

AUDIT  
D. W.

**AU SABLE FORKS FIRE DISTRICT  
ANNUAL FINANCIAL REPORT UPDATE DOCUMENT  
and  
INDEPENDENT AUDITOR'S REPORT  
For the Fiscal Year Ended December 31, 2020 ✓**

Richard H. Dinolfo  
Certified Public Accountant  
Queensbury, New York

**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL FINANCIAL REPORT UPDATE DOCUMENT**  
**and**  
**INDEPENDENT AUDITOR'S REPORT**  
**For the Fiscal Year Ended December 31, 2020**

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**Richard H. Dinolfo**  
Certified Public Accountant

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## **REPORT ON THE REGULATORY BASIS FINANCIAL STATEMENTS**

### Independent Auditor's Report

Chairman and Members of the Board of Fire Commissioners  
Au Sable Forks Fire District  
Au Sable Forks, New York

#### **Report on the Financial Statements**

I have audited the accompanying regulatory basis financial statements as reported in the Annual Financial Report Update Document of the Au Sable Forks 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 as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

The Board of Fire Commissioners and other management of the Fire District are responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the regulatory basis of accounting and reporting prescribed by the Office of the State Comptroller of the State of New York; this includes determining that the regulatory basis of accounting and reporting prescribed by the Office of the State Comptroller of the State of New York is an acceptable basis for the preparation of the financial statements in the circumstances. The Board of Fire Commissioners and other management of the Fire District are responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

#### **Prior Year Financial Information**

The prior year financial information shown in the Annual Financial Report Update Document, and included in the financial statements shown in this report, was provided by the Office of the State Comptroller of the State of New York generally as a guide to the Fire District in preparing the current year information and not for comparative purposes. The prior year financial information was not subject to this audit.

#### **Basis of Accounting**

As more fully described in Note A to the Annual Update Document Financial Statements, the Fire District prepared these financial statements using the regulatory basis of accounting and

reporting prescribed by the Office of the State Comptroller of the State of New York for submitting annual financial reports to that office. This regulatory basis of accounting and reporting is a special purpose framework other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and reporting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements reported in the Annual Financial Report Update Document are free of 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 auditor's 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, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Auditor's Opinion**

In my opinion, the accompanying regulatory basis financial statements as reported in the Annual Financial Report Update Document referred to above present fairly, in all material respects, the financial position of the Au Sable Forks Fire District as of December 31, 2020, and the results of its operations for the year then ended, in conformity with the regulatory basis of accounting and reporting described in Note A.

### **Report on Supplemental Information**

My audit was conducted for the purpose of forming my opinion on the financial statements as a whole as reported in the Annual Financial Report Update Document. The accompanying supplemental information, which includes financial information about various accounts and certain questionnaires as identified in the contents section, are included in the Annual Financial Report Update Document for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used by the Treasurer to prepare the financial statements.

This supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, such as reconciling such



information directly to the underlying accounting and other records used to prepare the financial statements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole, on the regulatory basis of accounting and reporting described in Note A.

### **Report on Government Auditing Standards**

In accordance with *Government Auditing Standards* issued by the Comptroller General, I have also issued my report dated November 30, 2021 on my consideration of the Fire District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

### **Intended Use of This Report**

As there are differences between financial statements prepared in accordance with accounting principles generally accepted in the United States of America and financial statements prepared in accordance with the regulatory basis of accounting and reporting prescribed by the Office of the State Comptroller of the State of New York, this report is not intended to be used by anyone not understanding those differences. Accordingly, this report is intended solely for the information and use of the Board of Fire Commissioners, Secretary/Treasurer and other management of the Au Sable Forks Fire District, and for filing with the Town of Jay, New York, the Town of Black Brook, New York and the Office of the State Comptroller of the State of New York, and is not intended for any other purpose.

A handwritten signature in black ink that reads "Richard H. Dinolfo CPA". The signature is written in a cursive style with a large, stylized initial "R".

