

The following table sets forth the percentage of the Fire District's General Fund revenue (excluding other financing sources) comprised of real property taxes for each of the fiscal years 2016 through 2020, inclusive and the amounts budgeted for the 2021 and 2022 fiscal year.

| Fiscal Year Ending<br><u>December 31:</u> | <u>Total</u><br><u>Revenue</u> | Real Property<br><u>Taxes</u> | Real Property<br>Taxes to<br><u>Revenues (%)</u> |
|---|--------------------------------|-------------------------------|--|
| 2016                                      | \$2,067,330                    | \$1,999,913                   | 96.74  |
| 2017                                      | 2,304,932                      | 2,182,567                     | 94.69  |
| 2018                                      | 2,311,964                      | 2,218,534                     | 95.96  |
| 2019                                      | 2,390,482                      | 2,290,573                     | 95.82  |
| 2020                                      | 2,374,263                      | 2,300,031                     | 96.87  |
| 2021 (Budgeted)                           | 2,365,000                      | 2,365,000                     | 100.00   |
| 2022 (Budgeted)                           | 2,395,000                      | 2,395,000                     | 100.00   |

### Tax Collection Procedure

Fire District taxes are collected by the Town Receiver of Taxes and are payable in two installments, with the first installment payable from December 1<sup>st</sup> to January 10<sup>th</sup> without penalty. After January 10<sup>th</sup>, a 1% penalty is applied, an additional 1% penalty is added for each 30 days or part thereof that taxes remain unpaid, up to a maximum of 5%. Second half taxes are due May 1<sup>st</sup>, payable without penalty to May 31<sup>st</sup>, after which the same penalties apply. After May 31<sup>st</sup>, the Town Receiver of Taxes, after retaining the full amount of Town Special District and Fire District taxes, turns over any uncollected taxes to the County Treasurer who assumes collection of said unpaid taxes plus penalties and any additional charges. As the Fire District receives the full amount of its taxes from the Town Receiver of Taxes, there are no uncollected taxes as far as the Fire District is concerned.

## Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011 (the “*Tax Levy Limit Law*”) on June 24, 2011, all the taxable real property within the Fire District had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Fire District and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the Fire District for any fiscal year commencing after January 1, 2012, without providing an exclusion for debt service on obligations issued by the Fire District. As a result, the power of the Fire District to cause the levy of real estate taxes on all the taxable real property within the Fire District, to pay the principal of and interest on the Bonds, is subject to the statutory limitations imposed by the Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Fire District, subject to certain exceptions. The Tax Levy Limit Law permits the Fire District to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Fire District is required to calculate its tax levy limit for the upcoming year in accordance with the provisions above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Fire District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Fire District. The Board of Fire Commissioners of the Fire District can adopt a resolution, approved by a vote of sixty percent of the total voting power of the Board of Fire Commissioners, to override the tax levy limit for a given year.

There can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating applicable law (i) for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) by limiting the pledge of its faith and credit by a fire district for the payment of debt service on obligations issued by such fire district because the Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the Fire District or such indebtedness incurred after the effective date of the Tax Levy Limit Law.

### Valuations, Rates, Levies and Collections

A summary of valuations, rates and levies is contained in Appendix A.

#### Selected Listing of Large Taxable Properties Located in the Town of Huntington 2020-2021 Assessment Roll

| <u>Name</u>                 | <u>Type</u>     | <u>Assessed Valuation</u> |
|-----------------------------|-----------------|---------------------------|
| The Retail Property Trust   | Real Estate     | \$29,870,000              |
| 100 Avalon Gardens          | Apartments      | 25,825,000                |
| Normandy Village            | Apartments      | 14,774,300                |
| Centro NP                   | Shopping Center | 10,875,200                |
| Orange & Rockland Utilities | Utilities       | 13,277,776                |
| Rockland Center Associates  | Real Estate     | 8,732,500                 |
| United Water New York       | Utility         | 2,088,600                 |
| Jeanne Marie Associates     | Apartments      | 4,740,800                 |
| MCB Suflo                   | Manufacturing   | 4,506,500                 |
| KS Properties               | Real Estate     | 4,178,800                 |
| Total <sup>a</sup>          |                 | \$118,869,476             |

a. Largest Taxable Properties located within the Fire District is not available. The chart referenced above reflects largest taxable properties located in the Town of Huntington.

## LITIGATION

In common with other fire districts, the Fire District from time to time may receive notices of claim and is party to litigation. Currently, in the opinion of the Fire District attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending in which the Fire District has not asserted and/or has the ability to assert a substantial and adequate defense, if determined against the Fire District, would have a substantial adverse material effect on the financial condition of the Fire District.

## CYBERSECURITY

The Fire District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Fire District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Fire District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Fire District digital networks and systems and the costs of remedying any such damage could be substantial.

## RISK FACTORS

There are certain potential risks associated with an investment in the Bonds, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Fire District's credit rating could be affected by circumstances beyond the Fire District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Fire District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Fire District's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bond is sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Bonds. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Fire District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Fire District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Fire District, may affect the market price and/or marketability for the Bonds. (See "*The Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Fire District could impair the financial condition of such entities, including the Fire District and the ability of such entities, including the Fire District, to pay debt service on their respective obligations.

A public health threat such as the COVID-19 pandemic may also affect the operations and/or finances of the Fire District. (See "*Impact of COVID-19*," herein.)

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Fire District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the Fire District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Fire District in connection with the Bonds, and Bond Counsel has assumed compliance by the Fire District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Fire District, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

### **Certain Ongoing Federal Tax Requirements and Certifications**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Fire District, in executing the Tax Certificate, will certify to the effect that the Fire District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

## **Original Issue Discount**

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

## **Bond Premium**

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

## **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

## **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective bondholders should consult their own tax advisors regarding the foregoing matters.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, in substantially the form set forth in Appendix C.

## **DISCLOSURE UNDERTAKING**

In order to assist the purchasers of the Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Fire District will execute an undertaking to provide continuing disclosure, in substantially the form set forth in Appendix D.

## **BOND RATING**

The Fire District has applied to Moody’s Investors Service (“Moody’s”), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761, for a rating on the Bonds. Such application is pending at this time. The rating will reflect only the view of such rating agency and an explanation of the significance of such rating should be obtained from the respective rating agency. There can be no assurance that such rating will not be revised or withdrawn, if in the judgement of agency circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price and the availability of a secondary market for the outstanding bonds and notes of the Fire District.

