

NEW HAMPTON FIRE DISTRICT, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2023

NEW HAMPTON FIRE DISTRICT
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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners of the
New Hampton Fire District
New Hampton, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the New Hampton Fire District, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the New Hampton Fire District, New York, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the New Hampton Fire District, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Hampton Fire District, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the New Hampton Fire District, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the New Hampton Fire District, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, on pages 4 through 8 and 36 through 38, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2024 on our consideration of the New Hampton Fire District, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Hampton Fire District, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Hampton Fire District, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
April 6, 2024

NEW HAMPTON FIRE DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

NEW HAMPTON FIRE DISTRICT

Year ended December 31, 2023

NEW HAMPTON FIRE DISTRICT

The following is a discussion and analysis of the District's financial performance for the fiscal year ended December 31, 2023. This section is a summary of the District's financial activity based on currently known facts, decisions or conditions. It is also based on both the district-wide and fund-based financial statements. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2023 are as follows:

District – Wide Statements

- The District's main revenue sources were Real Property Taxes \$554,261, which made up 76% of the total revenues.
- The District's expenditures were as follows:
 - Public Safety \$373,888 (68% of total expenditures) and Debt Service \$177,677 (32% of total expenditures)
- Total net position was \$2,621,467 at December 31, 2023, up \$183,481 from the prior year.

Fund Financial Statements

- The highlights of the activities in the major funds are as follows:
 - The General Fund had \$669,338 in total revenues, of which \$554,261 or 83%, were made up of real property tax items. The General Fund expenditures totaled \$462,392 for the year ended December 31, 2023. The major outlays were for Public Safety (\$295,720/64%), Employee Benefits (\$85,372/18%) and Debt Service (\$ 81,300/18%). Of the Public Safety expenditures, \$71,833 were related to capital purchases.
 - The General Fund's fund balance was \$2,570,213 at December 31, 2023. Of the total fund balance, \$2,548,522 was restricted for future expenditures and \$42,917 was in non-spendable form, leaving \$ (21,226) as unassigned.
 - The Capital Projects Fund had \$7,189,305 in total revenues of which \$7,100,000 or 98% were made up of Bond proceeds for the year ended December 31, 2023. The Capital Projects Fund expenditures were \$2,233,627 (100%); capital outlay related to construction of a new firehouse.

Using this Comprehensive Annual Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid, and all assets and liabilities are included regardless of when they are due.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

	<u>2023</u>	<u>2022</u>
NET POSITION		
Current Assets	\$ 8,031,200	\$ 2,546,969
Capital Assets, net	<u>3,754,249</u>	<u>1,239,019</u>
Total Assets	<u>11,785,449</u>	<u>3,785,988</u>
Pensions	<u>260,127</u>	<u>285,302</u>
Total Deferred Outflows of Resources	<u>260,127</u>	<u>285,302</u>
Current Liabilities	682,316	7,496
Long Term Liabilities	<u>8,322,823</u>	<u>1,597,175</u>
Total Liabilities	<u>9,005,139</u>	<u>1,604,671</u>
Pensions	<u>418,970</u>	<u>169,868</u>
Total Deferred Inflows of Resources	<u>418,970</u>	<u>169,868</u>
Net Investment in Capital Assets	1,586,960	1,159,019
Restricted	1,348,667	1,081,047
Unrestricted	<u>(314,160)</u>	<u>56,685</u>
Total Net Position	<u>\$ 2,621,467</u>	<u>\$ 2,296,751</u>
REVENUES		
Real Property Taxes	\$ 554,261	\$ 543,411
Investment Earnings	94,061	2,119
Change in Value of LOSAP Assets	51,137	44,737
Sale Of Property And Compensation For Loss	10,975	-
Miscellaneous Local Sources	2,404	-
Charges for Services	12,208	37,431
Operating Grants and Contributions	<u>10,000</u>	<u>10,000</u>
Total Revenues	<u>735,046</u>	<u>637,698</u>
EXPENDITURES		
Public Safety	373,888	639,143
Debt Service	<u>177,677</u>	<u>3,981</u>
Total Expenditures	<u>551,565</u>	<u>643,124</u>
CHANGE IN NET POSITION	<u>\$ 183,481</u>	<u>\$ (5,426)</u>

Governmental Activities

The District's Funds

Information about the District's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$7,858,643 and expenditures of \$2,696,019 resulting in an increase in fund balance of \$5,162,624.