Richard H. Dinolfo CPA

Queensbury, New York  
November 30, 2021

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All Numbers in This Report  
Have Been Rounded To  
The Nearest Dollar

ANNUAL FINANCIAL REPORT  
UPDATE DOCUMENT  
For The  
FIRE DISTRICT of Ausable Forks  
County of Clinton  
For the Fiscal Year Ended 12/31/2020

\*\*\*\*\*

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. \*\*\*Every Municipal Corporation \*\*\* shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation \*\*\*
5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller \*\*\* It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report \*\*\*

State of NEW YORK  
Office of The State Comptroller  
Division of Local Government and School Accountability  
Albany, New York 12236

FIRE DISTRICT OF Ausable Forks

\*\*\* FINANCIAL SECTION \*\*\*

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2019 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2020:

- (A) GENERAL
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (R) RESERVE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2019 represent data filed by your government with OSC as reviewed and adjusted where necessary.

\*\*\* SUPPLEMENTAL SECTION \*\*\*

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

NOTE: Lined out sections were not used in the AUD and are not included in this report.

**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**(A) General**

**Balance Sheet**

Code Description	2019	EDP Code	2020
<b>Assets:</b>			
Cash	\$ 1,203	A200	\$ 3,168
Cash in Time Deposits	<u>419</u>	A200	<u>6,176</u>
<b>Total Assets</b>	<u><u>1,622</u></u>		<u><u>9,344</u></u>
<b>Liabilities and Fund Balance:</b>			
Accounts Payable	994		-
Unassigned Fund Balance	<u>628</u>	A917	<u>9,344</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 1,622</u></u>		<u><u>\$ 9,344</u></u>

**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**(A) General**

**Results of Operation**

Code Description	2019	EDP Code	2020
<b>Detail Revenues and Other Sources:</b>			
Real Property Taxes	\$ 287,066	A1001	\$ 316,848
Interest and Earnings	9	A2401	6
Sales of Equipment	200	A2665	-
Insurance Recoveries	4,594	A2680	18,250
Refunds of Prior Year's Expenditures	6,211	A2701	1,705
Unclassified	-	A2770	605
<b>Total Revenues</b>	<b>298,080</b>		<b>337,414</b>
Interfund Transfers	-	A5031	58,521
<b>Total Revenues and Other Sources</b>	<b>\$ 298,080</b>		<b>\$ 395,935</b>
<b>Detail Expenditures and Other Uses</b>			
Fire, Personal Services	\$ 6,497	A34101	\$ 6,497
Fire, Equipment and Capital Outlay	64,868	A34102	55,047
Fire, Contractual Expenditures	156,051	A34104	112,441
Social Security, Employee Benefits	497	A90308	497
Worker's Compensation, Employee Benefits	18,651	A90408	17,187
Installment Purchase Debt, Principal	11,686	A97856	12,153
Installment Purchase Debt, Interest	9,343	A97857	8,876
<b>Total Expenditures</b>	<b>267,593</b>		<b>212,698</b>
Transfers, Other Funds	63,761	A99019	174,521
Transfers, Capital Projects Fund	-	A99509	-
<b>Total Expenditures and Other Uses</b>	<b>\$ 331,354</b>		<b>\$ 387,219</b>
<b>Analysis of Changes in Fund Balance:</b>			
Fund Balance - Beginning of Year	\$ 33,902	A8021	\$ 628
Add - Revenues and Other Sources	298,080		395,935
Deduct - Expenditures and Other Uses	(331,354)		(387,219)
<b>Fund Balance - End of Year</b>	<b>\$ 628</b>	A8029	<b>\$ 9,344</b>

**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**(A) General**

**Budget Summary Next Fiscal Year**

Code Description	2020	EDP Code	2021
<b>Estimated Revenues and Other Sources:</b>			
Est Rev - Real Property Taxes	\$ 316,848	A1049N	\$ 321,791
Total Estimated Revenues and Other Sources	<u>\$ 316,848</u>		<u>\$ 321,791</u>
<b>Appropriations and Other Uses:</b>			
App - Public Safety	\$ 148,118	A3999N	\$ 281,061
App - Employee Benefits	19,700	A9199N	19,700
App - Debt Service	<u>21,030</u>	A9899N	<u>21,030</u>
Total Appropriations	188,848		321,791
App - Interfund Transfer	<u>128,000</u>	A9999N	<u>-</u>
Total Appropriations and Other Uses	<u>\$ 316,848</u>		<u>\$ 321,791</u>