## **MUNICIPAL ADVISOR**

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Fire District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

## ADDITIONAL INFORMATION

Additional information may be obtained upon request from Lisa Jablonowski, Fire District Treasurer, Centerport Fire District in the Town of Huntington, Suffolk County, 9 Park Circle, Centerport, New York 11721, telephone number 631/261-5918 and email: [ljablonowskicfd@gmail.com](mailto:ljablonowskicfd@gmail.com). or from the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Fire District’s management’s beliefs as well as assumptions made by, and information currently available to, the Fire District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Fire District’s files with the repositories. When used in Fire District’s documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases are intended to identify forward-looking statements.

Munistat Services, Inc. may place a copy of this Official Statement on its website at [www.munistat.com](http://www.munistat.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Fire District nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Fire District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Fire District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be, in fact, realized. This Official Statement is not to be construed as a contract or agreement between the Fire District and the original purchasers or owners of any of the Bonds.

The preparation and distribution of this Official Statement has been authorized by the bond resolution of the Fire District which delegates to the Fire District Treasurer the power to sell and issue the Bonds.

CENTERPORT FIRE DISTRICT,  
IN THE TOWN OF HUNTINGTON,  
SUFFOLK COUNTY, NEW YORK

By LISA JABLONOWSKI  
Fire District Treasurer  
Centerport Fire District  
in the Town of Huntington, Suffolk County  
Centerport, New York

March , 2022

**APPENDIX A**

**FINIANCIAL INFORMATION**

**Statement of Revenues, Expenditures & Changes in Fund Balance**  
**Governmental Funds**

|  | Fiscal Year Ending December 31: |                     |                     |                     |                     |
|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|  | <u>2016</u>                     | <u>2017</u>         | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         |
| <b>Revenues:</b>                         |                                 |                     |                     |                     |                     |
| Real Property Taxes                      | \$ 1,999,913                    | \$ 2,182,567        | \$ 2,218,534        | \$ 2,290,573        | \$ 2,300,031        |
| Interest & Earnings                      | 7,152                           | 9,019               | 9,669               | 5,929               | 7,547               |
| Rental of Real Property                  | 64,171                          | 66,773              | 66,521              | 67,971              | 68,995              |
| Grant                                    |                                 | 50,000              | 1,000               | 300                 |                     |
| Refund of Prior Year Expenditures        | 651                             | 1,189               | 21,754              | 1,163               | 412                 |
| FOIL Fees                                |                                 |                     |                     | 21                  |                     |
| Sale of Equipment                        |                                 |                     |                     | 27,500              |                     |
| Total Revenues                           | <u>2,071,887</u>                | <u>2,309,548</u>    | <u>2,317,478</u>    | <u>2,393,457</u>    | <u>2,376,985</u>    |
| <b>Expenditures:</b>                     |                                 |                     |                     |                     |                     |
| Fire Protection                          | 671,789                         | 796,427             | 731,504             | 617,525             | 626,285             |
| Personal Services                        | 597,847                         | 571,723             | 594,132             | 587,052             | 605,511             |
| Equipment & Capital Outlay               | 191,101                         | 33,251              | 412,284             | 730,147             | 450,924             |
| State Retirement System                  | 71,057                          | 64,151              | 68,551              | 68,779              | 71,460              |
| Service Award Program                    | 187,653                         | 124,302             | 208,000             | 181,000             | 185,736             |
| Social Security                          | 50,251                          | 48,955              | 50,140              | 51,804              | 54,427              |
| Workers' Compensation Insurance          | 92,285                          | 74,795              | 66,795              | 71,926              | 49,489              |
| Medical & Accident Insurance             | 115,042                         | 129,727             | 126,425             | 135,596             | 123,278             |
| Unemployment Insurance                   |                                 |                     |                     | 109                 |                     |
| Disability Insurance                     |                                 | 640                 | 1,361               | 10,326              | 11,407              |
| Redemption of Bonds                      | 150,000                         | 150,000             | 150,000             | 150,000             | 150,000             |
| Interest on Bonds                        | 25,688                          | 20,063              | 14,438              | 8,813               | 3,000               |
| Total Expenditures                       | <u>2,152,713</u>                | <u>2,014,034</u>    | <u>2,423,630</u>    | <u>2,613,077</u>    | <u>2,331,517</u>    |
| <b>Other Sources (Uses)</b>              |                                 |                     |                     |                     |                     |
| Not in Spendable Form (Prepaid Expenses) |                                 |                     |                     |                     |                     |
| Capital Rserve                           |                                 |                     |                     |                     |                     |
| Total Other Resources (Uses)             | <u>0</u>                        | <u>0</u>            | <u>0</u>            | <u>0</u>            | <u>0</u>            |
| Net Changes in Fund Balances             | <u>(80,826)</u>                 | <u>295,514</u>      | <u>(106,152)</u>    | <u>(219,620)</u>    | <u>45,468</u>       |
| Fund Balances, Beginning                 | <u>1,258,738</u>                | <u>1,177,912</u>    | <u>1,473,426</u>    | <u>1,367,274</u>    | <u>1,147,654</u>    |
| Prior Period Adjustments                 |                                 |                     |                     |                     |                     |
| Fund Balances, Ending                    | <u>\$ 1,177,912</u>             | <u>\$ 1,473,426</u> | <u>\$ 1,367,274</u> | <u>\$ 1,147,654</u> | <u>\$ 1,193,122</u> |

Note: This Schedule is not Audited.

Source: Audited Financial Statement (2016-2020)

**Balance Sheet**  
**Governmental Funds**

Fiscal Year Ended December 31:

|  | <u>2016</u>         | <u>2017</u>         | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets:</b>   |                     |                     |                     |                     |                     |
| Unrestricted Cash                                      | \$ 214,506          | \$ 292,062          | \$ 276,683          | \$ 506,350          | \$ 745,175          |
| Restricted Cash  | 957,038             | 1,111,654           | 1,046,820           | 655,968             | 469,310             |
| Prepaid Expenditures                                   | 6,368               | 69,710              | 70,725              | 11,488              | 14,558              |
| Service Award Program Assets                           |                     |                     |                     |                     | 3,232,564           |
| Total Assets   | <u>\$ 1,177,912</u> | <u>\$ 1,473,426</u> | <u>\$ 1,394,228</u> | <u>\$ 1,173,806</u> | <u>\$ 4,461,607</u> |
| <b>Liabilities &amp; Deferred Inflows Liabilities:</b> |                     |                     |                     |                     |                     |
| Accounts Payable                                       | \$                  | \$                  | \$ 26,954           | \$ 26,152           | \$ 35,921           |
| Service Award Program Payable                          |                     |                     |                     |                     | 3,232,564           |
| Total Liabilities                                      | <u>0</u>            | <u>0</u>            | <u>26,954</u>       | <u>26,152</u>       | <u>3,268,485</u>    |
| <b>Fund Balances:</b>                                  |                     |                     |                     |                     |                     |
| Not in Spendable Form                                  | 6,368               | 69,710              | 70,725              | 11,488              | 14,558              |
| Restricted (Capital Reserves)                          | 957,038             | 1,111,654           | 1,046,820           | 710,548             | 499,220             |
| Unassigned (Operating)                                 | 214,506             | 292,062             | 249,729             | 425,618             | 679,344             |
| Total Fund Balances                                    | <u>1,177,912</u>    | <u>1,473,426</u>    | <u>1,367,274</u>    | <u>1,147,654</u>    | <u>1,193,122</u>    |
| Total Liabilities & Fund Balances                      | <u>\$ 1,177,912</u> | <u>\$ 1,473,426</u> | <u>\$ 1,394,228</u> | <u>\$ 1,173,806</u> | <u>\$ 4,461,607</u> |

Source: Audited Financial Statement (2016-2020)

Note: This Schedule is not Audited.