	<u>2023 Fund Balance</u>	<u>2022 Fund Balance</u>	<u>Change</u>
General Fund-Restated	\$ 2,570,213	\$ 2,362,267	\$ 207,946
Capital Projects Fund	<u>4,955,678</u>	<u>1,000</u>	<u>4,954,678</u>
Total Governmental	<u>\$ 7,525,891</u>	<u>\$ 2,363,367</u>	<u>\$ 5,162,624</u>

BUDGET INFORMATION

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 36.

Capital Assets

The District had \$3,754,249 invested in capital assets, net of \$1,816,568 in accumulated depreciation, as of December 31, 2023. Depreciation for the year ended December 31, 2023 was \$107,671.

Debt

As of December 31, 2023, the District had \$7,100,000 in outstanding debt, and paid \$1,300 in interest

Contacting the District's Financial Management

It is the intent of this report to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have any questions about this report or need additional information, contact New Hampton Fire District, P.O. Box 386, New Hampton, NY 10958.

NEW HAMPTON FIRE DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS	
Cash	\$ 6,596
Cash - Restricted	6,575,317
Service Award Program Assets - Restricted	1,406,370
Prepaid Expenses	<u>42,917</u>
Total Current Assets	<u>8,031,200</u>
Non-Current Assets:	
Capital Assets, Net	<u>3,754,249</u>
Total Non-Current Assets	<u>3,754,249</u>
TOTAL ASSETS	<u>11,785,449</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	<u>260,127</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>260,127</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	478,751
Accrued Liabilities	177,007
Due To Other Governments	1,394
Other Liabilities	<u>25,164</u>
Total Current Liabilities	<u>682,316</u>
Non-Current Liabilities:	
Due Within One Year	
Bonds Payable	35,000
Unamortized Bond Premium	944
Total Pension Liability	65,000
Due Beyond One Year	
Bonds Payable	7,065,000
Unamortized Bond Premium	22,023
Total Pension Liability	<u>1,134,856</u>
Total Non-Current Liabilities	<u>8,322,823</u>
TOTAL LIABILITIES	<u>9,005,139</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	<u>418,970</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>418,970</u>
NET POSITION	
Net Investment In Capital Assets	1,586,960
Restricted	1,348,667
Unrestricted	<u>(314,160)</u>
TOTAL NET POSITION	<u>\$ 2,621,467</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	<u>PROGRAM REVENUES</u>				
<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSES) REVENUE AND CHANGE IN NET POSITION</u>	
Public Safety	\$ 373,888	\$ 12,208	\$ 10,000	\$ -	\$ (351,680)
Debt Service	<u>177,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(177,677)</u>
 TOTAL FUNCTIONS AND PROGRAMS	 <u>551,565</u>	 <u>12,208</u>	 <u>10,000</u>	 <u>-</u>	 <u>(529,357)</u>
 GENERAL REVENUES					
Real Property Taxes					554,261
Investment Income					94,061
Change in Value of LOSAP Assets					51,137
Sale of Property and Compensation For Loss					10,975
Miscellaneous Local Sources					<u>2,404</u>
 TOTAL GENERAL REVENUES					 <u>712,838</u>
 CHANGE IN NET POSITION					 183,481
 TOTAL NET POSITION- Beginning of Year - Restated					 <u>2,437,986</u>
 TOTAL NET POSITION- End of Year					 <u>\$ 2,621,467</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>GENERAL FUND</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 6,596	\$ -	\$ 6,596
Cash - Restricted	1,142,152	5,433,165	6,575,317
Service Award Program Assets-Restricted	1,406,370	-	1,406,370
Prepaid Expenses	<u>42,917</u>	<u>-</u>	<u>42,917</u>
TOTAL ASSETS	<u>\$ 2,598,035</u>	<u>\$ 5,433,165</u>	<u>\$ 8,031,200</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,161	\$ 477,487	\$ 479,648
Due To Other Governments	497	-	497
Other Liabilities	<u>25,164</u>	<u>-</u>	<u>25,164</u>
TOTAL LIABILITIES	<u>27,822</u>	<u>477,487</u>	<u>505,309</u>
FUND BALANCES			
Non-Spendable:			
Prepaid Expenditures	42,917	-	42,917
Restricted:			
Capital Reserve:			
Equipment Reserve	890,010	-	890,010
Land and Building Reserve	252,142	-	252,142
Service Award Program	1,406,370	-	1,406,370
Assigned:			
Unappropriated	-	4,955,678	4,955,678
Unassigned	<u>(21,226)</u>	<u>-</u>	<u>(21,226)</u>
TOTAL FUND BALANCES	<u>2,570,213</u>	<u>4,955,678</u>	<u>7,525,891</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,598,035</u>	<u>\$ 5,433,165</u>	<u>\$ 8,031,200</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

