

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 1, 2023**

**SERIAL BONDS**

**RATING –S&P INVESTOR SERVICE: “ ”**  
**See “Bond Rating”, herein**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequence related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “Tax Matters”. The Bonds will be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.*

**AU SABLE FORKS FIRE DISTRICT  
IN THE TOWN OF JAY, ESSEX COUNTY AND  
TOWN OF BLACK BROOK, CLINTON COUNTY, NEW YORK**  
(the “Fire District”)

**\$5,600,000 FIRE DISTRICT (SERIAL) BONDS, 2023**  
(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 February 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Fire District, on February 1, 2030 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.

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 any book-entry 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 15, 2023 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 Orrick, Herrington & Sutcliffe 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 29, 2023 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.

**AU SABLE FORKS FIRE DISTRICT  
IN THE TOWN OF JAY, ESSEX COUNTY AND  
TOWN OF BLACK BROOK, CLINTON COUNTY, NEW YORK**

**\$5,600,000 FIRE DISTRICT (SERIAL) BONDS, 2023**

**BOND MATURITY SCHEDULE**

**Dated: Date of Delivery**

**Principal Due: February 15, 2024 - 2052 inclusive  
Interest Due: February 15, 2024, August 15, 2024 and  
semi-annually thereafter on February 15  
and August 15 in each year to maturity**

<u>Amount*</u>	<u>Maturity</u>	<u>Rate</u>	<u>Price or Yield</u>	<u>CUSIP #</u>
\$ 5,000	2024			
100,000	2025			
105,000	2026			
110,000	2027			
115,000	2028			
120,000	2029			
125,000	2030			
130,000	2031**			
140,000	2032**			
145,000	2033**			
150,000	2034**			
160,000	2035**			
165,000	2036**			
175,000	2037**			
185,000	2038**			
190,000	2039**			
200,000	2040**			
210,000	2041**			
215,000	2042**			
225,000	2043**			
240,000	2044**			
250,000	2045**			
265,000	2046**			
275,000	2047**			
290,000	2048**			
305,000	2049**			
320,000	2050**			
335,000	2051**			
350,000	2052**			

\*Amounts are subject to adjustment by the Fire District following the sale, pursuant to the terms of the Notice of Bonds 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.

\*\*Subject to redemption prior to maturity.

**AU SABLE FORKS FIRE DISTRICT  
IN THE TOWN OF JAY, ESSEX COUNTY AND  
TOWN OF BLACK BROOK, CLINTON COUNTY, NEW YORK**

29 School Lane  
Au Sable Forks, NY 12912-0785  
Telephone: (518) 569-2961

**BOARD OF FIRE COMMISSIONERS**

David Hart III, Chairman

Louis Garso, Vice Chairman  
Jamie Atkins

Michael Cross  
Howard Drake

-----

Charlene Garso, Secretary/Treasurer

Fire District Attorney

Dean C. Schneller  
Plattsburgh, New York

\* \* \*

**BOND COUNSEL**



Orrick, Herrington & Sutcliffe, 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

### AU SABLE FORKS FIRE DISTRICT IN THE TOWN OF JAY, ESSEX COUNTY AND TOWN OF BLACK BROOK, CLINTON COUNTY, NEW YORK

#### \$5,600,000 FIRE DISTRICT (SERIAL BONDS), 2023

This Official Statement and the appendices hereto present certain information relating to the Au Sable Forks Fire District, in the Town of Jay, Essex County and Town of Black Brook, Clinton County, in the State of New York (the "Fire District," the "Town," the "County" and the "State," respectively) in connection with the sale of \$5,600,000 Fire District Serial Bonds – 2023 (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. 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 world-wide event. (See "RISK FACTORS" and "IMPACT OF COVID-19" herein.)

#### THE BONDS

##### Description of the Bonds

The Bonds will be dated the date of delivery, and will mature on February 15 in each of the years 2024 to 2052, inclusive, in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be payable on February 15, 2024, August 15, 2024 and semi-annually thereafter on February 15 and August 15 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 any book-entry 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 day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Fire District Secretary/Treasurer will act as Fiscal Agent for any Bonds issued in book-entry form. For any Bonds issued as certificated bonds, the purchaser may act as Fiscal Agent. Paying Agent fees, if any, will be paid by the purchaser. The Fire District's contact information is as follows: Charlene Garso, Fire District Secretary/Treasurer, Au Sable Forks Fire District in the Town of Jay, Essex County and Town of Black Brook, Clinton County, 29 School Lane, Au Sable Forks, New York 12912-0785, telephone number (518) 569-2961 and email: nanacharlene1@gmail.com.

### **Optional Redemption**

The Bonds maturing on or before February 15, 2030 will not be subject to redemption prior to maturity. The Bonds maturing on February 15, 2031 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 February 15, 2030, 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 OBLIGATION 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.



## Continuing Disclosure Undertaking for the Bonds

At the time of delivery of the Bonds, the Fire District will provide an executed copy of its “Undertaking to Provide Continuing Disclosure” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Fire District for the benefit of holders of and owners of beneficial interest in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board (“MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement relating to the Bonds under the headings “The Fire District”, “Indebtedness of the Fire District”, “Finances of the Fire District”, “Tax Information”, “Litigation” and all Appendices (other than any related to bond insurance and bond counsel opinions) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2022, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2022; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Fire District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Fire District of whether such provision is compliant with the requirements of 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;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Fire District; (xiii) the consummation of a merger, consolidation, or acquisition involving the Fire District or the sale of all or substantially all of the assets of the Fire District, 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 (as defined in the Rule) 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 bond holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the Fire District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) 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 Fire District 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 Fire District, or if such jurisdiction has been assumed by leaving the existing governing body and official 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 Fire District.

With respect to events (xv) and (xvi), the term “financial obligation” means a (i) debt obligation (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Fire District may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the Fire District does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide the annual financial information by the date specified.

The Fire District’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provisions, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Fire District, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Fire District to comply with the Undertaking will not constitute a default with respect to the Bonds.