**Centerport Fire District  
Budget Summaries**

|                                | <u>2021</u>         | <u>2022</u>         |
|--------------------------------|---------------------|---------------------|
| Revenues:                      |                     |                     |
| Real Property Taxes            | \$ 2,365,000        | \$ 2,395,000        |
| Total Revenues                 | <u>\$ 2,365,000</u> | <u>\$ 2,395,000</u> |
| Expenditures:                  |                     |                     |
| Apparatus M&R                  | \$ 75,000           | \$ 75,000           |
| Apparatus Replacement          | 150,000             | 100,000             |
| Audit of Books                 | 11,000              | 11,000              |
| Building & Grounds Refurb.     | 25,000              | 25,000              |
| Building M&R                   | 50,000              | 100,000             |
| Communication M&R              | 50,000              | 50,000              |
| Communication Equipment        | 50,000              | 50,000              |
| Computer Equipment             | 50,000              | 60,000              |
| Drill & Training Materials     | 10,000              | 10,000              |
| Fire Prevention Education      | 2,000               | 2,000               |
| Firematic Equipment M&R        | 30,000              | 20,000              |
| Firematic Equipment & Supplies | 60,000              | 65,000              |
| Hose                           | 5,000               | 5,000               |
| Hydrant Rentals                | 40,000              | 40,000              |
| Inspection - Installation      | 38,000              | 43,000              |
| Insurance All                  | 150,000             | 150,000             |
| Legal Services                 | 20,000              | 20,000              |
| PSEG - Electric                | 45,000              | 40,000              |
| Membership Dues & Sub          | 4,000               | 4,000               |
| National Grid                  | 30,000              | 30,000              |
| New Equipment Bldg.            | 6,000               | 6,000               |
| Office Supplies                | 10,000              | 10,000              |
| Parades - Bands                | 4,000               | 4,000               |
| Physical Exams                 | 16,000              | 16,000              |
| Rescue Supplies & Equipment    | 35,000              | 35,000              |
| Retire/Bene/S.S.               | 270,000             | 295,000             |
| Salaries                       | 760,000             | 760,000             |
| Seminars & Training            | 40,000              | 40,000              |
| Service Awards                 | 220,000             | 220,000             |
| Huntington Sewer Tax           | 4,000               | 4,000               |
| Signal 8                       | 25,000              | 25,000              |
| Telephone                      | 40,000              | 40,000              |
| Uniforms                       | 40,000              | 40,000              |
| Total Expenditures             | <u>\$ 2,365,000</u> | <u>\$ 2,395,000</u> |

Source: Adopted Budget of the Fire District

**FINANCIAL INFORMATION**

**Valuations, Tax Levies and Tax Rates**

---

|                                       | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   | <u>2022</u>   |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Town of Huntington                    |               |               |               |               |               |
| Assessed Valuation                    | \$ 12,467,179 | 12,419,145    | 12,423,493    | 12,413,474    | 12,415,454    |
| Equalization Rate                     | 0.84%         | 0.80%         | 0.76%         | 0.74%         | 0.74%         |
| Full Valuation                        | 1,484,187,976 | 1,552,393,125 | 1,634,670,132 | 1,677,496,486 | 1,677,764,054 |
| Tax Levy                              | \$ 2,218,534  | \$ 2,290,573  | \$ 2,300,031  | \$ 2,365,000  | \$ 2,395,000  |
| Tax Rate per \$100 Assessed Valuation | 17.79         | 18.44         | 18.51         | 19.05         | 19.29         |

**CENTERPORT FIRE DISTRICT  
IN THE TOWN OF HUNTINGTON,  
SUFFOLK COUNTY**

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT. CONSENT OF THE AUDITORS HAS NOT BEEN REQUESTED OR OBTAINED.



**CENTERPORT FIRE DISTRICT**  
**FINANCIAL STATEMENTS (REGULATORY BASIS)**  
**YEAR ENDED DECEMBER 31, 2020**  
**(WITH INDEPENDENT AUDITORS' REPORT THEREON)**

CENTERPORT FIRE DISTRICT  
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**Jones, Little & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Thomas Jones, CPA  
Roy Little, CPA  
Kathleen Galway, CPA  
Lori LaPonte, CPA  
[www.jonesandlittle.com](http://www.jonesandlittle.com)

## INDEPENDENT AUDITORS' REPORT

To the Board of Fire Commissioners  
of Centerport Fire District

### Report on the Financial Statements

We have audited the accompanying financial statements of the Centerport Fire District (Fire District), as of and for the year ended December 31, 2020, and the related notes to these financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the New York State Office of the State Comptroller (NYS OSC), Uniform System of Accounts for Fire Districts. Management is also responsible 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fire District's preparation and fair presentation of the financial statements 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 Fire District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by the Fire District on the basis of the financial reporting provisions of the New York State Office of the State Comptroller (NYS OSC), Uniform System of Accounts for Fire Districts, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the NYS OSC.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Fire District as of December 31, 2020, or the changes in financial position for the year then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances of each fund and account group of the Fire District, as of December 31, 2020, and their respective revenues, expenditures and changes in fund balance for the year then ended, in accordance with accounting practices prescribed or permitted by the NYS OSC, Uniform System of Accounts for Fire Districts as described in Note 1.

### **Other Required Supplementary Information**

The accounting practices prescribed or permitted by the NYS OSC, Uniform System of Accounts for Fire Districts which is a basis of accounting other than accounting principles generally accepted in the United States of America, requires that other supplementary information (Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, and Fire District Questionnaire) be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the accounting practices prescribed or permitted by the NYS OSC, Uniform System of Accounts for Fire Districts which is a basis of accounting other than accounting principles generally accepted in the United States of America, which considers it to be an essential part of financial reporting for placing the 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 response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2021 on our consideration of the Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fire District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control over financial reporting and compliance.