NEW HAMPTON FIRE DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>2023</u>	
Total Fund Balance – Governmental Funds	\$	7,525,891
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2023 are \$5,570,817 and \$1,816,568, respectively.</p>		
		3,754,249
<p>Long term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental Funds.</p>		
Serial Bonds	(7,100,000)	
Unamortized Bond Premium	<u>(22,967)</u>	(7,122,967)
<p>Accrued interest on debt is reported in the statement of net position regardless of when due. In the governmental Funds, interest is not reported until it is due.</p>		
		(177,007)
<p>The long-term asset and liability associated with participation in the Length of Service Award Program are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	260,127	
Deferred Inflows of Resources	(418,970)	
Total Pension Liability	<u>(1,199,856)</u>	<u>(1,358,699)</u>
Net Position of Governmental Activities		<u>\$ 2,621,467</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	<u>GENERAL FUND</u>	<u>CAPITAL FUND</u>	<u>TOTAL</u>
REVENUES			
Real Property Taxes	\$ 554,261	\$ -	\$ 554,261
Use of Money and Property	40,381	65,708	106,089
Sale Of Property And Compensation For Loss	10,975	-	10,975
Miscellaneous Local Sources	<u>12,404</u>	<u>-</u>	<u>12,404</u>
 TOTAL REVENUES	 <u>618,021</u>	 <u>65,708</u>	 <u>683,729</u>
EXPENDITURES			
Public Safety	295,720	-	295,720
Employee Benefits	85,372	-	85,372
Debt Service:			
Principal	80,000	-	80,000
Interest	1,300	-	1,300
Capital Outlay	<u>-</u>	<u>2,233,627</u>	<u>2,233,627</u>
 TOTAL EXPENDITURES	 <u>462,392</u>	 <u>2,233,627</u>	 <u>2,696,019</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 155,629	 (2,167,919)	 (2,012,290)
OTHER FINANCING SOURCES			
Premium on Obligations	-	23,597	23,597
Bond Proceeds	-	7,100,000	7,100,000
Change in Value of LOSAP Assets	51,317		51,317
Operating Transfers In	1,000		1,000
Operating Transfers Out	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>
 NET CHANGE IN FUND BALANCE	 207,946	 4,954,678	 5,162,624
 FUND BALANCE- Beginning of Year - Restated	 <u>2,362,267</u>	 <u>1,000</u>	 <u>2,363,267</u>
 FUND BALANCE- End of Year	 <u>\$ 2,570,213</u>	 <u>\$ 4,955,678</u>	 <u>\$ 7,525,891</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

2023

Total Net Change in Fund Balances – Governmental Funds \$ 5,162,624

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(107,671)	
Capital Outlay	<u>2,305,460</u>	2,197,789

Proceeds of long term debt are revenues in the government Funds, but proceeds increase long-term debt liabilities in the statement of net position and are not reported in the statement of activities

Serial Bonds		(7,100,000)
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Repayment of principal on long-term debt is an expenditures in the governmental funds In the statement of net position the payments decrease long-term liabilities and there is no expense in the statement of activities.

Serial Bonds		80,000
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In the governmental funds, Bond premiums are not recorded, in the full accrual financials, the premium is recognized and amortized over the term of the bond.