The Fire District reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

**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 any of the Bonds are issued as book-entry bonds and such book-entry-only system is discontinued, and a successor 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 September 21, 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 October 26, 2021, authorizing the issuance of bonds for the following purpose:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Amount to be paid</u>	<u>Amount to be issued</u>
09/21/2021	Land Acquisition and Construction of a New Firehouse	\$5,900,000	\$600,000	\$300,000	\$5,600,000

## Nature of Obligation

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

Holders of any series of Bonds of the Fire District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of Bonds.

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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the Fire District has power and statutory authorization to levy ad valorem taxes on all real property within the Fire District subject to such taxation by the Fire District, subject to applicable statutory limitations. See "Tax Levy Limitation Law, herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Fire District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Fire District's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, 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. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted.... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation Bonds takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the Fire District of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the Fire District to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, Fire District, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, Fire District, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York 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.

### **Tax Levy Limitation Law**

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

### **General Municipal Law Contract Creditors’ Provision**

Each Bond when duly issued and paid for will constitute a contract between the Fire District and the holder thereof. Under current law, provision is made for contract creditors of the Fire District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Fire District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

## **Execution/Attachment of Municipal Property**

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, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Fire District may not be enforced by levy and execution against property owned by the Fire District.

## **Authority to File For Municipal Bankruptcy**

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for 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 Fire districts, there can be no assurance that it will not be made so applicable in the future.

The State has consented that any municipality in the State may file a petition with the 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. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Fire District be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Fire District could be adversely affected by the restructuring of the Fire District's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Fire District (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Fire District under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

## **State Debt Moratorium Law**

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such Fire District of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), 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, as described below, authorizing any county, city, Fire District 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.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, Fire District or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, Fire District or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in

2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict , subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. School districts and fire districts are not eligible for FRB assistance.

### **Constitutional Non-Appropriation Provision**

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “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 constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

### **Default Litigation**

In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State 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. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

### **No Past Due Debt**

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

## **THE FIRE DISTRICT**

### **Description**

The Fire District provides fire protection, emergency services & ambulance assistance to the residents of Au Sable Forks through the Au Sable Forks Volunteer Fire Department & Auxiliary, located in the Town of Jay, Essex County & Town of Black Brook, located in Clinton County, New York. The Fire District has an estimated population of 2,500 in the winter and an estimated 5,000 during the summer tourist season. Au Sable Forks is located in the Adirondack Park approximately 25 miles northeast of Lake Placid, New York and is located at the junction of the East & West Branch of the Au Sable Forks River.

The Fire District is located in the northeastern part of the New York State Adirondack Park. The Fire District covers a total of 107 square miles of suburban rural area comprised of the hamlet of Au Sable Forks that is separated by the East & the West Branches of the Au Sable River. The service area is primarily a summer and winter tourist area where people travel great distances to get to the area to enjoy the summer months at their vacation homes & lake camps, hiking, fishing & camping. During the summer & winter months the area provides lodging at B & B's and vacation rentals in Au Sable Forks and the surrounding lakes and camp sites. The primary employment in the area is provided by New York State Department of Correction, SUNY at Plattsburgh, Au Sable Valley Central School System, Northline Utilities, Cold Spring Granite Products, Schluter Systems, Whiteface Mountain Ski Resort & the many businesses located in Plattsburgh, NY.

### **Fire District Facilities**

The Fire District operates out of a central fire station located in Au Sable Forks. The current station is located in a repurposed school building that was purchased by the Fire District in 1973 (Originally constructed in 1961). In Au Sable Forks, water is provided through a municipal water system which covers about 5% of the Fire District with the balance of 95% having no water systems where the water is brought to the scene through Fire District apparatus, which is then replenished through drafting water from local streams and lakes. There is an extensive county mutual aid system where additional fire companies respond to designated incidents in the Fire District as needed. The fire company consists of 32 active members under the command of an elected Fire Chief, Safety Officer, 2 Assistant Chiefs, Captain, Lieutenant and 28 NYS Certified Firefighters. The fire company has been serving the community of Au Sable Forks since 1878.

The Fire District owns 9 pieces of apparatus and back country rescue equipment. The current fleet consists of the following:

- Engine 111 – 1,250 GPM Custom Pumper, 1,000 Water Tank W/Foam
- Engine 112 – 1,500 GPM Custom Pumper, 1,000 Water Tank W/Foam
- Pumper/Tanker 114 – 750 GPM Pumper, 2,000 Water Tank
- Tanker 115 – 500 GPM Pump, 1,500 Water Tank
- Heavy Rescue 116 – Jaws of Life & Rescue Equipment
- Brush Truck 117 – 300 GPM Pump, Foam Equipped, 300 Water Tank
- Gator 118 - Rescue & Forest Fire Equipment Trailer
- Manpower Squad 119 – AWD 4 Door Chevy Pickup

### **Form of Government**

Fire District are district corporations and political subdivisions of New York State, distinct from the municipalities in which they are located. In general, fire districts are governed by an elected board of fire commissioners and are required to have a treasurer and secretary.

The Fire District is governed by a five-member Board of Fire Commissioners. Each Commissioner is elected for a five-year term. Each term is staggered so that every year one Commissioner is elected at large. The Chairman is elected by the Commissioners themselves. There is no limitation as to the number of terms which may be served by members of the Board. The Board appoints a Fire District Treasurer and Fire District Secretary.

The Commissioners oversee administrative activities, building maintenance and repair or replacement, etc. Commissioners are assigned different positions: finance, insurance, personnel, equipment, and building and grounds. The commissioners hold a monthly business meeting on the second Tuesday of each month at the District firehouse. Other meetings may be held from time to time to conduct District business. Per NYS Open Meetings Law, all Commissioner meeting where District business is conducted are open to the public.



## Employees

The Fire District has one part time employee who is the Secretary/Treasurer of the Board of Fire Commissioners and is not represented by organized labor.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population Trends

Population statistics are not available for the Fire District as such. The following table sets forth population statistics for the Towns of Jay and Black Brook and Counties of Essex and Clinton and New York State.