East Islip, New York  
June 11, 2021

CENTERPORT FIRE DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS AND ACCOUNT GROUPS  
DECEMBER 31, 2020

|  | ACCOUNT GROUPS                        |                                       |  | TOTAL                |
|--|---------------------------------------|---------------------------------------|--|----------------------|
|  | GOVERNMENTAL<br>FUNDS:GENERAL<br>FUND | NON-CURRENT<br>GOVERNMENTAL<br>ASSETS | NON-CURRENT<br>GOVERNMENTAL<br>LIABILITIES |                      |
| <b>ASSETS</b>                                  |                                       |                                       |  |                      |
| Cash and Cash Equivalents                      |                                       |                                       |  |                      |
| Unrestricted Cash                              | \$ 745,175                            | \$ -                                  | \$ -                                       | \$ 745,175           |
| Restricted Cash                                | 469,310                               | -                                     | -  | 469,310              |
| Prepaid Expenses                               | 14,558                                | -                                     | -  | 14,558               |
| Service Award Program Assets                   | 3,232,564                             | -                                     | -  | 3,232,564            |
| General Fixed Assets                           | -                                     | 12,743,003                            | -  | 12,743,003           |
| Amounts to be Provided in Future Budgets       | -                                     | -                                     | 323,138                                    | 323,138              |
| <b>TOTAL ASSETS</b>                            | <b>\$ 4,461,607</b>                   | <b>\$ 12,743,003</b>                  | <b>\$ 323,138</b>                          | <b>\$ 17,527,748</b> |
| <b>LIABILITIES AND FUND BALANCES</b>           |                                       |                                       |  |                      |
| <b>LIABILITIES</b>                             |                                       |                                       |  |                      |
| Accounts Payable                               | \$ 35,921                             | \$ -                                  | \$ -                                       | \$ 35,921            |
| Service Award Program Payable                  | 3,232,564                             | -                                     | -  | 3,232,564            |
| Net Pension Liability - Proportionate Share    | -                                     | -                                     | 323,138                                    | 323,138              |
| <b>TOTAL LIABILITIES</b>                       | <b>3,268,485</b>                      | <b>-</b>                              | <b>323,138</b>                             | <b>3,591,623</b>     |
| <b>FUND BALANCES</b>                           |                                       |                                       |  |                      |
| Non-Current Governmental Assets                | -                                     | 12,743,003                            | -  | 12,743,003           |
| Not in Spendable Form                          | 14,558                                | -                                     | -  | 14,558               |
| Restricted (Capital Reserves)                  | 499,220                               | -                                     | -  | 499,220              |
| Unassigned (Operating)                         | 679,344                               | -                                     | -  | 679,344              |
| <b>TOTAL FUND BALANCES</b>                     | <b>1,193,122</b>                      | <b>12,743,003</b>                     | <b>-</b>                                   | <b>13,936,125</b>    |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCES</b> | <b>\$ 4,461,607</b>                   | <b>\$ 12,743,003</b>                  | <b>\$ 323,138</b>                          | <b>\$ 17,527,748</b> |

See notes to financial statements.

CENTERPORT FIRE DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

|  | GENERAL           |                     |                             |                           | TOTAL |
|--|-------------------|---------------------|-----------------------------|---------------------------|-------|
|  | OPERATING         | CAPITAL<br>RESERVES | NOT IN<br>SPENDABLE<br>FORM | GOVERN-<br>MENTAL<br>FUND | FUND  |
| <b>REVENUES</b>                          |                   |                     |                             |                           |       |
| Real Property Taxes                      | \$ 2,300,031      | \$ -                | \$ -                        | \$ 2,300,031              |       |
| Interest and Earnings                    | 4,825             | 2,722               | -                           | 7,547                     |       |
| Rental of Real Property                  | 68,995            | -                   | -                           | 68,995                    |       |
| Refund of Prior Year Expenditures        | 412               | -                   | -                           | 412                       |       |
| <b>TOTAL REVENUES</b>                    | <u>2,374,263</u>  | <u>2,722</u>        | <u>-</u>                    | <u>2,376,985</u>          |       |
| <b>EXPENDITURES</b>                      |                   |                     |                             |                           |       |
| Fire Protection                          | 626,285           | -                   | -                           | 626,285                   |       |
| Personal Services                        | 605,511           | -                   | -                           | 605,511                   |       |
| Equipment and Capital Outlay             | 114,586           | 336,338             | -                           | 450,924                   |       |
| State Retirement System                  | 71,460            | -                   | -                           | 71,460                    |       |
| Service Award Program                    | 185,736           | -                   | -                           | 185,736                   |       |
| Social Security                          | 54,427            | -                   | -                           | 54,427                    |       |
| Workers' Compensation Insurance          | 49,489            | -                   | -                           | 49,489                    |       |
| Medical and Accident Insurance           | 123,278           | -                   | -                           | 123,278                   |       |
| Disability Insurance                     | 11,407            | -                   | -                           | 11,407                    |       |
| Redemption of Bonds                      | 150,000           | -                   | -                           | 150,000                   |       |
| Interest on Bonds                        | 3,000             | -                   | -                           | 3,000                     |       |
| <b>TOTAL EXPENDITURES</b>                | <u>1,995,179</u>  | <u>336,338</u>      | <u>-</u>                    | <u>2,331,517</u>          |       |
| <b>OTHER SOURCES (USES)</b>              |                   |                     |                             |                           |       |
| Not in Spendable Form (Prepaid Expenses) | (3,070)           | -                   | 3,070                       | -                         |       |
| Capital Reserves                         | (122,288)         | 122,288             | -                           | -                         |       |
| <b>TOTAL OTHER SOURCES (USES)</b>        | <u>(125,358)</u>  | <u>122,288</u>      | <u>3,070</u>                | <u>-</u>                  |       |
| <b>NET CHANGES IN FUND BALANCES</b>      | 253,726           | (211,328)           | 3,070                       | 45,468                    |       |
| <b>FUND BALANCES, BEGINNING</b>          | 425,618           | 710,548             | 11,488                      | 1,147,654                 |       |
| <b>FUND BALANCES, ENDING</b>             | <u>\$ 679,344</u> | <u>\$ 499,220</u>   | <u>\$ 14,558</u>            | <u>\$ 1,193,122</u>       |       |

See notes to financial statements.