**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**(H) Capital Projects**

**Balance Sheet**

Code Description	2019	EDP Code	2020
<b>Assets:</b>			
Cash	\$ -	H200	\$ -
Total Assets	<u>\$ -</u>		<u>\$ -</u>
<b>Liabilities and Fund Balance:</b>			
Bond Anticipation Notes Payable	-	H626	-
Unassigned Fund Balance	-	H917	-
Total Liabilities and Fund Balance	<u>\$ -</u>		<u>\$ -</u>

**(H) Capital Projects**

**Results of Operation**

**Detail Revenues and Other Sources:**

Interfund Transfer	307,520	H5031	-
BANs Redeemed from Appropriations	-	H5731	-
Installment Purchase Debt	233,900	H5785	-
Total Revenues and Other Sources	<u>\$ 541,420</u>		<u>\$ -</u>

**Detail Expenditures and Other Uses**

Fire, Equipment and Capital Outlay	541,420	H34102	-
Total Expenditures and Other Uses	<u>\$ 541,420</u>		<u>\$ -</u>

**Analysis of Changes in Fund Balance:**

Fund Balance - Beginning of Year	\$ -	H8021	\$ -
Add - Revenues and Other Sources	541,420		-
Deduct - Expenditures and Other Uses	(541,420)		-
Fund Balance - End of Year	<u>\$ -</u>	H8029	<u>\$ -</u>

**(K) General Fixed Assets**

**Balance Sheet**

Code Description	2019	EDP Code	2020
<b>Assets:</b>			
Buildings	\$ 386,000	K102	\$ 386,000
Improvements Other Than Buildings	10,000	K103	10,000
Machinery and Equipment	2,107,247	K104	2,156,234
Total Fixed Assets	<u>\$ 2,503,247</u>		<u>\$ 2,552,234</u>
<b>Total Non-Current Governmental Assets</b>	<u>\$ 2,503,247</u>	K159	<u>\$ 2,552,234</u>



**AU SABLE FORKS FIRE DISTRICT**  
**ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**(R) Reserve**

**Balance Sheet**

Code Description	2019	EDP Code	2020
<b>Assets:</b>			
Cash in Time Deposits, Special Reserves	\$ 10,170	R231	\$ 126,336
Total Cash Assets	<u>10,170</u>		<u>126,336</u>
<b>Fund Balance:</b>			
Capital Reserve	8,290	R878	123,451
Reserve for Repairs	<u>1,880</u>	R882	<u>2,884</u>
Total Fund Balance	<u>\$ 10,170</u>		<u>\$ 126,335</u>

**(R) Reserve**

**Results of Operation**

**Detail Revenues and Other Sources:**

Interest and Earnings	<u>\$ 985</u>	R2401	<u>\$ 165</u>
Total Revenues	985		165
Interfund Transfers	<u>63,761</u>	R5031	<u>174,521</u>
Total Revenues and Other Sources	<u>64,746</u>		<u>174,686</u>

**Detail Expenditures and Other Uses**

Fire, Equipment Outlay	37,838	R34102	-
Transfers, Other Finds	<u>307,520</u>	R99019	<u>58,521</u>
Total Expenditures and Other Uses	<u>345,358</u>		<u>58,521</u>

**Analysis of Changes in Fund Balance:**

Fund Balance - Beginning of Year	290,782	R8021	10,170
Add - Revenues and Other Sources	64,746		174,686
Deduct - Expenditures and Other Uses	<u>(345,358)</u>		<u>(58,521)</u>
Fund Balance - End of Year	<u>\$ 10,170</u>	R8029	<u>\$ 126,335</u>

