



RIDGE FIRE DISTRICT

FINANCIAL STATEMENTS (REGULATORY BASIS)
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Fire Commissioners
Ridge Fire District
Ridge, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Ridge Fire District (Fire District), which comprise the balance sheet – governmental funds, the statement of revenues, expenditures and changes in fund balance – governmental funds, the schedule of non-current government assets and the schedule of non-current government liabilities as of and for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, deferred inflows of resources and fund balances of each fund of the Fire District, as of December 31, 2023, and their respective revenues, expenditures, changes in fund balance and non-current government assets and liabilities for the year then ended, in accordance with accounting practices prescribed or permitted by the New York State Office of State Comptroller (NYS OSC), Uniform System of Accounts for Fire Districts as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Fire District as of December 31, 2023, or changes in financial position, for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the Fire District, 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.

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

As described in Note 1, the financial statements are prepared by the Fire District, on the basis of the accounting practices prescribed or permitted by NYS OSC Uniform System of Accounts for Fire Districts, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the NYS OSC.



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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by the NYS OSC Uniform System of Accounts for Fire Districts. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Fire District'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.

Auditors' Responsibilities 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 auditors' 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 GAAS 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Fire District'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fire District'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 practices prescribed or permitted by NYS OSC, Uniform System of Accounts for Fire Districts which is a basis of accounting other than accounting principles generally accepted in the United States of America requires that other supplementary information (Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund, and the Fire District Questionnaire) be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the accounting practices prescribed or permitted by NYS OSC, Uniform System of Accounts for Fire Districts, which is a basis of accounting other than accounting principles generally accepted in the United States of America, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s response to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024, on our consideration of the Fire District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District’s internal control over financial reporting and compliance.

Jones, Little + Co., CPAs, LLP

East Islip, New York
June 17, 2024

RIDGE FIRE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

| | <u>GENERAL FUND</u> | <u>CAPITAL PROJECTS FUND</u> | <u>TOTAL</u> |
|------------------------------------------------------------------|-------------------------|--------------------------------------|---------------------|
| ASSETS | | | |
| Cash and Cash Equivalents: | | | |
| Unrestricted Cash | \$ 1,180,535 | \$ - | \$ 1,180,535 |
| Restricted Cash | 858,475 | 245,828 | 1,104,303 |
| Prepaid Expenses | 40,246 | - | 40,246 |
| Leases Receivable | 2,208,828 | - | 2,208,828 |
| Service Award Program Assets | <u>4,185,088</u> | <u>-</u> | <u>4,185,088</u> |
| TOTAL ASSETS | <u>\$ 8,473,172</u> | <u>\$ 245,828</u> | <u>\$ 8,719,000</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 109,115 | \$ - | \$ 109,115 |
| Accrued Liabilities | <u>3,057</u> | <u>-</u> | <u>3,057</u> |
| TOTAL LIABILITIES | <u>112,172</u> | <u>-</u> | <u>112,172</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Lease Revenue | <u>2,208,828</u> | <u>-</u> | <u>2,208,828</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>2,208,828</u> | <u>-</u> | <u>2,208,828</u> |
| FUND BALANCES | | | |
| Not in Spendable Form | 40,246 | - | 40,246 |
| Restricted: | | | |
| Reserves | 858,475 | - | 858,475 |
| Service Award Program | 4,185,088 | - | 4,185,088 |
| Assigned Appropriated | - | 245,828 | 245,828 |
| Unassigned (Operating) | <u>1,068,363</u> | <u>-</u> | <u>1,068,363</u> |
| TOTAL FUND BALANCES | <u>6,152,172</u> | <u>245,828</u> | <u>6,398,000</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | <u>\$ 8,473,172</u> | <u>\$ 245,828</u> | <u>\$ 8,719,000</u> |

See notes to financial statements.