Bond Premium	(23,597)	
Amortization of Bond Premium	<u>630</u>	(22,967)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2023
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

(Increase) decreases in the total pension liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

Length of Service Award Program	\$	43,042
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In the statement of activities, interest on long term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Current year Accrued Interest	(177,007)		
Prior year Accrued Interest	<u>-</u>	<u>(177,007)</u>	
Change in Net Position of Governmental Activities		<u>\$ 183,481</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Financial Reporting Entity**

The New Hampton Fire District, New York is a district corporation formed in 1950 under the provisions of the State of New York. The District is governed by General Municipal Law, general laws of the State of New York and various local laws. The Board of Commissioners is the legislative body responsible for overall operations of the District.

All governmental activities and functions performed by the New Hampton Fire District, New York, are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

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

B. **Basis of Presentation**

1. District-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole.

These statements include the financial activities of the overall District. Eliminations are made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

The fund statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major Governmental Funds:

a. *General Fund*

The principal operating fund of the District that is used to account for all financial resources except those required to be accounted for in another fund.

b. Capital Projects Fund

Used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

C. **Basis of Accounting/Measurement Focus**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

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

D. **Property Taxes**

County real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected by the Town during the period January 1 to April 1. Taxes for County purposes are levied together with taxes for District and special district purposes as a single bill. The District and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied.

E. **Budgetary Data**

1. **Budget Policies**

- a. No later than September 20, the budget is submitted to the District Board for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the proposed means of financing for all funds.
- b. Public hearings are conducted on the third Tuesday in October to obtain taxpayer comments on the proposed budget. Although taxpayer comments are heard on the proposed budget, there is no public vote on the fire district budget.
- c. All modifications of the budget must be approved by the governing board.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the governmental funds. Open encumbrances are reported as assigned fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

F. Cash and Cash Equivalents

For financial statement purposes, the District considers all highly liquid investments of three months or less as cash equivalents.

G. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the District is \$5,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings	40
Building Improvements	10-40
Vehicles	5-15
Furniture & Equipment	5-10

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

H. **Equity Classifications**

In the District-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on it are either externally imposed by creditors (debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the District and determine which classification of net position will be charged.

In the fund basis statements there are five classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The District had \$42,917 of non-spendable fund balance as of December 31, 2023.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Capital

Reserve is used to accumulate money to pay the cost of future capital expenditures. Any capital reserve created after January 1, 2007 is subject to a mandatory voter referendum. Expenditures from the reserve are subject to either permissive referendum or Board authorization, depending on the type of capital reserve that has been approved. This reserve is accounted for in the General Fund.

Service Award Program

Reserve is used to accumulate resources to pay benefits related to the District's Length of Service Award Program. (LOSAP). This reserve is accounted for in the General Fund.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the District's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Commissioners is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The District had no committed fund balances as of December 31, 2023.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Board of Commissioners is the decision making authority that can, by resolution, assign fund balance.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

I. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting year. Actual results could differ from those estimates.

J. **New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2023 the District implemented the following new standards:

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB 96 – *Subscription-Based Information Technology Arrangements*

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending December 31, 2024.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

K. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 99 – *Omnibus 2022*, effective for the year ending December 31, 2023 *except for the portion related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which is effective for the year ending December 31, 2024.

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for year ending December 31, 2024.

GASB 101 – *Compensated Absences*, effective for the year ending December 31, 2024.

GASB 102 – *Certain Risk Disclosures*, effective for the year ending December 31, 2025.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

L. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category, which is related to pensions reported in the government-wide statement of net position. This represents the effect of the differences between expected and actual experience and changes of assumptions. The District reports \$260,127 in deferred outflows of resources related to pensions as of December 31, 2023.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, which is related to pensions reported in the government-wide statement of net position. This represents the effect of the differences between expected and actual experience and changes of assumptions. The District reports \$ 418,970 in deferred inflows of resources related to pensions as of December 31, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net decrease of \$ 158,843 to unrestricted net position as of December 31, 2023.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENT

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the District’s governmental funds differ from “net position” of governmental activities reported in the statement of net position. The difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories:

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL
FUND STATEMENTS AND DISTRICT-WIDE STATEMENT - (Continued)

1. Long-term revenue and expenditure differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities report revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

2. Capital related differences:

Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 – CASH AND INVESTMENTS

The New Hampton Fire District investment policies are governed by State statutes. New Hampton Fire District monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Government and U.S. Agencies, obligations of New York State and, with approval of the NYS Comptroller, revenue anticipation notes and tax anticipation notes of local governments.

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and states other than New York and their municipalities and schools.