**(W) General Long-Term Debt**

**Balance Sheet**

Code Description	2019	EDP Code	2020
<b>Assets:</b>			
Total Non-Current Governmental Liabilities	<u>\$ 222,214</u>	W129	<u>\$ 210,061</u>
Total Assets	<u>222,214</u>		<u>210,061</u>
<b>Liabilities:</b>			
Installment Purchase Debt	<u>222,214</u>	W685	<u>210,061</u>
Total Liabilities	<u>\$ 222,214</u>		<u>\$ 210,061</u>

Asable Forks FIRE DISTRICT  
 Statement of Indebtedness  
 For the Fiscal Year Ending 2020

11/30/2021

County of: Clinton  
 Municipal Code: 091107501000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Am't. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accrued Interest	O/S End of Year
2019	IPC E	2019 KME Pumper Truck	N		01/10/2019	07/10/2033	3.99%		\$233,900	\$222,214	\$12,153	\$0	\$0	\$0	\$210,061
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year															
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year															
									\$0	\$222,214	\$12,153	\$0	\$0	\$0	\$210,061
									\$0	\$222,214	\$12,153	\$0	\$0	\$0	\$210,061

Ausable Forks FIRE DISTRICT  
 Schedule of Time Deposits and Investments  
 For the Fiscal Year Ending 2020

	EDP Code	Amount
<b>CASH:</b>		
On Hand	9Z2001	
Demand Deposits	9Z2011	
Time Deposits	9Z2021	\$137,063.85
<b>Total</b>		<b>\$137,063.85</b>
 <b>COLLATERAL:</b>		
- FDIC Insurance	9Z2014	\$137,063.85
Collateralized with securities held in possession of municipality or its agent	9Z2014A	
<b>Total</b>		<b>\$137,063.85</b>
 <b>INVESTMENTS:</b>		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

Ausable Forks FIRE DISTRICT  
Bank Reconciliation  
For the Fiscal Year Ending 2020

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-3199	\$6,176	\$0	\$0	\$6,176
****-0133	\$4,552	\$0	\$1,384	\$3,168
****-2345	\$2,884	\$0	\$0	\$2,884
****-3456	\$46,521	\$0	\$0	\$46,521
****-6789	\$76,931	\$0	\$0	\$76,931
Total Adjusted Bank Balance				\$135,679
Petty Cash				\$0.00
Adjustments				\$0.00
Total Cash			9ZCASH * *	\$135,679
Total Cash Balance All Funds			9ZCASHB * *	\$135,679
* Must be equal				

Ausable Forks 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? 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	\$34,397
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	
Annuities	
Life Insurance	
Other (describe)	
7) Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39?	Y

Ausable Forks FIRE DISTRICT  
Employee and Retiree Benefits  
For the Fiscal Year Ending 2020

Total Full Time Employees:					
Total Part Time Employees:		1			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System				
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$497.90			
90408	Worker's Compensation Insurance	\$19,754.00			
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance				
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
<b>Total</b>		<b>\$20,251.90</b>			
Computed Total From Financial Section (comparative purposes only)		<b>\$20,251.90</b>			

Ausable Forks FIRE DISTRICT  
 Energy Costs and Consumption  
 For the Fiscal Year Ending 2020

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$458		gallons	
Diesel Fuel	\$3,265		gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity	\$3,269		kilowatt-hours	
Coal			tons	
Propane	\$3,778		gallons	

**FIRE DISTRICT DEMOGRAPHICS**

**Postal or Mailing Address:**

<u>PO Box 785</u> Street Address or PO Box	<u>Au Sable Forks</u> City	<u>NY</u> State	<u>12912</u> Zip
<u>(518) 647-5582</u> Fire District Telephone Number	<u>(518) 647-5201</u> Fire District Fax Number		
<u>garso@afdcomm11.net</u> Official Email Address	_____ Website		
<b>Physical Address: (If Different From Postal Address)</b>			
<u>29 School Lane</u> Street Address	<u>Au Sable Forks</u> City	<u>NY</u> State	<u>12912</u> Zip