<u>Year</u>	<u>Town of Jay</u>	<u>Town of Black Brook</u>	<u>County of Essex</u>	<u>County of Clinton</u>	<u>New York State</u>
2000	2,306	1,661	38,851	79,894	18,976,457
2010	2,480	1,528	39,416	82,380	19,229,752
2020	2,550	1,326	37,281	80,320	19,514,849
2021	2,514	1,117	37,501	80,095	20,114,745

### Income Data

Income data are not available for the Fire District as such. The smallest area for which such statistics are available (which includes the Fire District) are the Towns of Jay and Black Brook and Counties of Essex and Clinton and New York State. The information set forth below with respect to such Town is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the Fire District is necessarily representative of the Towns or vice versa.

	<u>Per Capita Money Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021<sup>a</sup></u>
Town of Jay	\$16,673	\$31,409	\$33,117	\$33,279
Town of Black Brook	18,049	23,885	31,902	36,597
County of Essex	18,194	24,390	33,906	34,555
County of Clinton	17,946	22,660	29,960	31,726
State of New York	23,389	30,948	40,898	43,208

	<u>Median Household Income</u>			
	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2021<sup>a</sup></u>
Town of Jay	\$35,612	\$51,623	\$64,028	\$77,583
Town of Black Brook	32,634	46,250	53,750	59,063
County of Essex	34,823	45,216	58,109	61,563
County of Clinton	37,028	47,489	59,510	62,470
State of New York	43,393	55,603	71,117	75,157

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2017-2021)

## Unemployment Rates

<u>Annual Averages:</u>	<u>Essex County (%)</u>	<u>Clinton County (%)</u>	<u>New York State (%)</u>
2018	4.8	4.4	4.1
2019	4.5	4.2	4.0
2020	7.9	8.0	10.0
2021	4.7	5.0	7.2
2022	3.4	3.2	4.4

Source: Department of Labor, State of New York

### Selected Listing of Larger Employers in the Clinton County

<u>Name</u> <sup>a</sup>	<u>Type</u>	<u>Estimated Number of Employees</u>
Champlain Valley Medical Center	Medical Center	A
Clinton County Correctional Facility	State Prison	A
Clinton County	Municipal Services	A
State University at Plattsburgh	Educational	A
Schluter Systems	Installation systems for Tile & Stone	A
Alstom Transportation	Passenger Rail Cars	A
Walmart	Retail	A
Sam's Club	Retail	A
Beekmantown CSD	Schools	B
Georgia Pacific	Paper Products	B
UPS Supply Chain Solutions	Customs Broker	B
Pactive Corp.	Molded Fiber Prod.	B
NYS Electric & Gas Corp	Utility	B
Meadowbrook Realty Group LLC	Nursing Home	B
City of Plattsburgh	Municipal Services	B
Plattsburgh City School District	Educational	B
WAC Lighting	Chandeliers	B
NovaBus/Prevost Car US Inc	Bus Transit Manufacturing	B
Champlain Valley Industries	Industrial	B
Jeffords Steel & Engineering Co.	Structural Steel	B
Mold Rite Plastics	Plastic Manufacturing	B
Peru Central School District	Educational	B

a. Employment Code: A = over 500  
B = 101 to 500

Source: Clinton County Area Development Corp.

## 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).

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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, 2023)

<u>In Town of:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
Jay (2022) <sup>a</sup>	\$84,419,073	\$84,419,073	\$84,419,073
Black Brook (2022) <sup>a</sup>	164,964,615	164,964,615	164,964,615
	<u>\$249,383,688</u>	<u>\$249,383,688</u>	<u>\$249,383,688</u>
 Debt Limit - 3% of Full Valuation			 \$7,481,511
 Inclusions:			
Outstanding Bonds			\$0
Outstanding Bond Anticipation Notes			<u>600,000</u>
 Total Indebtedness			 <u>600,000</u>
 Exclusions			
Bond Appropriations			0
Note Appropriations			300,000
Other Exclusions			<u>0</u>
 Total Exclusions			 <u>300,000</u>
 Total Net Indebtedness Before Issuing the Bonds			 <u>300,000</u>
 The Bonds			5,600,000
Less: BANs Being Redeemed by the Bonds			<u>300,000</u>
Net Effect of the Bonds			<u>5,300,000</u>
 Total Net Indebtedness After Issuing the Bonds			 <u>5,600,000</u>
 Net Debt Contracting Margin			 <u><u>\$1,881,511</u></u>
 Per Cent of Debt Contracting Margin Exhausted			 74.85%

a. The latest completed assessment roll for which a State Equalization Rate has been established.

**Details of Short-Term Indebtedness Outstanding**  
(As of March 1, 2023)

As of the date of this Official Statement, the Fire District has bond anticipation notes outstanding in the amount of \$600,000 that matures March 30, 2023. A portion of the Bonds along with \$300,000 will redeem the notes at maturity.

### Authorized and Unissued Debt

As of the date of this Official Statement, the Fire District has authorized but unissued debt in the amount of \$5,300,000; such authorization is being funded by the issuance of the Bonds.

### Debt Service Requirements - Outstanding Bonds

The Fire District has no long-term debt outstanding.

### Trend of Outstanding Indebtedness

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Debt Outstanding End of Year:					
Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
BANs	0	0	0	0	600,000
Total Debt Outstanding	\$ 0	\$ 0	\$ 0	\$ 0	\$600,000

### 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 Clinton	07/07/2022	3.92	\$ 1,888,406	\$ 1,814,602
County of Essex	02/01/2022	2.88	546,624	436,464
Town of Black Brook	12/31/2021	78.06	830,558	830,558
Town of Jay	12/31/2021	77.95	1,726,517	1,726,517
AuSable Valley CSD	02/25/2021	25.81	5,455,037	5,455,037
Totals			\$10,447,142	\$10,263,178

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

### Debt Ratios (As of March 1, 2023)

	<u>Amount</u>	<u>Per Capita<sup>a</sup></u>	<u>Percentage Of Full Value (%)<sup>b</sup></u>
Total Direct Debt	\$ 600,000	\$ 240	0.241
Net Direct Debt	300,000	120	0.120
Total Direct & Applicable Total Overlapping Debt	11,047,142	4,419	4.430
Net Direct & Applicable Net Overlapping Debt	10,563,178	4,225	4.236

a. Current estimated population of the Fire District is 2,500.

b. The full valuation of taxable property is \$249,383,688.