The District’s aggregate cash balances include balances not covered by depository insurance at year-end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the District’s name.	<u>\$ 5,441,289</u>
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NOTE 4 - LIABILITIES

A. **Long – Term Debt**

Serial Bonds

The District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt

In addition to the above long-term debt the local government had the following non-current liabilities:

Total Pension Liability – Represents the District’s liability related to its
Length of Service Award Program. (LOSAP)

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – LIABILITIES (Continued)

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 1,300
Less: Interest Accrued in Prior Year	-
Amortization of Bond Premium	(630)
Plus: Interest Accrued In Current Year	<u>177,007</u>
 TOTAL EXPENSE	 <u>\$ 177,677</u>

Changes

The changes in the District’s indebtedness during the year ended December 31, 2023 are summarized as follows:

	<u>BALANCE</u> <u>01/01/23</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/23</u>	<u>DUE WITHIN</u> <u>ONE YEAR</u>
Bonds Payable – General Obligations	\$ 80,000	\$ 7,100,000	\$ 80,000	\$ 7,100,000	\$ 35,000
Unamortized Bond Premium	-	23,597	630	22,967	944
Total Pension Liability	<u>1,517,175</u>	<u>113,339</u>	<u>430,658</u>	<u>1,199,856</u>	<u>65,000</u>
 Totals	 <u>\$ 1,597,175</u>	 <u>\$ 7,236,936</u>	 <u>\$ 511,288</u>	 <u>\$ 8,322,823</u>	 <u>\$ 100,944</u>

Maturity

Long-term debt at December 31, 2023 is comprised of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 12/31/23</u>
Firehouse	4.00%	2048	<u>\$ 7,100,000</u>

NEW HAMPTON FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 4 – LIABILITIES (Continued)

The following totals summarize the District’s future debt service requirements as of December 31, 2023:

<u>YEAR ENDED DECEMBER 31,</u>	<u>GENERAL OBLIGATIONS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 35,000	\$ 424,511
2025	180,000	279,000
2026	185,000	271,700
2027	195,000	264,100
2028	200,000	256,200
2029-2033	1,140,000	1,150,400
2034-2038	1,390,000	898,600
2039-2043	1,700,000	590,200
2044-2048	<u>2,075,000</u>	<u>214,300</u>
	<u>\$ 7,100,000</u>	<u>\$ 4,349,011</u>

B. Short-Term Debt

The District had no short-term debt activity for the year ended December 31, 2023.

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

The New Hampton Fire District established a defined benefit LOSAP for the active volunteer firefighters of the New Hampton Fire Company. The program took effect on January 1, 1993. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The New Hampton Fire District is the sponsor of the program.

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program’s entitlement age of 59, prior to January 1, 2020 the entitlement age was 62.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

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

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed forty amended to increase from 30 years effective January 1, 2023. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

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

The governing board of the sponsor has retained and designated Penflex, to assist in the administration of the program. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the New Hampton Fire District.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program.

The trust agreement is dated January 1, 1993, and the trustee is the Board of Fire Commissioners of the New Hampton Fire District. Authority to invest program assets is vested in the trustees. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc.

NEW HAMPTON FIRE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Participants Covered

At the December 31, 2022 measurement date, the following participants were covered by the benefit terms:

Active Members	20
Inactive participants currently receiving benefit payments	17
Inactive participants entitled to but not yet receiving benefit payments	<u>10</u>
 Total	 <u>47</u>

Contributions

New York State General Municipal Law Section 219(d) requires the District to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Board of Commissioners.

MEASUREMENT OF TOTAL PENSION LIABILITY

The District’s total pension liability was measured as of December 31, 2022 using an actuarial valuation as of January 1, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	None assumed
Investment Rate of Return	4.31%, net of pension plan investment expense, including inflation
Discount	4.31%, 20-year AA general obligation bond rate as of December 31, 2022
Mortality	RP-2014 Male Mortality Table without projection for mortality improvement

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Trust Assets

Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the District. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

CHANGES IN THE TOTAL PENSION LIABILITY

Balance at 12/31/21 measurement date		\$ 1,517,175
Service Cost	40,516	
Interest	34,229	
Changes of Assumptions or Other Inputs	(371,418)	
Differences between expected and actual experience	35,989	
Changes of Benefit Terms	2,605	
Benefit payments and expenses	<u>(59,240)</u>	
Net Changes		<u>(317,319)</u>
Balance at 12/31/22 measurement date		<u>\$ 1,199,856</u>