RIDGE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | GENERAL | | | | CAPITAL PROJECTS | | TOTAL GOVERNMENTAL FUNDS |
|------------------------------------------|---------------------|-------------------|-----------------------|-----------------------|---------------------|-----------------------|--------------------------|
| | OPERATING | RESERVES | SERVICE AWARD PROGRAM | NOT IN SPENDABLE FORM | TOTAL | ASSIGNED APPROPRIATED | |
| REVENUES | | | | | | | |
| Real Property Taxes | \$ 4,991,873 | \$ - | \$ - | \$ - | \$ 4,991,873 | \$ - | \$ 4,991,873 |
| Interest and Earnings | 38,265 | - | 154,857 | - | 193,122 | - | 193,122 |
| Payments in Lieu of Taxes | 286,024 | - | - | - | 286,024 | - | 286,024 |
| Sale of Equipment | 22,000 | - | - | - | 22,000 | - | 22,000 |
| Refund of Prior Year Expenditures | 2,146 | - | - | - | 2,146 | - | 2,146 |
| Insurance Recoveries | 1,251 | - | - | - | 1,251 | - | 1,251 |
| Rental of Real Property | 675 | - | - | - | 675 | - | 675 |
| Leases | 45,664 | 58,983 | - | - | 104,647 | - | 104,647 |
| Ambulance Charges | 1,014,071 | - | - | - | 1,014,071 | - | 1,014,071 |
| TOTAL REVENUES | 6,401,969 | 58,983 | 154,857 | - | 6,615,809 | - | 6,615,809 |
| EXPENDITURES | | | | | | | |
| Fire Protection | 1,670,415 | - | - | - | 1,670,415 | - | 1,670,415 |
| Personal Services | 1,343,859 | - | - | - | 1,343,859 | - | 1,343,859 |
| Equipment and Capital Outlay | 295,248 | 340,415 | - | - | 635,663 | 144,862 | 780,525 |
| State Retirement System | 109,821 | - | - | - | 109,821 | - | 109,821 |
| Service Award Program | - | - | 263,915 | - | 263,915 | - | 263,915 |
| Social Security | 102,805 | - | - | - | 102,805 | - | 102,805 |
| Workers' Compensation Insurance | 206,334 | - | - | - | 206,334 | - | 206,334 |
| Medical and Accident Insurance | 308,426 | - | - | - | 308,426 | - | 308,426 |
| Disability Insurance | 8,391 | - | - | - | 8,391 | - | 8,391 |
| Life Insurance | 111,578 | - | - | - | 111,578 | - | 111,578 |
| Bond Principal | 580,000 | - | - | - | 580,000 | - | 580,000 |
| Bond Interest | 501,131 | - | - | - | 501,131 | - | 501,131 |
| TOTAL EXPENDITURES | 5,238,008 | 340,415 | 263,915 | - | 5,842,338 | 144,862 | 5,987,200 |
| OTHER SOURCES (USES) | | | | | | | |
| Not in Spendable Form (Prepaid Expenses) | 83,967 | - | - | (83,967) | - | - | - |
| Transfers: | | | | | | | |
| Reserves | (25,000) | 25,000 | - | - | - | - | - |
| Service Award Program | (296,017) | - | 296,017 | - | - | - | - |
| TOTAL OTHER SOURCES (USES) | (237,050) | 25,000 | 296,017 | (83,967) | - | - | - |
| NET CHANGES IN FUND BALANCES | 926,911 | (256,432) | 186,959 | (83,967) | 773,471 | (144,862) | 628,609 |
| FUND BALANCES, BEGINNING | 141,452 | 1,114,907 | 3,998,129 | 124,213 | 5,378,701 | 390,690 | 5,769,391 |
| FUND BALANCES, ENDING | \$ 1,068,363 | \$ 858,475 | \$ 4,185,088 | \$ 40,246 | \$ 6,152,172 | \$ 245,828 | \$ 6,398,000 |

See notes to financial statements.

RIDGE FIRE DISTRICT
SCHEDULE OF NON-CURRENT GOVERNMENT ASSETS
DECEMBER 31, 2023

NON-CURRENT ASSETS

CAPITAL ASSETS:

| | |
|-------------------------|------------------|
| Buildings | \$ 17,386,792 |
| Machinery and Equipment | <u>5,663,795</u> |

TOTAL CAPITAL ASSETS 23,050,587

TOTAL NON-CURRENT ASSETS \$ 23,050,587

See notes to financial statements.