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Centerport Fire District (Fire District), as of and for the year ended December 31, 2020, have been prepared in accordance with the financial reporting provisions of the New York State Office of the State Comptroller (NYS OSC), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units (regulatory basis). The financial statements of the Fire District have been prepared using the modified accrual basis of accounting. This method differs from GAAP, which requires the accrual basis of accounting to be used. The accrual basis of accounting requires the capitalization and depreciation of property and equipment and the recording of long-term liabilities. Under the modified accrual basis of accounting, property and equipment are recorded as expenditures when purchased and long-term liabilities are recognized when paid. In addition, GAAP requires the financial statements to be prepared in accordance with the Governmental Accounting Standards Board (GASB) No. 34, *Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. GASB 34 financial statements require the presentation of government-wide financial statements and management's discussion and analysis. The accounting practices used to prepare these financial statements does not require compliance with GASB 34.

The significant accounting policies of the Fire District are described below:

**Financial Reporting Entity**

The Fire District is a district corporation and political subdivision of the State of New York, distinct from the municipalities in which it is located. In general, the Fire District is governed by an elected Board of Fire Commissioners (Board) and is required to have a treasurer and secretary. The Fire District has the legal authority to levy taxes on real property and to borrow in its own name. The Fire District is governed by General Municipal Law and other laws of the State of New York and its subdivisions. The scope of activities included in the accompanying financial statements are the transactions which comprise the Fire District's operations and are governed by, or significantly influenced by, the Board of Fire Commissioners.

The primary function of the Fire District is to provide fire-protection and emergency medical services to the community. Services such as firefighting, fire prevention, ambulance and public education support the primary function.

The financial reporting entity includes all funds, functions and organizations over which the Fire District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

**Basis of Presentation - Fund Accounting**

The Fire District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The various funds are grouped by type and account group in the financial statements. The following fund types and account groups are used by the Fire District:

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Governmental Fund Types**

Governmental funds are those through which most general functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position. The following are the Fire District's governmental fund types:

**General Fund** - The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in other funds.

**Reserve Fund** - The Reserve Fund is designed to segregate resources to provide for future contingencies and plan for major capital outlays, thereby reducing the need to rely on borrowing or outlays of current revenue to finance such events. For financial reporting purposes, the Reserve Fund is included in the General Fund.

**Account Groups**

Account groups are used to establish accounting control and accountability for the Fire District's fixed assets and general long-term obligations. The two account groups are not "funds". They are accounting entities, not fiscal entities, and are concerned only with the measurement of financial position, and not with the results of operations.

**Non-Current Governmental Assets Account Group** – The Non-Current Governmental Assets Account Group is used to account for land, buildings, improvements and equipment owned by the Fire District.

**Non-Current Governmental Liabilities Account Group** – The Non-Current Governmental Liabilities Account Group is used to account for all long-term debt and other obligations of the Fire District.

**Fund Balance Classifications**

The Fire District classifies general fund balance to focus on the constraints imposed on resources in governmental funds.

General fund balance classifications are described below:

**Not in Spendable Form** - consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

**Restricted** - consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

The Fire District includes capital reserves in restricted fund balance. Capital reserves are used to finance all or part of the cost of construction, reconstruction, or acquisition of a specific type of capital improvement, or acquisition of a specific item or items, or type of equipment.

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Committed** – consist of amounts that are subject to a purpose constraint imposed by a formal action of the Fire District’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by a formal action prior to the end of the year, commit fund balance.

**Assigned** – consists of amounts that are subject to a purpose constraint that represents an intended use established by the Fire District’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes encumbrances not classified as restricted at the end of the fiscal year.

**Unassigned** - represents the residual classification for the general fund and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Unassigned (operating) fund balance is the Fire District’s residual fund balance.

When resources are available from multiple classifications, the Fire District spends fund balances in the following order: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance, unless a Board resolution is passed otherwise.

**Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured (i.e., expenditures).

**Modified Accrual Basis** - The governmental fund statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus.

Under this method, revenues are recognized when measurable and available. The Fire District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 90 days after the calendar year.

Expenditures are recorded when the related fund liability is incurred, except for prepaid expenses which are recognized in the period of benefit; principal and interest on general long-term debt are not funded as expenditures until due; unfunded claims and judgments and unfunded compensated absences are recognized as expenditures to the extent they have been paid. General capital asset acquisitions are reported as expenditures in governmental funds.

**Interfund Transactions**

The operations of the Fire District give rise to certain transactions between funds, including transfers of expenditures and revenues to provide services and construct assets. Interfund transfers and the related receivables and payables have been recorded in the funds where applicable.

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Use of Estimates**

The preparation of financial statements on the modified accrual basis requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and actuarial assumptions and methods underlying pension reporting.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded for budgetary control purposes, is utilized by the general fund. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**Cash and Cash Equivalents**

Cash and cash equivalents (including restricted cash) consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**Prepaid Expenses**

Prepaid expenses represent payments made by the Fire District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. A current asset for the prepaid amounts is recorded at the time of purchase and the expenditure is reported in the year the goods or services are consumed.

**General Fixed Assets**

General fixed assets are reported in the non-current governmental assets account group at original cost, when the information is available, or estimated historical cost based on professional third-party information. The Fire District's policy for general fixed assets is to capitalize items over \$500.

**Accounts Payable**

Accounts payable consists of various expenses that have been incurred but not yet remitted to various vendors.

**Property Taxes**

Real property taxes are levied annually by the Fire District in November and become a lien in December. The Fire District's tax levy is collected by the Town of Huntington and then remitted to the Fire District. Suffolk County is responsible for all uncollected taxes.

In accordance with New York State law Chapter 97 of 2011 (Tax Cap Law), the amount of real property taxes that may be levied by the Fire District are restricted. The growth in the annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**Other Benefits**

Eligible employees of the Fire District participate in the New York State and Local Employee's Retirement System. Eligible volunteer firefighters, EMS and ambulance volunteers participate in the Fire District's sponsored Length of Service Award Program and cancer insurance.

The Fire District provides health insurance and workers compensation coverage for active employees pursuant to collective bargaining agreements, individual employment contract, employee handbook and the Fire District's policy.

**Accounting Provisions**

**Newly Adopted Reporting Provisions**

NYS OSC has recently required the Fire District to adopt GASB Statement 84, *Fiduciary Activities* (GASB No. 84). GASB No. 84, issued in March 2020, amends the current reporting model for local governments and school districts and enhances their required disclosures and increases consistency and comparability. The major changes impacting the Fire District include requiring the presentation of LOSAP assets in the governmental funds (previously presented in the Trust and Agency Funds). The Fire District has adopted GASB No. 84 as of and for the year ended December 31, 2020. The Fire District has changed its presentation of governmental funds requirements as required by GASB No. 84.

**New Accounting Provisions Not Yet Effective**

NYS OSC has adopted GASB Statement 87, *Leases* (GASB No. 87), which will become effective for the Fire District in 2021. GASB No.87 amends the current reporting model for local governments and school districts in New York State, and re-defines the term "lease". GASB No. 87 requires the recognition of certain assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, GASB No. 87 requires the lessee to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The Fire District is still waiting for further guidance from NYS OSC to determine the impact on the Fire District's financial statements in subsequent periods.