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the District’s total pension liability of the District as of the December 31, 2022 measurement date calculated using the discount rate of 4.31%, as well as what the District’s total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

	1% Decrease (3.31%)	Current Assumption (4.31%)	1% Increase (5.31%)
Total Pension Liability	<u>\$ 1,359,917</u>	<u>\$ 1,199,856</u>	<u>\$ 1,068,887</u>

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

For the year ended December 31, 2023, the District recognized pension expense of \$27,975. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 34,575	\$ 41,830
Changes of assumptions	154,535	377,140
Benefit payments & administrative expenses subsequent to the measurement date	<u>71,017</u>	<u>-</u>
Total	<u>\$ 260,127</u>	<u>\$ 418,970</u>

Deferred outflows of resources related to transactions subsequent to the measurement date of \$71,017 will be recognized as a reduction of the total pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$	(52,656)
2025		(42,208)
2026		(39,159)
2027		(59,898)
2028		(35,939)
Thereafter		<u>-</u>
TOTAL		<u>\$ (229,860)</u>

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

PROGRAM NET ASSETS

Receipts and Disbursements

Plan Net Assets, Beginning of Year		\$ 1,365,983
Changes during the year:		
Plan Contributions	35,000	
Investment income earned	69,917	
Plan Benefit Withdrawals	(63,780)	
Administrative and Other Fees/Charges	<u>(750)</u>	
Plan Net Assets, End of Year		<u>\$ 1,406,370</u>

NOTE 6 – NET INVESTMENT IN CAPITAL ASSETS

Net Capital Assets	\$ 3,754,249
Less:	
Bonds Payable	(7,100,000)
Unamortized Bond Premium	(22,967)
Plus:	
Unspent Debt Proceeds	<u>4,955,678</u>
Net Investment in Capital Assets	<u>\$ 1,586,960</u>

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2023 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
GOVERNMENTAL ACTIVITIES:				
Capital assets that are not depreciated:				
Land	\$ 13,242	\$ -	\$ -	\$ 13,242
Construction In Progress	<u>235,774</u>	<u>2,233,627</u>	<u>-</u>	<u>2,469,401</u>
Total non-depreciable historical cost	<u>249,016</u>	<u>2,233,627</u>	<u>-</u>	<u>2,482,643</u>
Capital assets that are depreciated:				
Buildings and Improvements	858,971	-	-	858,971
Machinery and Equipment	<u>2,204,396</u>	<u>71,833</u>	<u>47,026</u>	<u>2,229,203</u>
Total depreciable historical cost	<u>3,063,367</u>	<u>71,833</u>	<u>47,026</u>	<u>3,088,174</u>
Less accumulated depreciation:				
Buildings and Improvements	250,783	23,858	-	274,641
Machinery and Equipment-Restated	<u>1,505,140</u>	<u>83,813</u>	<u>47,026</u>	<u>1,541,927</u>
Total Accumulated Depreciation-Restated	<u>1,755,923</u>	<u>107,671</u>	<u>47,026</u>	<u>1,816,568</u>
Total historical cost, net-Restated	<u>\$ 1,556,460</u>	<u>\$ 2,197,789</u>	<u>\$ -</u>	<u>\$ 3,754,249</u>
Depreciation expense was charged to Governmental functions as follows:				
Public Safety		<u>\$ 107,671</u>		

NOTE 8 – EVENTS OCCURRING AFTER REPORTING DATE

The District has evaluated events and transactions that occurred between December 31, 2023, and April 6, 2024 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NEW HAMPTON FIRE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 – RESTATED BALANCES

The opening balance of net position in the statement of activities has been restated to account for the following items as of December 31, 2022:

Understated Construction In Progress	\$ 235,774
Overstated Accumulated Depreciation	81,667
Understated Accounts Payable	<u>(176,206)</u>
 Net Increase in Opening Net Position	 <u>\$ 141,235</u>

The opening fund balance in the governmental fund financial statements has been restated to account for the following items as of December 31, 2022:

General Fund-Understated Accounts Payable	<u>\$ (176,206)</u>
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NOTE 10 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2023 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ -	\$ -	\$ 1,000	\$ -
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total Governmental Funds	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
 TOTALS	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1,000</u>	 <u>\$ 1,000</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

The District normally transfers money to and from the Capital Projects Fund to finance specific projects.