RIDGE FIRE DISTRICT
SCHEDULE OF NON-CURRENT GOVERNMENT LIABILITIES
DECEMBER 31, 2023

NON-CURRENT LIABILITIES

| | |
|-------------------------------------------|--------------------------|
| DEBT OBLIGATIONS: | |
| Serial Bonds Payable | <u>\$ 12,110,000</u> |
| TOTAL DEBT OBLIGATIONS | 12,110,000 |
| OTHER LONG-TERM OBLIGATIONS: | |
| Net Pension Liability Proportionate Share | <u>724,110</u> |
| TOTAL OTHER LONG-TERM OBLIGATIONS | <u>724,110</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>\$ 12,834,110</u> |

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ridge Fire District (Fire District), as of and for the year ended December 31, 2023, have been prepared in accordance with the financial reporting provisions of the New York State Office of the State Comptroller (NYS OSC), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units (regulatory basis). The financial statements of the Fire District have been prepared using the modified accrual basis of accounting. This method differs from GAAP, which requires the accrual basis of accounting to be used. The accrual basis of accounting requires the capitalization and depreciation of property and equipment and the recording of long-term liabilities. Under the modified accrual basis of accounting, property and equipment are recorded as expenditures when purchased and long-term liabilities are recognized when paid. In addition, GAAP requires the financial statements to be prepared in accordance with the Governmental Accounting Standards Board (GASB) No. 34, *Basic Financial Statements - and Management's Discussions and Analysis - for State and Local Governments*. GASB 34 financial statements require the presentation of government-wide financial statements and management's discussion and analysis. The accounting practices used to prepare these financial statements does not require compliance with GASB 34.

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

Financial Reporting Entity

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

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

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

Basis of Presentation - Fund Accounting

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

The fund types used by the Fire District are listed on the following page.

Governmental Fund Types

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

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

Capital Projects Fund – The Capital Projects Fund is provided to account for capital expenditures financed from the proceeds of bonds, bond anticipation notes and capital notes. This fund must also be used to account for construction projects financed, in whole or in part, from General Fund money.

Fund Balance Classifications

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

General fund balance classifications are described below:

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

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

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

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

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

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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

Basis of Accounting and Measurement Focus

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

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

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

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

Interfund Transactions

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

Use of Estimates

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

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Encumbrances

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

Cash and Cash Equivalents

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

Prepaid Expenses

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule of Non-Current Government Assets. The Fire District defines capital assets as assets with an initial, individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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 costs associated with the acquisition or construction of capital assets are shown as equipment and capital outlay expenditures in governmental funds. Capital assets are not shown on the governmental funds balance sheet.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of various expenses that have been incurred but not yet remitted to various vendors.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of fund balance that applies to future period(s), and as such, will not be recognized as an outflow of resources (expenditure) until that time. A deferred inflow of resources is an acquisition of fund balance that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

Property Taxes

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

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Ambulance Charges

Ambulance charges are monies collected by the Fire District for providing emergency and general ambulance services. The Fire District is prohibited from directly issuing a bill to any uninsured recipient of services.

Other Benefits

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

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

Newly Adopted Reporting Provisions

Leases

NYS OSC has adopted GASB Statement 87, *Leases* (GASB No. 87), which was effective for fiscal years beginning after June 15, 2021. GASB No. 87 amends the current reporting model for local governments and school districts in New York State and re-defines the term "lease". GASB No. 87 requires the recognition of certain assets and liabilities for leases that were previously classified as operating leases. For leases with terms in-excess of 12 months, GASB No. 87 requires the lessee to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. Leases with a term of 12 months or less will be accounted for in a manner similar to previous guidance for operating leases.

The implementation of GASB No. 87 resulted in the Fire District reporting a lease receivable and a deferred inflow of resources. There was no impact to the Fire District's opening financial position.

Subscription-Based Information Technology Arrangements

NYS OSC has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96) which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). GASB No. 96 (1) defines a SBITA; (2) established that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding the SBITA. The requirement of GASB No. 96 did not apply to the Fire District for the current fiscal year.

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Subsequent Events

In preparing these financial statements, the Fire District has evaluated subsequent events for possible recognition or disclosure in the financial statements through June 17, 2024, the date the financial statements were available to be issued. The Fire District has determined no events have occurred during this period that would require additional recognition or disclosure in the financial statements.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

Appropriations are established by the adoption of the budget, are recorded at the program line item level, and constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year can be funded by the planned use of specific reserves and can be increased by budget amendments approved by the Board of Fire Commissioners as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriation of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board of Fire Commissioners approves them because of a need that exists which was not determined at the time the budget was adopted. The Fire District's general fund operating budget as approved by the Board of Fire Commissioners was \$5,291,742.