**Subsequent Events**

In preparing these financial statements, the Fire District has evaluated subsequent events for possible recognition or disclosure in the financial statements through June 11, 2021, the date the financial statements were available to be issued. The Fire District has determined no events have occurred during this period that would require additional recognition or disclosure in the financial statements.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

The Fire District administration prepares a proposed budget for approval by the Board for the general fund, the only fund with a legally adopted budget. Budgets are adopted annually on the modified accrual basis of accounting.

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Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves and can be increased by budget amendments approved by the Board of Fire Commissioners as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board of Fire Commissioners approves them because of a need that exists which was not determined at the time the budget was adopted. A summary of the general fund operating budget is as follows:

|  |                     |
|--|---------------------|
| Budget approved by Board of Fire Commissioners       | \$ 2,300,000        |
| Transfers to reserves funded by prior year's surplus | <u>122,288</u>      |
| Final Budget   | <u>\$ 2,422,288</u> |

**Over Expenditure of Certain Appropriations**

Certain general fund appropriations were over expended. These were in the following appropriation categories of the budget: workers' compensation insurance and disability insurance. The general fund budget in total was not over expended.

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS**

The Fire District's investment policies are governed by State statutes and Fire District policy. The Fire District's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The treasurer is authorized to use time and demand accounts and certificates of deposit. Permissible investments include obligations of the United States (U.S.) Treasury and its subdivisions, repurchase agreements, and obligations of New York State and its subdivisions.

Collateral is required for demand and time deposits as well as certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities. Custodial credit risk is the risk that in the event of a bank failure, the Fire District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the Fire District's name.

The Fire District's bank balances, not covered by depository insurance, were fully collateralized under category B. The Fire District did not have any investments at year-end or during the year. Consequently, the Fire District was not exposed to any material interest rate risk.

**4. GENERAL FIXED ASSETS**

A summary of changes in general fixed assets valued at replacement cost together with additions and disposals at cost through December 31, 2020, are shown on the following page.

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

|                    | Balance<br>Beginning | Additions  | Reductions | Balance<br>Ending |
|--------------------|----------------------|------------|------------|-------------------|
| Buildings          | \$ 5,757,007         | \$ 120,400 | \$ -       | \$ 5,877,407      |
| Equipment          | 6,535,072            | 330,524    | -          | 6,865,596         |
| Total Fixed Assets | \$12,292,079         | \$ 450,924 | \$ -       | \$12,743,003      |

**5. INTERFUND TRANSACTIONS**

Throughout the year ended December 31, 2020, interfund transfers for the Fire District are as follows:

|                | Transfers in | Transfers out |
|----------------|--------------|---------------|
| General Fund   | \$ -         | \$ 122,288    |
| Equipment Fund | 59,000       | -             |
| Apparatus Fund | 63,288       | -             |
| Total          | \$ 122,288   | \$ 122,288    |

**6. NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

The Fire District participates in the New York State and Local Employees' Retirement System (System), which is a cost-sharing multiple-employer defined benefit pension plan and the Public Employees' Group Life Insurance Plan, collectively (Plan). The System provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as a sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found on the website of the Office of the New York State Comptroller or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

**Funding Policy**

Plan members who joined the System before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976, and before January 1, 2010, with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary for the System's members throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% depending upon their salary, throughout active membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Fire District is required to contribute at an actuarially determined rate. During the year ended December 31, 2020, the Fire District paid \$71,460 to the System for its regular pension contribution.

CENTERPORT FIRE DISTRICT  
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The Fire District's contribution to the System was equal to 100% of the contributions required for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At December 31, 2020, the Fire District reported a non-current governmental liability of \$323,138 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2020 for the System. The total pension liability used to calculate the net pension liability was determined by the actuarial valuation. The Fire District's proportion of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined by the System. Below is the Fire District's proportionate share of the net pension liability of the System and its related employer allocation percentage.

|   |               |
|---|---------------|
|   | <u>2020</u>   |
| System's Actuarial Valuation Date   | April 1, 2019 |
| Net Pension Liability   | \$ 323,138    |
| Fire District's Proportion of the System's<br>Total Net Pension Liability | 0.0012203%    |

There was no significant change in the Fire District's proportion for March 31, 2020.

For the year ended December 31, 2020, the Fire District recognized a pension expense of \$71,460 in the statement of revenues, expenditures and changes in fund balance – governmental funds. At December 31, 2020, the Fire District's reported deferred outflows/inflows of resources related to the pension from the following sources:

|  |                   |
|--|-------------------|
| Deferred Outflows of Resources:  |                   |
| Differences Between Expected and Actual Experience   | \$ 19,018         |
| Change of Assumptions  | 6,506             |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments  | 165,656           |
| Changes in Proportion and Differences Between the Fire<br>District's Contributions and Proportionate Share<br>of Contributions | 32,549            |
| Contributions Subsequent to the Measurement Date   | <u>-</u>          |
| Total Deferred Outflows of Resources – Pension Amounts   | <u>\$ 223,729</u> |
| Deferred Inflows of Resources:   |                   |
| Differences Between Expected and Actual Experience   | \$ -              |
| Change of Assumptions  | 5,618             |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments  | -                 |
| Changes in Proportion and Differences Between the Fire<br>District's Contributions and Proportionate Share<br>of Contributions | 7,889             |
| Contributions Subsequent to the Measurement Date   | <u>-</u>          |
| Total Deferred Inflows of Resources – Pension Amounts  | <u>\$ 13,507</u>  |

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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The Fire District did not make a contribution subsequent to the measurement date of March 31, 2020 as of December 31, 2020, and as a result, is not recognizing a deferred outflow for that contribution.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in the pension expense as follows:

|                         |                   |
|-------------------------|-------------------|
| Year Ended December 31: |                   |
| 2021                    | \$ 40,219         |
| 2022                    | 54,148            |
| 2023                    | 64,433            |
| 2024                    | <u>51,421</u>     |
| Total                   | <u>\$ 210,221</u> |

**The System’s Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the System’s total pension liability to the measurement date of March 31, 2020.