## **FINANCES OF THE FIRE DISTRICT**

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, 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. 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 the restrictions put in place following the initial outbreak. The degree of the impact to the Fire District's operations and finances as a result of COVID-19 is difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may 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 Fire District maintains its financial records in accordance with the Uniform System of Accounts for Fire Districts prescribed by the State Comptroller. The financial records of the Fire District are audited. The last such audited financials made available for public inspection covers the fiscal year ended December 31, 2021. The Fire District also prepares an unaudited Annual Financial Report Update(AUD) and a copy of the AUD for December 31, 2022 and is attached in Appendix B hereto. In addition, the financial affairs of the Fire District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

### **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 does not participate in a Length of Service Award Program.

## Employee Pension System

The Fire District does not participate in the New York State and Local Employees' Retirement System (the "Retirement System" of "PFRS").

## 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 2022 and 2023 may be found in Appendix A.

### *Real Property Taxes*

See "*Tax Information*", herein.

## Expenditures

A summary of Expenditures for the five most recently completed fiscal years and the amounts budgeted for 2022 and 2023 may be found in Appendix A.

## TAX INFORMATION

### Real Property Taxes

Methods and procedures to require the levy, collection and enforcement of real property taxes 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 assessors 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; statutory restrictions do apply. In addition, 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. (See "*Tax Levy Limit Law*," herein.)

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 2018 through 2022, inclusive and the amounts budgeted for the 2023 fiscal year.

Fiscal Year Ending <u>December 31:</u>	Total <u>Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2018	\$349,073	\$225,800	64.69
2019	298,080	287,066	96.31
2020	337,414	316,848	93.90
2021	325,443	322,787	99.18
2022	331,755	327,629	98.76
2023 (Budgeted)	652,885	652,855	100.00



## Tax Collection Procedure

Property taxes for the Fire District, together with Town and County Taxes, are collected by the Towns of Jay and Black Brook Tax Collector. Such taxes are due and payable in full by January 31 of the fiscal year. There is an option plan available to you, where you can pay in installments due and payable January, February, March & April respectively if you chose this plan. All taxes that are in arrears are forwarded to their respective County for collection. There is a 5% penalty fee applied to late tax payments.

The Fire District fiscal year starts on January 1st and the District receives its full tax levy by February 1st of each fiscal year.

## Valuations, Rates and Levies

A summary of valuations, rates and levies can be found in Appendix A.

### Selected Listing of Large Taxable Properties <sup>a</sup> 2020-2021 Assessment Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Grid	Utility	\$3,861,788
James Leigh Properties	Real Estate	3,858,089
Douglas Corporation of Silver Lake	Real Estate	2,192,300
JLKN Acres LLC	Real Estate	2,138,100
SawPro Properties	Real Estate	1,800,000
Niagra Mohawk Power Co.	Utility	1,788,270
John R. Looes	Real Estate	1,036,000
Union Falls Hydro Power	Utility	961,000
Cold Spring Grantite	Commercial	519,500
Stewart Shops	Retail	458,700
	Total <sup>a</sup>	<u>\$18,613,747</u>

a. Represents 22.05% of the 2021-2022 Assessed Valuation of the Fire District.

## LITIGATION

In common with other fire districts, the Fire District from time to time may receive notices of claim and is party to litigation. In the opinion of the Fire District, after consultation with its 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.

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Fire District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Fire District's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Fire District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The Fire District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Fire District, in any year, the Fire District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Fire District. In some years, the Fire District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the Fire District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Fire District. Unforeseen developments could also result in substantial increases in Fire District expenditures, thus placing strain on the Fire District's financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Fire District. Any such future legislation would have an adverse effect on the market value of the Bonds (See "Tax Exemption" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Fire District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the Fire District and hence upon the market price of the Bonds. See "Tax Levy Limitation Law" herein.

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Bonds will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Fire District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Fire District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Fire District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Fire District or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds is difficult, obtaining an independent review of IRS positions with which the Fire District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Fire District or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **LEGAL MATTERS**

Legal matters incidental to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as 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 S&P Global Ratings ("S&P"), 55 Water Street, New York, NY 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, for a rating on the Bonds and such rating is pending at this time. Such rating reflects 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 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 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 Charlene Garso, Fire District Secretary/Treasurer, Au Sable Forks Fire District in the Town of Jay, Essex County and Town of Black Brook, Clinton County, 29 School Lane, Au Sable Forks, New York 12912-0785, telephone number (518) 569-2961 and email: nanacharlene1@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.

AU SABLE FORKS FIRE DISTRICT,  
IN THE TOWN OF JAY, ESSEX COUNTY AND  
BLACK BROOK, CLINTON COUNTY, NEW YORK

By CHARLENE GARSO  
Fire District Secretary/Treasurer  
Au Sable Forks Fire District  
in the Town of Jay, Essex County and  
Town of Black Brook, Clinton County  
Au Sable Forks, New York

March , 2023

**APPENDIX A**

**FINIANCIAL INFORMATION**

**Balance Sheet**  
**General Fund**

	Fiscal Year Ended December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Assets:</b>					
Cash	5,960	1,203	3,168	22,786	16,322
Cash in Time Deposits	27,942	419	6,179		
Due From Other Funds					
Total Assets	\$ 33,902	\$ 1,622	\$ 9,347	\$ 22,786	\$ 16,322
<b>Liabilities &amp; Fund Balance:</b>					
Accounts Payable		994			
Unassigned Fund Balance	33,902	628	9,344	22,786	16,322
Total Liabilities and Fund Balances	\$ 33,902	\$ 1,622	\$ 9,344	\$ 22,786	\$ 16,322

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)