Over Expenditure of Certain Appropriations

Certain general fund appropriations were over expended. These were in the following appropriation categories of the budget: fire protection, personal services, equipment and capital outlay, state retirement system, social security, medical and accident insurance and life insurance. The general fund budget in total was over expended by \$267,283.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

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

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

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

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

4. CAPITAL ASSETS

A summary of changes in capital assets valued at replacement cost together with additions and disposals at cost through December 31, 2023, are shown below.

| | <u>Balance Beginning</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance Ending</u> |
|----------------------------|------------------------------|-------------------|--------------------|---------------------------|
| Buildings | \$17,026,058 | \$ 360,734 | \$ - | \$17,386,792 |
| Machinery and Equipment | <u>5,264,780</u> | <u>421,015</u> | <u>(22,000)</u> | <u>5,663,795</u> |
| Total Capital Assets | <u>\$22,290,838</u> | <u>\$ 781,749</u> | <u>\$ (22,000)</u> | <u>\$23,050,587</u> |

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

Plan Description

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

Funding Policy

Plan members who joined the System before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976, and before January 1, 2010, with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary for the System's members throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% depending upon their salary, throughout active membership.

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Fire District is required to contribute at an actuarially determined rate. During the year ended December 31, 2023, the Fire District paid \$109,821 to the System for its regular pension contribution.

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

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

At December 31, 2023, the Fire District reported a non-current governmental liability of \$724,110 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of March 31, 2023 for the System. The total pension liability used to calculate the net pension liability was determined by the actuarial valuation. The Fire District's proportion of the net pension liability was based on a projection of the Fire District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined by the System. Below is the Fire District's proportionate share of the net pension asset of the System and its related employer allocation percentage.

| | |
|-----------------------------------------------------------------------|---------------|
| | 2023 |
| System's Actuarial Valuation Date | April 1, 2022 |
| Net Pension Liability | \$ 724,110 |
| Fire District's Proportion of the System's Total Net Pension Asset | 0.0033767% |

There was no significant change in the Fire District's proportion for March 31, 2023.

For the year ended December 31, 2023, the Fire District recognized a pension expense of \$109,821 in the statement of revenues, expenditures and changes in fund balance – governmental funds. At December 31, 2023, the Fire District's reported deferred outflows/inflows of resources related to the pension from the sources are as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------------------|------------|
| Deferred Outflows of Resources: | |
| Differences Between Expected and Actual Experience | \$ 77,123 |
| Change of Assumptions | 351,675 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | - |
| Changes in Proportion and Differences Between the Fire District's Contributions and Proportionate Share of Contributions | 27,694 |
| Contributions Subsequent to the Measurement Date | - |
| Total Deferred Outflows of Resources – Pension Amounts | \$ 456,492 |

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

| | |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Deferred Inflows of Resources: | |
| Differences Between Expected and Actual Experience | \$ 20,336 |
| Change of Assumptions | 3,887 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 4,254 |
| Changes in Proportion and Differences Between the Fire District's Contributions and Proportionate Share of Contributions | 92,250 |
| Contributions Subsequent to the Measurement Date | <u>-</u> |
| Total Deferred Inflows of Resources – Pension Amounts | <u>\$ 120,727</u> |

The Fire District did not make a contribution subsequent to the measurement date of March 31, 2023 as of December 31, 2023, and as a result, is not recognizing a deferred outflow for that contribution.

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

| | |
|-------------------------|-------------------|
| Year Ended December 31: | |
| 2024 | \$ 62,186 |
| 2025 | (64,507) |
| 2026 | 145,472 |
| 2027 | <u>192,615</u> |
| Total | <u>\$ 335,766</u> |

The System's Actuarial Assumptions

The total pension liability was determined by using a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2022.

Economic assumptions used in the April 1, 2022 actuarial valuation include:

| | |
|--------------------------------|----------------------------------------------------|
| Measurement Date | March 31, 2023 |
| Actuarial Valuation Date | April 1, 2022 |
| Investment Rate of Return, Net | 5.90% |
| Inflation | 2.90% |
| Salary Increases | 4.40% |
| Cost of Living Adjustments | 1.50% |
| Decrement Tables | April 1, 2015 - March 31, 2020 System's Experience |

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Demographic assumptions used in the April 1, 2022 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries’ Scale MP-2021.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

| <u>Asset Class</u> | <u>Target Allocations in %</u> | <u>Long-Term Expected Real Rate of Return in %</u> |
|-------------------------------|----------------------------------------|------------------------------------------------------------|
| Domestic Equity | 32 | 4.30 |
| International Equity | 15 | 6.85 |
| Private Equity | 10 | 7.50 |
| Real Estate | 9 | 4.60 |
| Opportunistic/Absolute Return | 3 | 5.38 |
| Credit | 4 | 5.43 |
| Real Assets | 3 | 5.84 |
| Fixed Income | 23 | 1.50 |
| Cash | <u>1</u> | - |
| | <u>100</u> | |