The System’s actuarial valuation used the following actuarial assumptions:

|                                |  |
|--------------------------------|--|
| Measurement Date               | March 31, 2020                                     |
| Actuarial Valuation Date       | April 1, 2019                                      |
| Investment Rate of Return, Net | 6.80%  |
| Inflation                      | 2.50%  |
| Salary Increases               | 4.20%  |
| Cost of Living Adjustments     | 1.30%  |
| Decrement Tables               | April 1, 2010 - March 31, 2015 System’s Experience |

Annuitant mortality rates are based on April 1, 2010 to March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2018. The previous actuarial valuation as of April 1, 2018 used the Society of Actuaries’ Scale MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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 return, net of investment expenses 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 previous actuarial valuation as of April 1, 2018 used a long-term expected rate of return of 7.0%. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized on the following page:

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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| <u>Asset Class</u>      | <u>Target<br/>Allocations<br/>in %</u> | <u>Long-Term<br/>Expected Real Rate<br/>of Return in %</u> |
|-------------------------|--|--|
| Domestic Equity         | 36                                     | 4.05   |
| International Equity    | 14                                     | 6.15   |
| Private Equity          | 10                                     | 6.75   |
| Real Estate             | 10                                     | 4.95   |
| Absolute Return         | 2                                      | 3.25   |
| Opportunistic Funds     | 3                                      | 4.65   |
| Real Assets             | 3                                      | 5.95   |
| Bonds and Mortgages     | 17                                     | 0.75   |
| Cash                    | 1                                      | -  |
| Inflation-Indexed Bonds | 4                                      | 0.50   |
|                         | <u>100</u>                             |  |

**Discount Rate**

The discount rate was used to calculate the total pension liability as of March 31, 2020 was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the Fire District's proportionate share of the net pension liability calculated by the System using the discount rate of 6.8% as of March 31, 2020, as well as what the Fire District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

|  | 1%<br>Decrease<br><u>5.8%</u> | Current<br>Discount<br>Rate<br><u>6.8%</u> | 1%<br>Increase<br><u>7.8%</u> |
|--|-------------------------------|--|-------------------------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 593,049                    | \$ 323,138                                 | \$ 74,548                     |

**Pension Plan Fiduciary Net Position**

The components of the System's net pension liability of the employers as of the measurement date of March 31, 2020 is as follows:

|  |                          |
|--|--------------------------|
| Employers' Total Pension Liability                                       | \$ 194,596,261,000       |
| System's Net Position  | <u>(168,115,682,000)</u> |
| Employers' Net Pension Liability (Asset)                                 | <u>\$ 26,480,579,000</u> |
| Ratio of System's Net Position to the Employers' Total Pension Liability | 86.39%                   |

## 7. LENGTH OF SERVICE AWARDS PROGRAM - LOSAP

The Fire District established a defined benefit LOSAP for the active volunteer firefighters of the Fire District. The program took effect on January 1, 1991. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program.

### **Program Description**

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 60.

In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

### **Benefits**

A participant's benefit under the program is a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of firefighting service under the point system. The number of years of firefighting service used to compute the benefit cannot exceed forty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. Volunteer firefighters who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn program credit and to thereby increase their service award payments.

### **Fiduciary Investment and Control**

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program. The designated program administrator's functions include the preparation of the Fire District's Service Award Program's Annual Report. This report consists of plan specifications, census and participation reconciliation, schedule of benefits, valuation statements, an actuarial valuation summary and a composition of assets at the program end date. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Fire District's Board of Fire Commissioners.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operations and administration of the program. The trust agreement is dated January 1, 1991, and the trustee is the Fire District.

Authority to invest program assets is vested in the Fire District. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person"

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

rule. The “rule” provides that fiduciaries are required to exercise the same diligence and prudence in the care and management of other people’s money as they would their own. In addition, the rule provides that investments should be made in such a manner as to seek a reasonable income while preserving capital. The program document allows for certain types of investments such as marketable securities, annuities, and life insurance.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from a report prepared by the actuary dated May 2021.

**Assets and Liabilities**

|   |                   |                   |
|---|-------------------|-------------------|
| Actuarial Present Value of Benefits at 12/31/20         |                   | \$ 3,956,049      |
| Less: Assets Available for Benefits                     |                   |                   |
|   | <u>% of total</u> |                   |
| Cash and Short-term Investments                         | 2.3%              | \$ 73,021         |
| Mutual Funds  | 83.8%             | 2,710,083         |
| ETFs and CEFs   | 13.8%             | 446,621           |
| Prepayments   | .1%               | <u>2,839</u>      |
| Total Assets Available for Benefits                     |                   | 3,232,564         |
| Less: Benefits Payable                                  |                   | <u>( - )</u>      |
| Total Net Assets Available for Benefits                 |                   | <u>3,232,564</u>  |
| Total Unfunded Benefits                                 |                   | 723,485           |
| Less: Unfunded Liability for Separately Amortized Costs |                   | <u>(599,491)</u>  |
| Unfunded Normal Benefits                                |                   | <u>\$ 123,994</u> |

**Separately Amortized Costs**

The unfunded liability for service awards earned after attainment of the Entitlement Age is being amortized over one year at 5.25%. The remaining unfunded liability as of 1/1/16 is being amortized over ten years at 5.25%.

**Receipts and Disbursements**

|   |  |                    |
|---|--|--------------------|
| Plan Net Assets, Beginning of Year          |  | \$2,878,758        |
| Changes during the year:                    |  |                    |
| Plan Contributions from Sponsor             |  | 185,736            |
| Investment Income Earned                    |  | 98,757             |
| Changes in Fair Market Value of Investments |  | 286,830            |
| Distributions to Participants               |  | (191,264)          |
| Investment Expense                          |  | <u>(26,253)</u>    |
| Plan Net Assets, End of Year                |  | <u>\$3,232,564</u> |

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**Contributions**

|  |            |
|--|------------|
| Amount of Sponsor's contribution recommended by the actuary: | \$ 223,005 |
| Amount of Sponsor's actual contribution:                     | \$ 185,736 |

**Administration Fees**

|                                     |           |
|-------------------------------------|-----------|
| Fees paid to actuary                | \$ 12,428 |
| Fees paid for investment management | \$ 26,253 |

**Funding Methodology and Actuarial Assumptions**

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Cost Method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investment 5.25%

Mortality Tables used for:

|                   |   |
|-------------------|---|
| Withdrawal        | None  |
| Disability        | None  |
| Retirement        | None  |
| Death (Actives)   | RP-2014 Male Mortality Table without projection |
| Death (Inactives) | RP-2014 Male Mortality Table without projection |
| Other             | None  |

**8. INDEBTEDNESS**

**Serial Bonds**

The Fire District borrowed money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Fire District, are liquidated from the General Fund. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers for liquidation of the long-term liabilities. The Serial Bonds have interest paid semiannually at 3.750% and the principal is paid annually. The Serial Bonds matured on January 1, 2020.