**Balance Sheet**  
**Capital Projects Fund**

	Fiscal Year Ended December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets:					
Cash					206,872
Total Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 206,872
Liabilities & Fund Balance:					
Bond Anticipation Notes Payable					600,000
Due to Other Funds					
Assigned Unappropriated Fund Balance					
Unassigned Fund Balance					(393,128)
Total Liabilities and Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 206,872

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)



**Balance Sheet**  
**Reserves Fund**

	Fiscal Year Ended December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets:					
Cash					
Cash in Time Deposits	290,783	10,170	126,336	120,279	181,492
Total Assets	\$ 290,783	\$ 10,170	\$ 126,336	\$ 120,279	\$ 181,492
Liabilities & Fund Balance:					
Capital Reserve	269,944	8,290	123,451	116,387	176,599
Reserves for Repairs	20,839	1,880	2,884	3,892	4,893
Total Liabilities and Fund Balances	\$ 290,783	\$ 10,170	\$ 126,336	\$ 120,279	\$ 181,492

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Funds**

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues:</b>					
Real Property Taxes	\$ 225,800	\$ 287,066	\$ 316,848	\$ 322,787	\$ 327,629
Interest and Earnings	7	9	6	8	17
Sale of Equipment	122,000	200			3,350
Insurance Recoveries		4,594	18,250	1,336	
Refunds of Prior Year's Expenditures	1,266	6,211	1,705	1,016	
Miscellaneous			605	296	759
Total Revenues	<u>349,073</u>	<u>298,080</u>	<u>337,414</u>	<u>325,443</u>	<u>331,755</u>
<b>Expenditures:</b>					
Fire, Personal Services	6,487	6,497	6,497	6,000	6,497
Fire, Equipment and Capital Outlay	35,439	64,868	55,047	56,912	132,165
Fire, Contractual Expenditures	98,792	156,051	112,441	112,729	94,438
Social Security, Employee Benefits	508	497	497	994	497
Workers' Compensation, Employee Benefits	16,279	18,651	17,187	20,432	22,593
Installment Purchase Debt - Principal		11,686	12,153	11,687	13,143
Installment Purchase Debt - Interest		9,343	8,876	9,342	7,886
Total Expenditures	<u>157,505</u>	<u>267,593</u>	<u>212,698</u>	<u>218,096</u>	<u>277,219</u>
<b>Other Uses:</b>					
Operating Transfers In (Out)	(177,255)	(63,761)	(116,000)	(93,906)	(61,000)
Issuance of Debt					
Total Other Financing Sources (Uses)	<u>(177,255)</u>	<u>(63,761)</u>	<u>(116,000)</u>	<u>(93,906)</u>	<u>(61,000)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>14,313</u>	<u>(33,274)</u>	<u>8,716</u>	<u>13,441</u>	<u>(6,464)</u>
Fund Equity Beginning of Year	<u>19,589</u>	<u>33,902</u>	<u>628</u>	<u>9,344</u>	<u>22,787</u>
Prior Period Adjustment					<u>(3)</u>
Fund Equity End of Year	<u>\$ 33,902</u>	<u>\$ 628</u>	<u>\$ 9,344</u>	<u>\$ 22,787</u>	<u>\$ 16,322</u>

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Capital Project Fund**

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Revenues:</b>					
Interfund Transfers	\$ 217	\$ 307,520	\$	\$ 100,366	\$
BANs Redeemed from Appropriations					
Installment Purchase Debt		233,900			
Miscellaneous					
Total Revenues	217	541,420	0	100,366	0
<b>Expenditures:</b>					
Fire Equipment and Capital Outlay	0	541,420		100,366	393,128
Total Expenditures	0	541,420	0	100,366	393,128
Excess (Deficiency) of Revenues Over Expenditures	217	0	0	0	(393,128)
Fund Equity Beginning of Year	(217)	0	0	0	0
Prior Period Adjustment					
Fund Equity End of Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ (393,128)

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Reserve Fund**

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
<b>Revenues:</b>					
Interest and Earnings	112	984	165	405	213
Total Revenues	112	984	165	405	213
<b>Expenditures:</b>					
Fire, Equipment and Capital Outlay		37,838			
Total Expenditures	0	37,838	0	0	0
<b>Other Uses:</b>					
Operating Transfers In	177,038	63,761	174,521	128,540	61,000
Operating Transfers Out		(307,520)	(58,521)	(135,000)	
Total Other Financing Sources (Uses)	177,038	(243,759)	116,000	(6,460)	61,000
Excess (Deficiency) of Revenues Over Expenditures	177,150	(280,613)	116,165	(6,055)	61,213
Fund Equity Beginning of Year	113,633	290,783	10,170	126,335	120,280
Prior Period Adjustment					
Fund Equity End of Year	\$ 290,783	\$ 10,170	\$ 126,335	\$ 120,280	\$ 181,493

Note: This schedule is not audited.

Source: Audited Annual Update Document Financial Statements (2018-2022)

## BUDGET SUMMARIES

	Fiscal Year Ending December 31:	
	<u>2022</u>	<u>2023</u>
Revenues:		
Estimated Revenues - Real Property Taxes	327,629	652,885
Total Estimated Revenues & Other Sources	\$ 327,629	\$ 652,885
Appropriations & Other Uses		
General Government Support	\$	6,000
Instruction		53,400
Public Safety	137,579	
Health		148,355
Employee Benefits	38,020	1,100
Debt Services	21,030	358,030
Interfund Transfer	131,000	86,000
Total Appropriations & Other Uses	\$ 327,629	\$ 652,885

Source: Audited Annual Update Document Financial Statements

**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 Jay:									
Assessed Valuation	\$ 70,632,421	\$	\$ 70,692,770	\$	\$ 70,555,452	\$	\$ 72,578,825	\$	\$ 84,419,073
Equalization Rate	100.00%		100.00%		100.00%		100.00%		100.00%
Full Valuation	\$ 70,632,421	\$	\$ 70,692,770	\$	\$ 70,555,452	\$	\$ 72,578,825	\$	\$ 84,419,073
Town of Black Brook:									
Assessed Valuation	\$ 131,194,649	\$	\$ 136,369,189	\$	\$ 139,243,568	\$	\$ 143,689,094	\$	\$ 164,964,615
Equalization Rate	100.00%		100.00%		100.00%		100.00%		100.00%
Full Valuation	\$ 131,194,649	\$	\$ 136,369,189	\$	\$ 139,243,568	\$	\$ 143,689,094	\$	\$ 164,964,615
Total Assessed Valuations	201,827,070		207,061,959		209,799,020		216,267,919		249,383,688
Total Full Valuations	201,827,070		207,061,959		209,799,020		216,267,919		249,383,688

**AU SABLE FORKS FIRE DISTRICT  
IN THE TOWN OF JAY, ESSEX COUNTY AND  
TOWN OF BLACK BROOK, CLINTON COUNTY**

**APPENDIX B**

**UNAUDITED FINANCIAL REPORT UPDATE DOCUMENT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

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.