Discount Rate

The discount rate used to calculate the total pension liability as of March 31, 2023 was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the Fire District’s proportionate share of the net pension liability (asset) calculated by the System using the discount rate of 5.9% as of March 31, 2023, as well as what the Fire District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

| | 1% Decrease <u>4.9%</u> | Current Discount Rate <u>5.9%</u> | 1% Increase <u>6.9%</u> |
|------------------------------------------------------|-------------------------------|--------------------------------------------|-------------------------------|
| Proportionate Share of Net Pension Liability (Asset) | <u>\$1,749,864</u> | <u>\$ 724,110</u> | <u>\$ (133,026)</u> |

RIDGE FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

Pension Plan Fiduciary Net Position

The components of the System's net pension liability (asset) of the employers as of the measurement date of March 31, 2023 is as follows:

| | |
|--------------------------------------------------------------------------|--------------------------|
| Employers' Total Pension Liability | \$ 232,627,259,000 |
| Less: System's Net Position | <u>(211,183,223,000)</u> |
| Employers' Net Pension Liability (Asset) | <u>\$ 21,444,036,000</u> |
| Ratio of System's Net Position to the Employers' Total Pension Liability | 90.78% |

6. LENGTH OF SERVICE AWARDS PROGRAM - LOSAP

The Fire District established a defined benefit LOSAP for the active volunteer firefighters of the Fire District. The program took effect on January 1, 1990. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Fire District is the sponsor of the program.

Program Description

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

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

Benefits

A participant's benefit under the program is a life annuity with payments guaranteed for at least 10 years equal to \$20 multiplied by the total number of years of firefighting service under the point system. The number of years of firefighting service used to compute the benefit cannot exceed forty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. Volunteer firefighters who are active after attaining the entitlement age and who may have commenced receiving a service award have the opportunity to earn program credit and to thereby increase their service award payments.

Fiduciary Investment and Control

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

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operations and administration of the program. The trust agreement is dated January 1, 1990, and the trustee is the Fire District.

Authority to invest program assets is vested in the Fire District. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule. The "rule" provides that fiduciaries are required to exercise the same diligence and prudence in the care and management of other people's money as they would their own. In addition, the rule provides that investments should be made in such a manner as to seek a reasonable income while preserving capital. The program document allows for certain types of investments such as marketable securities, annuities, and life insurance.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is BPA's Actuarial and Pension Services, LLC. Portions of the following information are derived from a report prepared by the actuary dated April 2024.

Assets and Liabilities

| | | | |
|-------------------------------------------------|-------------------|----|------------------|
| Actuarial Present Value of Benefits at 12/31/23 | | | \$ 5,180,896 |
| Less: Assets Available for Benefits | | | |
| | <u>% of total</u> | | |
| Trust | 1.6% | \$ | 66,079 |
| Annuities | 93.0% | | 3,892,703 |
| Insurance Policy | 5.4% | | <u>226,306</u> |
| Total Assets Available for Benefits | | | 4,185,088 |
| Less: Benefits Payable | | | (_____) |
| Total Net Assets Available for Benefits | | | <u>4,185,088</u> |
| Total Unfunded Benefits | | | 995,808 |
| Less: Unfunded Liability for Prior Service | | | <u>(995,808)</u> |
| Unfunded Normal Benefits | | | <u>\$ _____</u> |

Prior Service Costs

Prior service costs are being amortized over a range of 10 to 11 years at a discount rate of 5.00%.

RIDGE FIRE DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

Contributions

| | | |
|--------------------------------------------------------------|---------|----------------|
| Amount of Sponsor’s contribution recommended by the actuary: | Minimum | \$ 270,898 |
| | Maximum | \$ 287,276 |
| Amount of Sponsor’s actual contribution: | | \$ 296,017 |

Receipts and Disbursements

| | |
|------------------------------------|------------------------|
| Plan Net Assets, Beginning of Year | \$3,998,129 |
| Changes during the year: | |
| Plan Contributions from Sponsor | 296,017 |
| Investment Income Earned | 154,857 |
| Distributions to Participants | <u>(263,915)</u> |
| Plan Net Assets, End of Year | <u>\$4,185,088</u> |