**BOARD DEMOGRAPHICS  
CHIEF FISCAL OFFICER**

<u>Charlene Garso</u> Name	<u>Treasurer</u> Title		
<u>PO Box 785</u> Street Address or PO Box	<u>Au Sable Forks</u> City	<u>NY</u> State	<u>12912</u> Zip
<u>(518) 647-5582</u> Telephone Number	<u>(518) 647-5201</u> Fax Number		
_____ Email Address	<u>12/31/2021</u> Term End Date		

**CHAIRMAN OF THE BOARD**

<u>Louis Garso</u> Name	<u>Chairman</u> Title		
<u>PO Box 785</u> Street Address or PO Box	<u>Au Sable Forks</u> City	<u>NY</u> State	<u>12912</u> Zip
<u>(518)647-5582</u> Telephone Number	<u>(518)647-5201</u> Fax Number		
_____ Email Address	<u>12/31/2021</u> Term End Date		

I, Charlene Garso hereby certify that I am the Chief Fiscal Officer of the Au Sable Forks Fire District, and that the information provided in the annual financial report of the Au Sable Forks Fire District, for the fiscal year ended 12/31/2020, is true and correct to the best of my knowledge and belief. By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Au Sable Forks Fire District, and adopted by me as my signature for use in conjunction with the filing of the Au Sable Forks Fire District's annual financial report, I am evidencing my express intent to authenticate my certification of the Au Sable Forks Fire District's annual financial report report for the fiscal year ended 12/31/2020 and filed by means of electronic data transmission.

_____ Name of Report Preparer If different than Chief Fiscal Officer	<u>*****</u> Personal Identification Number of Chief Fiscal Officer	<u>11/30/2021</u> Date
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**AU SABLE FORKS FIRE DISTRICT**  
**NOTES TO ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
For the Fiscal Year Ending December 31, 2020

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Au Sable Forks Fire District (Fire District) is a district corporation established in 1925 under Article 11 of the Town Law of the State of New York to provide fire protection and other emergency services to residents and organizations located within the district. The Fire District is governed by various provisions of the Town Law, other general laws of the State of New York, and various other locally adopted rules and regulations. The Board of Fire Commissioners, which is the legislative body responsible for the overall operation of the Fire District, consists of five elected members. The Chairman, who serves as the chief executive officer, is elected by members of the Board. The Treasurer serves as the chief fiscal officer.

The Office of the State Comptroller of the State of New York (OSC) has the basic responsibility to provide oversight to local governments and other applicable governmental agencies in accordance with provisions of the State Constitution and Article 3 of the General Municipal Law of the State of New York. OSC has established the *Accounting and Reporting Manual for Fire Districts* pursuant to Section 36 of the General Municipal Law of the State of New York. OSC has also developed the format of the Annual Financial Report Update Document for reporting by all local governments in the State of New York. Accordingly, the Fire District has elected to utilize the financial statements reported in the Annual Financial Report Update Document prepared in accordance with the regulatory basis of accounting and reporting prescribed by OSC as the Fire District's annual financial statements.

The Annual Financial Report Update Document includes a financial section and a supplemental section. The financial section includes the Annual Update Document (AUD) financial statements for the various funds and schedules. The financial statements for the governmental funds generally require a balance sheet, results of operations with separate statements of revenues and expenditures, and a statement of changes in fund balance for each fund. A budget summary for the next fiscal year is also required for the general fund. Balance sheets are required to report non-current governmental assets, non-current governmental liabilities, and agency funds. Prior year data is included in the report format provided by OSC generally as a guide in preparing the current year data, and not for comparative financial statement purposes. The supplemental section requires reporting information about indebtedness, deposits, bank reconciliations and other statistical and narrative information.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles that are generally accepted in the United States of America. The regulatory basis of accounting and reporting referred to above varies from accounting principles generally accepted in the United States of America primarily because it does not require implementation of GASB Statement No. 34 and other applicable statements, and does not require reporting the government-wide statements of net position and activities in the AUD. The regulatory basis of accounting and reporting is the same method used by the Fire District for fiscal years ending prior to December 31, 2020.

In preparing the Annual Financial Report Update Document in conformity with accounting principles described above, management may be required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Annual Financial Report Update Document, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**AU SABLE FORKS FIRE DISTRICT**  
**NOTES TO ANNUAL UPDATE DOCUMENT FINANCIAL STATEMENTS**  
**For the Fiscal Year Ending December 31, 2020**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying Annual Financial Report Update Document follows.