NEW HAMPTON FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BLANCE - COMPARED TO BUDGET
BUDGETARY BASIS OF ACCOUNTING
GENERAL FUND
YEAR ENDED DECEMBER 31, 2023

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Real Property Taxes	\$ 554,261	\$ 554,261	\$ 554,261	\$ -
Use of Money and Property	-	-	18,850	18,850
Sale Of Property And Compensation For Loss	-	-	10,975	10,975
Miscellaneous Local Sources	-	-	<u>12,404</u>	<u>12,404</u>
TOTAL REVENUES	<u>554,261</u>	<u>554,261</u>	<u>596,490</u>	<u>42,229</u>
EXPENDITURES				
Public Safety	249,100	320,933	285,552	35,381
Employee Benefits	131,600	131,600	63,079	68,521
Debt Service:				
Principal	85,000	85,000	80,000	5,000
Interest	<u>10,761</u>	<u>10,761</u>	<u>1,300</u>	<u>9,461</u>
TOTAL EXPENDITURES	<u>476,461</u>	<u>548,294</u>	<u>429,931</u>	<u>118,363</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	77,800	5,967	166,559	160,592
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	1,000	1,000
Other Budgetary Purposes	<u>(77,800)</u>	<u>(77,800)</u>	<u>-</u>	<u>77,800</u>
NET CHANGE IN FUND BALANCE	-	(71,833)	167,559	239,392
FUND BALANCE - Beginning of Year - Budgetary Basis - Restated	<u>-</u>	<u>71,833</u>	<u>996,284</u>	<u>924,451</u>
FUND BALANCE - End of Year -Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	1,163,843	<u>\$ 1,163,843</u>
LOSAP activity not in Budget			<u>1,406,370</u>	
FUND BALANCE - Modified Accrual Basis			<u>\$ 2,570,213</u>	

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

NEW HAMPTON FIRE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY
YEARS ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service Cost	\$ 40,516	\$ 48,398	\$ 35,470	\$ 28,352	\$ 34,547	\$ 23,162	\$ 37,659
Interest	34,229	30,890	41,676	40,605	38,157	39,959	37,654
Changes of Benefit Terms	2,605	-	-	110,789	-	-	-
Changes of Assumptions or Other Inputs	(371,418)	(70,210)	271,418	63,068	(79,066)	91,890	(84,767)
Differences between expected and actual experience	35,989	(18,749)	10,581	(41,116)	(37,932)	5,836	(30,212)
Benefit payments and expenses	<u>(59,240)</u>	<u>(50,520)</u>	<u>(49,440)</u>	<u>(42,400)</u>	<u>(40,600)</u>	<u>(43,040)</u>	<u>(42,040)</u>
Net Changes	(317,319)	(60,191)	309,705	159,298	(84,894)	(117,807)	(81,796)
Beginning Total Pension Liability	<u>1,517,175</u>	<u>1,577,366</u>	<u>1,267,661</u>	<u>1,108,363</u>	<u>1,193,257</u>	<u>1,075,450</u>	<u>1,157,246</u>
Ending Total Pension Liability	<u>\$ 1,199,856</u>	<u>\$ 1,517,175</u>	<u>\$ 1,577,366</u>	<u>\$ 1,267,661</u>	<u>\$ 1,108,363</u>	<u>\$ 1,193,257</u>	<u>\$ 1,075,450</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

NEW HAMPTON FIRE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

Changes of Assumptions or Other Inputs

The discount rate was increased from 2.24 % at December 31, 2021 to 4.31% at December 31, 2022.

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

Changes of Benefit Terms

Effective January 1, 2023 the maximum allowable service credit has been increased from 30 years to 40 years.

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

Independent Auditor's Report

To The Board of Commissioners
Of The New Hampton Fire District
Pearl River, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the New Hampton Fire District, New York as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the New Hampton Fire District, New York's basic financial statements and have issued our report thereon dated April 6, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cooper Arias, LLP

Mongaup Valley, New York
April 6, 2024