Funding Methodology and Actuarial Assumptions

The actuarial valuation methodology used by the actuary to determine the sponsor’s contribution is the Unit Credit Cost Method. The assumptions used by the actuary to determine the sponsor’s contribution and the actuarial present value of benefits are:

Assumed rate of return on investment 5.00%

Mortality Tables used for:

| | | |
|-------------------|--------------------------|--|
| Withdrawal | None | |
| Disability | None | |
| Retirement | RP2000 Combined - Unisex | |
| Death (Actives) | None | |
| Death (Inactives) | None | |
| Other | None | |

7. INDEBTEDNESS

Serial Bonds

The Fire District borrowed money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Fire District, are recorded in the Schedule of Non-Current Government Liabilities and are liquidated from the General Fund. The provision to be made in future budgets for capital indebtedness represents the amount authorized to be collected in future years from taxpayers for liquidation of the long-term liabilities. The Serial Bonds have interest paid semi-annually at 2.125% and 4.0% with principal paid annually with maturity dates of March 1, 2024 and November 15, 2043 respectively.

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Changes in Indebtedness

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

| | <u>Balance Beginning</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance Ending</u> |
|--------------------------|------------------------------|------------------|---------------------|---------------------------|
| Serial Bond- HQ Reno | \$ 12,390,000 | \$ - | \$ (430,000) | \$ 11,960,000 |
| Serial Bond - Pumpers | <u>300,000</u> | <u>-</u> | <u>(150,000)</u> | <u>150,000</u> |
| Total | <u>\$ 12,690,000</u> | <u>\$ -</u> | <u>\$ (580,000)</u> | <u>\$ 12,110,000</u> |

The following is a summary of maturity debt service requirement for the serial bonds:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2024 | \$ 590,000 | \$ 480,275 | \$ 1,070,275 |
| 2025 | 455,000 | 460,800 | 915,800 |
| 2026 | 465,000 | 442,600 | 907,600 |
| 2027 | 480,000 | 424,000 | 904,000 |
| 2028 | 495,000 | 404,800 | 899,800 |
| 2029-2033 | 2,720,000 | 1,713,600 | 4,433,600 |
| 2034-2038 | 3,175,000 | 1,135,000 | 4,310,000 |
| 2039-2043 | <u>3,730,000</u> | <u>457,000</u> | <u>4,187,000</u> |
| Total | <u>\$ 12,110,000</u> | <u>\$ 5,518,075</u> | <u>\$ 17,628,075</u> |

8. LEASE AGREEMENTS

The Fire District leases a portion of their property for the construction and maintenance of equipment for the transmission and reception of communications signals. As of December 31, 2023, the following lease agreements were in place:

T-Mobile USA Tower LLC

Lease agreement commenced in October 2001 for a 300 square feet portion of property with an initial term of 10 years. The agreement will automatically extend for seven additional five-year terms through October 2046. Fixed lease payments will be increased annually on the anniversary of the commencement date by 4% of the monthly rate in effect for the prior year. For the year ended December 31, 2023, the Fire District recognized \$58,983 of lease under this lease.

AT&T Wireless

Fixed lease payments will be increased annually by 2% of the monthly rate in effect for the prior year. For the year ended December 31, 2023, the Fire District recognized \$18,641 of lease revenue.

Verizon Wireless

Fixed lease payments will be increased annually by 3% of the monthly rate in effect for the prior year. For the year ended December 31, 2023, the Fire District recognized \$27,023 of lease revenue.

RIDGE FIRE DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Fire District measures leases receivable at the present value of the future minimum fixed lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the amount equal to the initial recording of leases receivable.

The following is a summary of the Fire District's total fixed lease payments to maturity that are included in the measurement of leases receivable:

| <u>Year</u> | |
|-------------|---------------------|
| 2024 | \$ 61,343 |
| 2025 | 63,796 |
| 2026 | 66,348 |
| 2027 | 69,002 |
| 2028 | 71,762 |
| 2029-2033 | 404,235 |
| 2034-2038 | 491,814 |
| 2039-2043 | 598,367 |
| 2044-2046 | <u>382,161</u> |
| Total | <u>\$ 2,208,828</u> |

9. COMMITMENTS AND CONTINGENCIES

The Fire District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

As of December 31, 2023, there were two ongoing litigations against the Fire District. One involves the Fire District's early termination of a contract with a construction management company. The other involves a property line dispute with another Fire District. Both are presently being defended by counsel. In the opinion of the Board of Fire Commissioners, the litigations will not have a material adverse effect on the Fire District's financial conditions or results of operation.