**Change in Indebtedness**

The changes in the Fire District's long-term indebtedness during the year ended December 31, 2020 are summarized as follows:

|               | Balance<br>Beginning | Additions | Reductions   | Balance<br>Ending |
|---------------|----------------------|-----------|--------------|-------------------|
| <b>Bonds:</b> |                      |           |              |                   |
| Serial Bonds  | \$ 150,000           | \$ -      | \$ (150,000) | \$ -              |
| Total Bonds   | \$ 150,000           | \$ -      | \$ (150,000) | \$ -              |

CENTERPORT FIRE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**9. COMMITMENTS AND CONTINGENCIES**

The Fire District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. As of December 31, 2020, there were no claims pending or liabilities outstanding against the Fire District.

**10. SPENDING LIMITATION**

The Fire District did not exceed the statutory spending limitation imposed by state law for the year ended December 31, 2020.

**11. COVID-19**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The COVID-19 outbreak is also disrupting supply chains and affecting the production and sales across a range of industries. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Fire District expects this matter to negatively impact its operating results. The extent of the impact of COVID-19 on the Fire District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Fire District's employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition of the Fire District or results of operations is uncertain.

CENTERPORT FIRE DISTRICT  
STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020

|  | <u>APPROVED<br/>BUDGET</u> | <u>ACTUAL</u>     | <u>VARIANCE<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|----------------------------|-------------------|---|
| <b>REVENUES</b>                          |                            |                   |   |
| Real Property Taxes                      | \$ 2,300,000               | \$ 2,300,031      | \$ 31   |
| Interest and Earnings                    | -                          | 4,825             | 4,825   |
| Rental of Real Property                  | -                          | 68,995            | 68,995  |
| Refund of Prior Year Expenditures        | -                          | 412               | 412   |
|  | <u>2,300,000</u>           | <u>2,374,263</u>  | <u>74,263</u>                                   |
| <b>EXPENDITURES</b>                      |                            |                   |   |
| Fire Protection                          | 798,000                    | 626,285           | 171,715   |
| Personal Services                        | 685,000                    | 605,511           | 79,489  |
| Equipment and Capital Outlay             | 145,000                    | 114,586           | 30,414  |
| State Retirement System                  | 75,000                     | 71,460            | 3,540   |
| Service Award Program                    | 190,000                    | 185,736           | 4,264   |
| Social Security                          | 55,000                     | 54,427            | 573   |
| Workers' Compensation Insurance          | 49,000                     | 49,489            | (489)   |
| Medical and Accident Insurance           | 150,000                    | 123,278           | 26,722  |
| Disability Insurance                     | -                          | 11,407            | (11,407)  |
| Redemption of Bonds                      | 150,000                    | 150,000           | -   |
| Interest on Bonds                        | 3,000                      | 3,000             | -   |
|  | <u>2,300,000</u>           | <u>1,995,179</u>  | <u>304,821</u>                                  |
| <b>OTHER SOURCES (USES)</b>              |                            |                   |   |
| Not in Spendable Form (Prepaid Expenses) | -                          | (3,070)           | (3,070)   |
| Capital Reserves                         | -                          | (122,288)         | (122,288)                                       |
|  | <u>-</u>                   | <u>(125,358)</u>  | <u>(125,358)</u>                                |
| <b>NET CHANGES IN FUND BALANCE</b>       | <u>\$ -</u>                | <u>\$ 253,726</u> | <u>\$ 253,726</u>                               |

See independent auditors' report.

Centerport FIRE DISTRICT  
 Fire District Questionnaire  
 For the Fiscal Year Ending 2020

|  | Response  |
|--|-----------|
| 1) Has your district adopted a written procurement policy and is it complied with?   | Y         |
| 2) Has your district contracted to have an independent audit of its financial statements?<br>If not, has the Board of Fire Commissioners performed an internal audit of the Treasurer's records and reports? | Y         |
| 3) Does your district have a written travel policy and is it complied with?  | Y         |
| 4) Are monthly bank reconciliations performed?   | Y         |
| 5) What is your district's statutory spending limitation margin (amount) for the next fiscal   | \$494,810 |
| 6) Does your district have a Length of Service Award Program (LOSAP) for volunteer firefighters?   |           |
| If so, how are the LOSAP funds invested?   |           |
| Marketable Securities  | Y         |
| Annuities  |           |
| Life Insurance   |           |
| Other (describe)   |           |
| 7) Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39?   | Y         |



**Jones, Little & Co.**  
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Thomas Jones, CPA  
Roy Little, CPA  
Kathleen Galway, CPA  
Lori LaPonte, CPA  
www.jonesandlittle.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Fire Commissioners  
of Centerport Fire District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Centerport Fire District (Fire District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Fire District's financial statements and have issued our report thereon dated June 11, 2021. As described more fully in Note 1 of the financial statements, the Fire District has prepared these financial statements in accordance with financial reporting provisions of the New York State Office of the State Comptroller, Uniform System of Accounts for Fire Districts, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Fire District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fire District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Fire District's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fire District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

East Islip, New York  
June 11, 2021

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

Hawkins Delafield & Wood LLP  
7 World Trade Center  
250 Greenwich Street  
New York, New York 10007

March \_\_, 2022

The Board of Fire Commissioners of the  
Centerport Fire District, in the Town of Huntington,  
Suffolk County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Centerport Fire District, in the Town of Huntington, Suffolk County (the "Fire District"), a district corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the Fire District's \$1,900,000 Fire District Serial Bonds-2022 (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the Fire District for which the Fire District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the Fire District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such

requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the Fire District will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the Fire District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Fire District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the Fire District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Fire District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the Centerport Fire District, in the Town of Huntington, Suffolk County, New York, a district corporation of the State of New York.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award executed by the Fire District Treasurer as of March 9, 2022.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$1,900,000 Fire District Serial Bonds-2022**, dated March 23, 2022, maturing in various principal amounts on February 225 in each of the years 2023 to 2042, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York, 11776, to the EMMA System:

- (i) no later than nine (9) months following the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with

the Annual Information no later than nine (9) months following the end of each fiscal year, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
  - (i) principal and interest payment delinquencies;
  - (ii) non-payment related defaults, if material;
  - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (v) substitution of credit or liquidity providers, or their failure to perform;
  - (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
  - (vii) modifications to rights of Securities holders, if material;
  - (viii) Bond calls, if material, and tender offers;
  - (ix) defeasances;
  - (x) release, substitution, or sale of property securing repayment of the Securities, if material;
  - (xi) rating changes;
  - (xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for

the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "THE FIRE DISTRICT", "ECONOMIC AND DEMOGRAPHIC INFORMATION," "INDEBTEDNESS OF THE FIRE DISTRICT," "FINANCES OF THE FIRE DISTRICT," "TAX INFORMATION" and "LITIGATION" and in Appendix A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **March 23, 2022**.

By \_\_\_\_\_  
**FIRE DISTRICT TREASURER**