*1. Financial Reporting Entity*

In evaluating how to define the Fire District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria in the regulatory basis of accounting and reporting prescribed by OSC. This criteria generally includes determinations about the Board of Fire Commissioner's ability to exercise oversight responsibility, the scope of public service provided by the entity, and the existence of special financing relationships. Based upon the application of these criteria, the Fire District is not considered a component unit of either the Town of Black Brook, New York, or the Town of Jay, New York.

The following potential component unit has been excluded from the Fire District's reporting entity:

Au Sable Forks Fire Department, Inc.

The Au Sable Forks Fire Department, Inc. (Fire Department) was organized in 1878 and incorporated in 1987 as a not-for-profit organization with its own governing board, management, and officials. The members of the Fire Department generally include the chief and the volunteer fire fighters who provide volunteer fire protection services to the Fire District. The Fire Department maintains their financial records and reports, and the Fire Department management is responsible for the applicable financial activity.

*2. Basis of Presentation, Fund Accounting*

In accordance with the regulatory basis of accounting and reporting prescribed by OSC, the Fire District uses fund accounting to demonstrate legal compliance with budgetary and other requirements, and to aid financial management by segregating transactions relating to certain activities or functions.

A fund is a separate fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The regulatory basis of accounting and reporting prescribed by OSC prescribes the use of governmental and fiduciary fund types. Proprietary funds are not currently prescribed for fire districts in the State of New York.

A schedule, on the other hand, is a financial reporting device designed to provide accountability for non-current governmental assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

The Fire District maintains the following funds and schedules:

General fund – a governmental fund, which is the Fire District's main operating fund used to account for real property taxes and other revenues generated to finance fire protection costs and other activities not required to be accounted for in any other fund.

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Reserve fund – a governmental fund used to segregate resources to finance future repairs and improvements to equipment and other major capital outlays.

Capital projects fund – a governmental fund used to account for capital expenditures for the purchase of equipment and the acquisition, construction, reconstruction and/or improvements of capital assets financed from the proceeds of debt, transfers from other funds, capital grants and contributions, and/or other applicable capital financing sources.

Agency fund – a fiduciary fund used to account for assets held by the Fire District in a fiduciary capacity pending distribution to other parties. The Fire District had no assets that were required to be reported in the Agency fund for the year ended December 31, 2020.

Schedule of non-current governmental assets – used to report capital assets for governmental activities.

Schedule of non-current governmental liabilities – used to report long-term debt issued for governmental activities.

*3. Measurement Focus and Basis of Accounting*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Under the regulatory basis of accounting and reporting prescribed by OSC, governmental funds are accounted for using the cash resources measurement focus and the cash basis of accounting. With this measurement focus, only cash assets and liabilities arising from cash transactions are reported on the balance sheet. The statements of revenues, expenditures, and changes in fund balances of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financial uses) in net cash assets.

Under the cash basis of accounting, governmental fund revenues are recognized when received in cash.

Governmental fund expenditures are recorded when paid. The following is additional information regarding certain expenditures:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when paid. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method.
- Principal and interest on indebtedness, if any, are recorded as expenditures when the debt is paid.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are paid.

For fiduciary funds, most agency fund transactions are recorded on a cash basis.

*4. Assets, liabilities, reserves, and fund balances*

- a. Cash and cash equivalents consist of unrestricted cash in demand deposits and time deposits at the Fire District’s designated depository.

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- b. Restricted cash consists of cash in time deposits at the Fire District's designated depository segregated from other operating cash and set aside in reserves for future repairs and capital improvements.
- c. Revenues from real property taxes are recognized when amounts are distributed to the Fire District from the applicable tax collection entities, which is during the period for which the taxes were levied. The Fire District receives the total amount of taxes levied each year, so no receivables are recorded at year end. Real property taxes are the Fire District's main revenue source. Other miscellaneous revenues are recorded when received in cash.
- d. Capital assets consist of buildings, improvements other than buildings, and machinery and equipment. The land on which the fire station is located is leased for \$1 from the Town of Jay, New York for 99 years. Capital assets are recorded at historical cost if purchased and/or constructed. Capital assets donated to the Fire District are recorded at fair market value as of the date of donation. Machinery and equipment assets include fire trucks, other vehicles and a wide range of firefighting equipment having a useful life of one year or more. No depreciation is recorded in the capital asset accounts.
- e. Bonds payable and installment purchase debt represent the unmatured principal face value of the applicable debt issued by the Fire District. No liabilities would be recorded for interest payable at year end.
- f. Fund balance represents the difference between the cash balances of each fund less any liabilities arising from cash transactions. Portions of fund balance are restricted for the amount of cash set aside in reserves for future repairs and capital improvements. Generally, fund balances may be reported in the following classifications: non-spendable, committed, restricted, assigned, and unassigned fund balances. The Board of Fire Commissioners is the level of authority that can authorize fund balances to be segregated and reported in these various classifications.

**NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*1. Budgetary information and real property tax levies*

Annual budgets for the general fund are adopted by the Board of Fire Commissioners on a basis consistent with the regulatory basis of accounting and reporting prescribed by OSC. In accordance with statutory requirements, the maximum amount the Fire District may spend during a fiscal year must be calculated to determine the statutory spending limitation. Consequently, appropriations included in the annual budget must be within the statutory spending limitation.

The Fire District is required to follow applicable provisions of the Town Law of the State of New York to prepare the annual budget and submit it to the applicable tax collection entities. In general, a public hearing on the budget must be held and the budget amounts for the ensuing fiscal year must be adopted by the Board of Fire Commissioners and submitted to the Town of Jay, New York in Essex County, and the Town of Black Brook, New York in Clinton County, by November 7 each year. The amount of real property taxes needed for the ensuing year is assessed against the properties in the district located in the each of the towns. Each Town includes the Fire District's budget estimates and amount of taxes needed for fire



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district purposes in their annual town budget, which is then submitted to the County of Essex, New York (for the Town of Jay) and the County of Clinton, New York (for the Town of Black Brook) for the levy of taxes by the applicable County Governing Board. The Fire District tax levy is included with the applicable Town and County annual tax levies in a single tax billing to taxpayers, which becomes a tax lien on January 1 of each year. As tax collections are received by the applicable town tax collecting officers, the Towns pay the Fire District the total amount of the tax levy. Any uncollected taxes for the combined town, fire district and county taxes are returned to the applicable County for subsequent enforcement.

*2. Reserve funds*

The use of reserve funds to finance capital improvements and other applicable uses generally is authorized by the Board of Fire Commissioners on an as needed basis after the appropriate approvals have been obtained. In certain instances, use of reserve funds may be subject to referendum requirements and may need to be approved by the qualified voters of the district before being appropriated by the Board of Fire Commissioners.

During the year ended December 31, 2020, \$174,521 was transferred into the reserves and expenditures of \$58,521 were made from the reserves.

**NOTE C – DETAILED NOTES ON ALL FUNDS**

*1. Cash and investments*

At December 31, 2020 the Fire District's cash balances consisted of the following:

Cash in checking accounts	\$ 3,168
Cash in savings and time deposit accounts	<u>132,511</u>
Total cash and cash equivalents	<u>\$ 135,679</u>

Provisions of the General Municipal Law of the State of New York require the Fire District to collateralize its cash deposits in excess of the Federal Deposit Insurance Corporation (FDIC) current maximum limit of \$250,000 per depositor, per bank for demand deposits and \$250,000 for savings and time deposits. This collateral generally can be in the form of federal, state, and local government securities held by the Fire District's third-party custodial bank or trust Company on behalf of the Fire District's depository and pledged to secure the Fire District's deposits.

Cash in checking accounts and time deposit accounts totaling \$137,064 were fully insured by FDIC insurance and/or collateralized as of December 31, 2020. The Fire District had no investments at December 31, 2020.

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**2. Capital Assets**

For the year ended December 31, 2020, the following is a summary of the changes in the Fire District's capital assets:

<u>Capital Assets:</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Added</u>	<u>Removed</u>	<u>Balance</u> <u>12/31/2020</u>
Buildings	\$ 386,000	\$ -	\$ -	\$ 386,000
Improvements Other Than Buildings	10,000	-	-	10,000
Machinery and Equipment	2,107,247	48,987	-	2,156,234
<b>Total Capital Assets</b>	<b>\$ 2,503,247</b>	<b>\$ 48,987</b>	<b>\$ -</b>	<b>\$ 2,552,234</b>

**3. Installment purchase debt payable**

Effective July 19, 2018, the Fire District entered into an installment purchase debt arrangement (capital lease-purchase) to provide partial financing of \$233,900 for acquisition of a new pumper truck. The financing was provided, and pumper truck acquired in 2019. The IPC is payable in 15 annual payments of \$21,029 due on July 10 each year until July 10, 2033. The annual payments include interest of 4.0%. The applicable transactions are reported in the capital projects fund.

The following is the principal balance outstanding as of December 31, 2020:

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Date</u>	<u>Principal Amount</u>
One New Pumper Truck	7/10/2018	7/10/2033	4.00%	\$ 210,061

Installment purchase debt principal transactions for the year December 31, 2020 are as follows:

IP Debt payable - beginning of year	\$ 222,214
IP Debt principal issued during year	-
IP Debt principal paid during year	<u>(12,153)</u>
IP Debt payable - end of year	<u>\$ 210,061</u>

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Aggregate principal payments to maturity as of December 31, 2020 are as follows:

<u>Years</u> <u>Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 12,638	\$ 8,391	\$ 21,029
2022	13,143	7,886	21,029
2023	13,668	7,361	21,029
2024	14,214	6,815	21,029
2025	14,782	6,247	21,029
2026-2030	85,252	21,893	107,145
2031-2033	58,364	4,723	63,087
Total	<u>\$ 212,061</u>	<u>\$ 63,316</u>	<u>\$ 275,377</u>

*4. Bond anticipation notes payable*

The Fire District paid off its existing bond anticipation note payable for the building renovation project in 2017 and had no bond anticipation note payable as of the year ended December 31, 2020.

**NOTE D – CONTINGENCIES, COMMITMENTS AND SUBSEQUENT EVENTS**

In the normal course of operations, the Fire District may become involved in certain claims arising from a variety of sources. The Fire District carries various forms of insurance to cover potential losses from such claims. For insured programs, there has been no significant reduction in insurance coverage.

**Richard H. Dinolfo**  
Certified Public Accountant

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**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**

Independent Auditor's Report

Chairman and Members of the Board of Fire Commissioners  
Au Sable Forks Fire District  
Au Sable Forks, New York

I have audited, 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, the financial statements as reported in the Annual Financial Report Update Document of the Au Sable Forks Fire District as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Fire District's regulatory basis financial statements, and have issued my report thereon dated November 30, 2021.

**Internal Control over Financial Reporting**

The Board of Fire Commissioners and other management of the Fire District are responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit of the financial statements, I considered the Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements as reported in the Annual Financial Report Update Document, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by the Board of Fire Commissioners who are charged with governance.



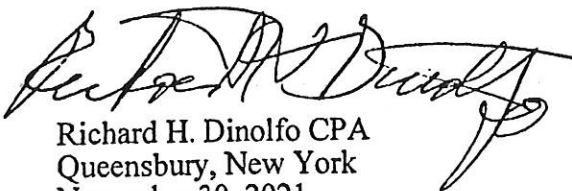
My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses and other significant deficiencies 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 as reported in the Annual Financial Report Update Document are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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. This report is intended for the information and use of the Chairman and Members of the Board of Fire Commissioners, Secretary/Treasurer, others within the Fire District, and for filing with the Town of Jay, New York, the Town of Black Brook, New York and the Office of the State Comptroller of the State of New York. Accordingly, this report is not intended for any other purpose.

 CPA  
Richard H. Dinolfo CPA  
Queensbury, New York  
November 30, 2021