10. SPENDING LIMITATION

The Fire District did not exceed the statutory spending limitation imposed by state law for the year ended December 31, 2023.

RIDGE FIRE DISTRICT
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>APPROVED BUDGET</u> | <u>OPERATING ACTUAL</u> | <u>VARIANCE</u> |
|------------------------------------------|----------------------------|-----------------------------|-------------------|
| REVENUES | | | |
| Real Property Taxes | \$ 4,991,742 | \$ 4,991,873 | \$ 131 |
| Interest and Earnings | - | 38,265 | 38,265 |
| Payments in Lieu of Taxes | - | 286,024 | 286,024 |
| Sale of Equipment | - | 22,000 | 22,000 |
| Refund of Prior Year Expenditures | - | 2,146 | 2,146 |
| Insurance Recoveries | - | 1,251 | 1,251 |
| Rental of Real Property | - | 675 | 675 |
| Leases | - | 45,664 | 45,664 |
| Ambulance Charges | 300,000 | 1,014,071 | 714,071 |
| TOTAL REVENUES | <u>5,291,742</u> | <u>6,401,969</u> | <u>1,110,227</u> |
| EXPENDITURES | | | |
| Fire Protection | 1,659,385 | 1,670,415 | (11,030) |
| Personal Services | 1,253,021 | 1,343,859 | (90,838) |
| Equipment and Capital Outlay | 125,000 | 295,248 | (170,248) |
| State Retirement System | 105,849 | 109,821 | (3,972) |
| Social Security | 95,856 | 102,805 | (6,949) |
| Workers' Compensation Insurance | 240,000 | 206,334 | 33,666 |
| Medical and Accident Insurance | 286,400 | 308,426 | (22,026) |
| Disability Insurance | 11,500 | 8,391 | 3,109 |
| Life Insurance | 105,000 | 111,578 | (6,578) |
| Bond Principal | 580,000 | 580,000 | - |
| Bond Interest | 501,131 | 501,131 | - |
| TOTAL EXPENDITURES | <u>4,963,142</u> | <u>5,238,008</u> | <u>(274,866)</u> |
| OTHER SOURCES (USES) | | | |
| Not in Spendable Form (Prepaid Expenses) | - | 83,967 | 83,967 |
| Transfers: | | | |
| Reserves | (25,000) | (25,000) | - |
| Service Award Program | (303,600) | (296,017) | 7,583 |
| TOTAL OTHER SOURCES (USES) | <u>(328,600)</u> | <u>(237,050)</u> | <u>91,550</u> |
| NET CHANGES IN FUND BALANCE | <u>\$ -</u> | <u>\$ 926,911</u> | <u>\$ 926,911</u> |

See independent auditors' report.

Fire District of Ridge
Annual Financial Report
For the Fiscal Period 01/01/2023 - 12/31/2023

Fire District Questionnaire

Questions

| | |
|----------------------------------------------------------------------------------------------------------|----------------|
| 1. Has your Fire District adopted a written procurement policy and is it complied with? | Yes |
| 2. Does your Fire District have a written travel policy and is it complied with? | Yes |
| 3. Does your Fire District perform monthly bank reconciliations? | Yes |
| 4. Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39? | Yes |
| 5. Has your Fire District contracted to have an independent audit of its financial statements? | Yes |
| 6. What is your Fire District's statutory spending Limitation* for the next fiscal year? | \$5,865,455.00 |
| 7. What is your Fire District's statutory spending limitation margin for the next fiscal year? | \$464,204.00 |
| 8. Does your Fire District have a Length of Service Award Program (LOSAP) for volunteer firefighters? | Yes |



Jones, Little & Co.
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Thomas Jones, CPA
Roy Little, CPA
Kathleen Galway, CPA

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

To the Board of Fire Commissioners
Ridge Fire District
Ridge, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Ridge Fire District (Fire District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Fire District's financial statements and have issued our report thereon dated June 17, 2024. As described more fully in Note 1 of the financial statements, the Fire District has prepared these financial statements in accordance with financial reporting provisions of the New York State Office of the State Comptroller, Uniform System of Accounts for Fire Districts, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

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

Purpose of this Report

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

Jones, Little + Co., CPA's, LLP

East Islip, New York
June 17, 2024