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 12/31/2022

\*\*\*\*\*

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 2021 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2022:

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

All amounts included in this update document for 2021 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.

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Balance Sheet

Account Description	2021	Fund Code	2022
<b>Assets</b>			
Cash	22,786	A200	16,322
Cash In Time Deposits		A201	
<b>TOTAL Cash</b>	<b>22,786</b>		<b>16,322</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>22,786</b>		<b>16,322</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Balance Sheet

Code Description	2021	Fund Code	2022
<b>Fund Balance</b>			
Assigned Unappropriated Fund Balance		A915	16,322
<b>TOTAL Assigned Fund Balance</b>			<b>16,322</b>
Unassigned Fund Balance	22,786	A917	
<b>TOTAL Unassigned Fund Balance</b>	<b>22,786</b>		<b>0</b>
<b>TOTAL Fund Balance</b>	<b>22,786</b>		<b>16,322</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>22,786</b>		<b>16,322</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	App Code	2022
<b>Revenues</b>			
Real Property Taxes	322,787	A1001	327,629
<b>TOTAL Real Property Taxes</b>	<b>322,787</b>		<b>327,629</b>
Interest And Earnings	8	A2401	17
<b>TOTAL Use of Money And Property</b>	<b>8</b>		<b>17</b>
Sales of Equipment		A2665	3,350
Insurance Recoveries	1,336	A2680	
<b>TOTAL Sale of Property And Compensation For Loss</b>	<b>1,336</b>		<b>3,350</b>
Refunds of Prior Year's Expenditures	1,016	A2701	
Unclassified (specify)	296	A2770	759
<b>TOTAL Miscellaneous Local Sources</b>	<b>1,312</b>		<b>759</b>
<b>TOTAL Revenues</b>	<b>325,443</b>		<b>351,755</b>
Interfund Transfers	34,634	A6031	
<b>TOTAL Interfund Transfers</b>	<b>34,634</b>		<b>0</b>
<b>TOTAL Other Sources</b>	<b>34,634</b>		<b>0</b>
<b>TOTAL Total Revenues And Other Sources</b>	<b>360,077</b>		<b>351,755</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Results of Operation

Code Description	2021	App Code	2022
<b>Expenditures</b>			
Fire, Pers Serv	6,000	A34101	6,497
Fire, Equip & Cap Outlay	56,912	A34102	132,165
Fire, Contr Expend	112,729	A34104	94,438
<b>TOTAL Fire</b>	<b>175,641</b>		<b>233,100</b>
<b>TOTAL Public Safety</b>	<b>175,641</b>		<b>233,100</b>
Social Security, Employer Cont	994	A90308	497
Worker's Compensation, Empl Bnfts	20,432	A90408	22,593
<b>TOTAL Employee Benefits</b>	<b>21,426</b>		<b>23,090</b>
Install Pur Debt, Principal	11,687	A97856	13,143
<b>TOTAL Debt Principal</b>	<b>11,687</b>		<b>13,143</b>
Install Pur Debt, Interest	9,342	A97857	7,886
<b>TOTAL Debt Interest</b>	<b>9,342</b>		<b>7,886</b>
<b>TOTAL Expenditures</b>	<b>218,096</b>		<b>277,219</b>
Transfers, Other Funds	128,540	A99019	61,000
<b>TOTAL Operating Transfers</b>	<b>128,540</b>		<b>61,000</b>
<b>TOTAL Other Uses</b>	<b>128,540</b>		<b>61,000</b>
<b>TOTAL Total Expenditures and Other Uses</b>	<b>346,636</b>		<b>338,219</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Analysis of Changes In Fund Balance

Code Description	2021	Zip Code	2022
<b>Analysis of Changes In Fund Balance</b>			
Fund Balance - Beginning of Year	9,345	A8021	22,786
Restated Fund Balance - Beg of Year	9,345	A8022	22,786
ADD - REVENUES AND OTHER SOURCES	360,077		331,755
DEDUCT - EXPENDITURES AND OTHER USES	346,636		338,219
Fund Balance - End of Year	22,786	A8029	16,322

Ausable Forks FIRE DISTRICT  
 Annual Update Document  
 For the Fiscal Year Ending 2022

(A) GENERAL

Budget Summary

Code Description	2021	Fund Code	2022
<b>Estimated Revenues</b>			
Est Rev - Real Property Taxes	327,629	A1049N	652,855
<b>TOTAL Estimated Revenues</b>	<b>327,629</b>		<b>652,855</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>327,629</b>		<b>652,855</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(A) GENERAL

Budget Summary

Code / Description	2021	2022	2021
<b>Appropriations</b>			
App - Public Safety	283,699	A3999N	182,325
App - Employee Benefits	22,900	A9199N	26,500
App - Debt Service	21,030	A9899N	353,030
<b>TOTAL Appropriations</b>	<b>327,629</b>		<b>561,855</b>
Other Budgetary Purposes		A962N	86,000
<b>TOTAL Other Uses</b>			<b>86,000</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>327,629</b>		<b>647,855</b>



Ausable Forks FIRE DISTRICT  
 Annual Update Document  
 For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Balance Sheet

Description	2021	2022
<b>Assets</b>		
Cash	0	206,872
<b>TOTAL Cash</b>	<b>0</b>	<b>206,872</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>0</b>	<b>206,872</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Balance Sheet

Code	2021	2022
Bond Anticipation Notes Payable	H626	600,000
<b>TOTAL Notes Payable</b>	0	600,000
<b>TOTAL Liabilities</b>	0	600,000
Fund Balance		
Unassigned Fund Balance	H917	-393,128
<b>TOTAL Unassigned Fund Balance</b>	0	-393,128
<b>TOTAL Fund Balance</b>	0	-393,128
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	0	206,872

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2022	2021	2020
<b>Other Sources</b>			
Interfund Transfers		H5031	
<b>TOTAL Interfund Transfers</b>	0	0	0
<b>TOTAL Other Sources</b>	0	0	0
<b>TOTAL Detail Revenues And Other Sources</b>	0	0	0

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Results of Operation

Case Description	FY21	Encumbr	FY22
<b>Expenditures</b>			
Fire, Equip & Cap Outlay		H34102	393,128
<b>TOTAL Fire</b>	0		393,128
<b>TOTAL Public Safety</b>	0		393,128
<b>TOTAL Expenditures</b>	0		393,128
<b>TOTAL Detail Expenditures And Other Uses</b>	0		393,128

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2021	Total Code	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		H8021	
Restated Fund Balance - Beg of Year		H8022	
ADD - REVENUES AND OTHER SOURCES			393,128
DEDUCT - EXPENDITURES AND OTHER USES		H8029	-393,128
Fund Balance - End of Year			

Ausable Forks FIRE DISTRICT  
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For the Fiscal Year Ending 2022

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2021	Code	2022
<b>Assets</b>			
Buildings	386,000	K102	386,000
Improvements Other Than Buildings	22,614	K103	22,614
Machinery And Equipment	2,203,470	K104	2,240,476
Construction Work In Progress	100,366	K105	585,105
<b>TOTAL Fixed Assets (net)</b>	<b>2,712,450</b>		<b>3,234,195</b>
<b>TOTAL Assets and Deferred Outlays of Resources</b>	<b>2,712,450</b>		<b>3,234,195</b>

Ausable Forks FIRE DISTRICT  
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(K) GENERAL FIXED ASSETS

Balance Sheet

Account Description	2021	2022	2022
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	2,712,450	K159	3,234,195
TOTAL Investments In Non-Current Government Assets	2,712,450		3,234,195
TOTAL Fund Balance	2,712,450		3,234,195
TOTAL	2,712,450		3,234,195

Ausable Forks FIRE DISTRICT  
 Annual Update Document  
 For the Fiscal Year Ending 2022

(R) RESERVE

Balance Sheet

Code Description	2021	Fdc Code	2022
<b>Assets</b>			
Cash In Time Deposits Special Reserves	120,279	R231	181,492
<b>TOTAL Restricted Assets</b>	<b>120,279</b>		<b>181,492</b>
<b>TOTAL Assets and Deferred Outflows or Resources</b>	<b>120,279</b>		<b>181,492</b>



Ausable Forks FIRE DISTRICT  
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 For the Fiscal Year Ending 2022

(R) RESERVE

Balance Sheet

Code Description	2021	2022	2022
Fund Balance	118,387	R878	176,599
Capital Reserve	3,892	R882	4,893
Reserve For Repairs			
<b>TOTAL Restricted Fund Balance</b>	<b>120,279</b>		<b>181,492</b>
<b>TOTAL Fund Balance</b>	<b>120,279</b>		<b>181,492</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>120,279</b>		<b>181,492</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(R) RESERVE

Results of Operation

Code/Description	2021	Fid. Code	2022
<b>Revenues</b>			
Interest & Earnings	403	R2401	213
TOTAL Use of Money/And Property	403		213
TOTAL Revenues	403		213
<b>Interfund Transfers</b>			
Interfund Transfers	128,540	R5031	61,000
TOTAL Interfund transfers	128,540		61,000
TOTAL Other Sources	128,540		61,000
TOTAL Detail Revenues/And Other Sources	128,943		61,213

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(R) RESERVE

Results of Operation

Code/Description	2021	Fiscal Code	2022
<b>Expenditures</b>			
Fire, Equipment Outlay	100,366	R34102	
TOTAL Fire	100,366		0
TOTAL Public Safety	100,366		0
TOTAL Expenditures	100,366		0
Transfers, Other Funds	34,634	R99019	
TOTAL Operating Transfers	34,634		0
TOTAL Other Uses	34,634		0
TOTAL Detail Expenditures And Other Uses	35,000		0

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(R) RESERVE

Analysis of Changes in Fund Balance

Code Description	2021	R8021	2022
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	126,336	R8021	120,279
Restated Fund Balance - Beg of Year	126,336	R8022	120,279
ADD - REVENUES AND OTHER SOURCES	128,943		61,213
DEDUCT - EXPENDITURES AND OTHER USES	135,000		
Fund Balance - End of Year	120,279	R8029	181,492

Ausable Forks FIRE DISTRICT  
 Annual Update Document  
 For the Fiscal Year Ending 2022

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2021	Fiscal Year	2022
<b>Assets</b>			
Total Non-Current Govt Liabilities	198,374	W129	185,231
<b>TOTAL Provision to be Made in Future Budgets</b>	<b>198,374</b>		<b>185,231</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>198,374</b>		<b>185,231</b>

Ausable Forks FIRE DISTRICT  
Annual Update Document  
For the Fiscal Year Ending 2022

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2021	Fiscal Code	2022
Installment Purchase Debt	198,374	W685	185,231
TOTAL Other Liabilities	198,374		185,231
TOTAL Liabilities	198,374		185,231
TOTAL Liabilities	198,374		185,231

Ausable Forks FIRE DISTRICT  
Statement of Indebtedness  
For the Fiscal Year Ending 2022

County of: Clinton

Municipal Code: 091107501000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amnt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2019	IPC E	2019 KME Pumper Truck	N		01/10/2019	07/10/2033	3.97%		\$233,900	\$198,374	\$13,143	\$0	\$0	\$0	\$185,231
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year															
2022	BAN N	Building			03/30/2022	03/30/2023	1.39%		\$600,000	\$0	\$0	\$0	\$0	\$0	\$600,000
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															
											\$13,143	\$0	\$0	\$0	\$785,231

Ausable Forks FIRE DISTRICT  
 Schedule of Time Deposits and Investments  
 For the Fiscal Year Ending 2022

	EDP Code	Amount
<b>CASH:</b>		
On Hand	9Z2001	
Demand Deposits	9Z2011	\$228,899.00
Time Deposits	9Z2021	\$181,492.00
Total		\$410,391.00
 <b>COLLATERAL:</b>		
- FDIC Insurance	9Z2014	\$250,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$163,629.00
Total		\$413,629.00
 <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 2022

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-0133	\$10,649	\$0	\$5,705	\$4,944
****-0135	\$4,893	\$0	\$0	\$4,893
****-0140	\$165,029	\$0	\$0	\$165,029
****-0143	\$11,570	\$0	\$0	\$11,570
****-1793	\$206,872	\$0	\$0	\$206,872
****-3199	\$11,378	\$0	\$0	\$11,378
Total Adjusted Bank Balance				\$404,686
Petty Cash				\$ .00
Adjustments				\$ .00
Total Cash			9ZCASH      *	\$404,686
Total Cash Balance All Funds			9ZCASHB      *	\$404,686
* Must be equal				

Ausable Forks FIRE DISTRICT  
 Fire District Questionnaire  
 For the Fiscal Year Ending 2022

	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	\$55,220
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 2022

Total Full Time Employees:					
Total Part Time Employees:					
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	\$497.00			1
90408	Worker's Compensation Insurance	\$22,593.00			1
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>\$23,090.00</b>			
Computed Total From Financial Section (comparative purposes only)		<b>\$23,090.00</b>			

Ausable Forks FIRE DISTRICT  
 Energy Costs and Consumption  
 For the Fiscal Year Ending 2022

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$7,693	1,714	gallons	
Diesel Fuel			gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity	\$5,137		kilowatt-hours	
Coal			tons	
Propane	\$6,165	3,909	gallons	

FIRE DISTRICT DEMOGRAPHICS

Postal or Mailing Address:

29 School Road	Au Sable Forks	NY	12912
Street Address or PO Box	City	State	Zip
(518) 647-5582	(518) 647-5201		
Fire District Telephone Number	Fire District Fax Number		
nanacharlene1@gmail.com			
Official Email Address	Website		
Physical Address: (If Different From Postal Address)			
Street Address	City	State	Zip

BOARD DEMOGRAPHICS  
CHIEF FISCAL OFFICER

Charlene Garso	Treasurer		
Name	Title		
29 School Road	Au Sable Forks	NY	12912
Street Address or PO Box	City	State	Zip
(518) 647-5582	(518) 647-5201		
Telephone Number	Fax Number		
	00/00/0000		
Email Address	Term End Date		

CHAIRMAN OF THE BOARD

Howard Drake, Jr.	Chairman		
Name	Title		
29 School Road	Au Sable Forks	NY	12912
Street Address or PO Box	City	State	Zip
(518)647-5582	(518)647-5201		
Telephone Number	Fax Number		
howarddrakepool@yahoo.com	00/00/0000		
Email Address	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 12/31/2022, 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 12/31/2022 and filed by means of electronic data transmission.

Charlene Garso	*****	02/01/2023
Name of Report Preparer if different than Chief Fiscal Officer	Personal Identification Number of Chief Fiscal Officer	Date

Ausable Forks FIRE DISTRICT  
Financial Comments  
For the Fiscal Year Ending 2022

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

**FORM OF BOND COUNSEL’S OPINION**

March 29, 2023

Au Sable Forks Fire District  
In the Town of Jay, Essex County and Town of Black Brook, Clinton County  
State of New York

Re: Au Sable Forks Fire District, Counties of Essex and Clinton, New York  
\$5,600,000 Fire District (Serial) Bonds, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$5,600,000 Fire District (Serial) Bonds, 2023 (the "Obligation"), of the Au Sable Forks Fire District, in the Town of Jay, Essex County and Town of Black Brook, Clinton County, in the State of New York (the "Obligor"), dated March 29, 2023, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ per centum (\_\_\_\_\_% ) per annum as to bonds maturing in the following amounts: \$ \_\_\_\_\_ on February 15, 2024, \$ \_\_\_\_\_ on February 15, 2025, \$ \_\_\_\_\_ on February 15, 2026, \$ \_\_\_\_\_ on February 15, 2027, \$ \_\_\_\_\_ on February 15, 2028, \$ \_\_\_\_\_ on February 15, 2029, \$ \_\_\_\_\_ on August 15, 2030, \$ \_\_\_\_\_ on August 15, 2031, \$ \_\_\_\_\_ on February 15, 2032, \$ \_\_\_\_\_ on February 15, 2033, \$ \_\_\_\_\_ on February 15, 2034, \$ \_\_\_\_\_ on February 15, 2035, \$ \_\_\_\_\_ on February 15, 2036, \$ \_\_\_\_\_ on February 15, 2037, \$ \_\_\_\_\_ on February 15, 2038, \$ \_\_\_\_\_ on February 15, 2039, \$ \_\_\_\_\_ on February 15, 2040, \$ \_\_\_\_\_ on February 15, 2041, \$ \_\_\_\_\_ on February 15, 2042, \$ \_\_\_\_\_ on February 15, 2043, \$ \_\_\_\_\_ on February 15, 2044, \$ \_\_\_\_\_ on February 15, 2045, \$ \_\_\_\_\_ on February 15, 2046, \$ \_\_\_\_\_ on February 15, 2047, \$ \_\_\_\_\_ on February 15, 2048, \$ \_\_\_\_\_ on February 15, 2049, \$ \_\_\_\_\_ on February 15, 2050, \$ \_\_\_\_\_ on February 15, 2051 and \$ \_\_\_\_\_ on February 15, 2052, with interest thereon payable on February 15, 2024 and semi-annually thereafter on August 15 and February 15.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and



(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP