

BELGIUM COLD SPRINGS FIRE DISTRICT

**REGULATORY BASIS
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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STOKES, VISCA, HUCKO & BARONE, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Belgium Cold Springs Fire District
Baldwinsville, New York

Opinions

We have audited the accompanying regulatory basis financial statements of Belgium Cold Springs Fire District, which comprise the balance sheet - regulatory basis – all fund types and account groups as of December 31, 2021, and the related statements of operations and change in fund balance - regulatory basis - governmental funds for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic regulatory basis financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory basis financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each fund type and account group of Belgium Cold Springs Fire District, as of December 31, 2021, and the change in fund balance for the year then ended, in accordance with the reporting provisions of the Office of the State Comptroller of the State of New York 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" paragraph, the regulatory basis 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 Belgium Cold Springs Fire District, as of December 31, 2021, or changes in net position, or cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements section of our report. We are required to be independent of Belgium Cold Springs 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 regulatory basis financial statements are prepared by Belgium Cold Springs Fire District on the basis of the financial reporting provisions of the Office of the State Comptroller of the State of New York, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Office of the State Comptroller of the State of New York. The effects on the regulatory basis 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

Responsibilities of Management for the Regulatory Basis Financial Statements

Management is responsible for the preparation and fair presentation of these basic regulatory basis financial statements in accordance with the financial reporting provisions of the Office of the State Comptroller of the State of New York described in Note 1. 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.

Auditor's Responsibilities for the Audit of the Regulatory Basis Financial Statements

Our objectives are to obtain reasonable assurance about whether the regulatory basis 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 regulatory basis 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 regulatory basis 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 Belgium Cold Springs 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 regulatory basis financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Belgium Cold Springs 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements that collectively comprise the Belgium Cold Springs Fire District's basic regulatory basis financial statements. The statement of budget summary - regulatory basis - general fund is presented for purpose of additional analysis and is not a required part of the basic regulatory basis financial statements. Such information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the basic regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic regulatory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic regulatory basis financial statements or to the basic regulatory basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of budget summary - regulatory basis - general fund is fairly stated, in all material respects, in relation to the basic regulatory basis financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022, on our consideration of the Belgium Cold Springs 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 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 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 Belgium Cold Springs Fire District's internal control over financial reporting and compliance.

Stokes, Visca, Hucko & Barone, CPAs, LLC

Stokes, Visca, Hucko, Barone, CPAs, LLC
Rochester, NY
May 13, 2022

**BELGIUM COLD SPRINGS FIRE DISTRICT
BALANCE SHEET - REGULATORY BASIS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2021**

	<u>Funds</u>		<u>Account Groups</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Fund</u>	<u>Fixed Assets</u>	<u>Long Term Debt</u>	
ASSETS					
Cash	\$ 186,235	\$ -	\$ -	\$ -	\$ 186,235
Cash, Restricted	1,590,922	-	-	-	1,590,922
Prepaid Expenditures	31,175	-	-	-	31,175
Investments - Fire Service Award	1,112,014	-	-	-	1,112,014
Amount to be Provided for General Long-Term Debt	-	-	-	1,101,750	1,101,750
TOTAL ASSETS	2,920,346	-	-	1,101,750	4,022,096
GENERAL FIXED ASSETS	-	-	8,304,148	-	8,304,148
TOTAL ASSETS	2,920,346	-	8,304,148	1,101,750	12,326,244
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	120,177	120,177
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2,920,346	-	8,304,148	1,221,927	12,446,421
LIABILITIES					
Accounts Payable	221	-	-	-	221
Accrued Liabilities	330	-	-	-	330
CODES Liability, Restricted	87,594	-	-	-	87,594
Serial Bonds	-	-	-	1,018,000	1,018,000
Compensated Absences	-	-	-	62,839	62,839
Net Pension Liability	-	-	-	465	465
TOTAL LIABILITIES	88,145	-	-	1,081,304	1,169,449
DEFERRED INFLOWS OF RESOURCES	-	-	-	140,623	140,623
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	88,145	-	-	1,221,927	1,310,072
FUND BALANCE					
Investments in Non-Current Governmental Fund Balance	-	-	8,304,148	-	8,304,148
Nonspendable	31,175	-	-	-	31,175
Restricted - Reserves	1,503,328	-	-	-	1,503,328
Restricted - Service Award Program	1,112,014	-	-	-	1,112,014
Unassigned	185,684	-	-	-	185,684
TOTAL FUND BALANCE	2,832,201	-	8,304,148	-	11,136,349
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 2,920,346	\$ -	\$ 8,304,148	\$ 1,221,927	\$ 12,446,421

See accompanying notes to the financial statements.

**BELGIUM COLD SPRINGS FIRE DISTRICT
STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General Fund	Capital Fund	Total
REVENUES			
Real Property Tax	\$ 1,412,782	\$ -	\$ 1,412,782
Interest and Earnings	374	-	374
Interest and Earnings - Service Award Program	77,252	-	77,252
Local Pension Fund - Contribution	25,844	-	25,844
Rent Income	250	-	250
Refund of Prior Year Expenditures	1,818	-	1,818
Proceeds from Sale of Equipment	52,837	-	52,837
Miscellaneous	1,481	-	1,481
TOTAL REVENUES	1,572,638	-	1,572,638
EXPENDITURES			
Public Safety:			
Personnel	178,995	-	178,995
Equipment and Capital Outlay	662,243	763,000	1,425,243
Contractual Expenditures	385,492	-	385,492
Employee Benefits:			
Social Security and Medicare	13,693	-	13,693
Workers' Compensation	49,785	-	49,785
Hospital and Medical Insurance	35,222	-	35,222
Life Insurance	16,099	-	16,099
New York State Retirement System	27,582	-	27,582
Local Pension Fund - Contribution	25,844	-	25,844
Local Pension Fund - Expenditures	54,899	-	54,899
Debt Service:			
Bond Principal	40,000	-	40,000
Interest on Bond	8,231	-	8,231
TOTAL EXPENDITURES	1,498,085	763,000	2,261,085
TOTAL REVENUES OVER EXPENDITURES	74,553	(763,000)	(688,447)
OTHER FINANCING SOURCES:			
Serial Bond Issuance	-	763,000	763,000
Serial Bond Premium	14,692	-	14,692
TOTAL OTHER FINANCING SOURCES:	14,692	763,000	777,692
CHANGE IN FUND BALANCE	89,245	-	89,245
FUND BALANCE, BEGINNING OF YEAR	1,679,140	-	1,679,140
Fire Service Award Fiduciary Fund Balance Transfer	1,063,816	-	1,063,816
FUND BALANCE, BEGINNING OF YEAR - RESTATED	2,742,956	-	2,742,956
FUND BALANCE, END OF YEAR	\$ 2,832,201	\$ -	\$ 2,832,201

See accompanying notes to the financial statements.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Belgium Cold Springs Fire District (the District) have been prepared on the New York State regulatory basis, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). The regulatory basis differs from generally accepted accounting principles in that the District does not comply with Governmental Accounting Standards Board (GASB) Statement No. 34, which requires the District to present the government-wide financial statements on a full accrual basis.

Description of the Reporting Entity

The District is a political subdivision of the State of New York, and a district corporation of the State of New York, distinct from the municipalities in which it is located. It has the power to require the levy of taxes on real property and to borrow in its own name. The District operates pursuant to the various provisions of New York State statutes and various local laws and ordinances and is regulated by the Office of the State Comptroller. Belgium Cold Springs Fire District is a district corporation of the State of New York and is exempt from income taxes. The District is involved in emergency situations protecting life and property of its residents.

The District is governed by an elected board of five fire commissioners. Every fire district is required to have a treasurer and a secretary. Commissioners are authorized to adopt rules and regulations governing the fire district.

Basis of Accounting

The Fire District maintains its records and issues reports to the State of New York on a basis of accounting prescribed by the State's mandated 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 (GAAP). The accompanying financial statements of the District have been prepared with this mandated system. As such the statements do not present either financial position or results of operation in accordance with GAAP, which requires the following:

- Management's Discussion and Analysis and compliance with the other reporting requirements including in the financial reporting model defined by the Government Accounting Standards Board Statement No. 34.
- A government-wide presentation prepared on the full accrual basis of accounting including governmental activities and, if applicable, business-type activities.
- Recording of property and equipment, along with depreciation expense
- Recording of a net pension asset or liability and deferred outflows and inflows in the government-wide financial statements rather than presenting them in the long-term debt account group.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

The basis of accounting determines when revenues and expenditures are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Measurement focus is the determination of what is measured. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the fund types on the balance sheet. Operating statements of these fund types present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund balance.

Under the Uniform System of Accounts for Fire Districts the District follows the modified accrual basis of accounting, property and equipment are recorded as an expenditure when purchased and the satisfaction of long-term liabilities are recognized as expenditures when paid. The financial statements use the current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Revenues are recorded when they become both measurable and available to finance expenditures of the fiscal period. Available is defined as balances being collectible 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 60 days of the end of the current fiscal year.

Expenditures are recorded when a liability is incurred except that:

- a. Principal and interest on indebtedness are not recognized as an expenditure until due.
- b. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.
- c. Other post-employment benefits and Length of Service Award pension costs are charged as expenditures when payment is due.

Basis of Presentation

The 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The District records its transactions in the fund types and account groups described below.

1. Fund Types

Governmental Funds - Governmental funds are those through which most governmental 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

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

position. The following are the District's governmental funds types:

- a. **General Fund** - The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- b. **Capital Projects Fund** - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Financing is generally provided from proceeds of bonds and notes.

2. Account Groups

Account groups are used to establish accounting control and accountability for general long-term debt. Account groups are not "funds", they are concerned with the measurement of financial position and not the results of operations.

- a. **Fixed Assets Account Group** - are maintained by the Fire District, as required by accounting principles generally accepted in the United States of America but do not include all infrastructure assets. Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental fund types.
- b. **Long-Term Debt Account Group** - used to account for net pension liability, and all other long-term liabilities, which consists of serial bonds and accrued compensation.

Deferred Outflows/Inflows of Resources

In addition to assets, the Combined Balance Sheets – Regulatory Basis 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(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District has three items that qualify for reporting in this category which are related to pensions. The first item represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement period between projected versus actual investment earnings on pension plan investments not included on pension expense. The second item represents the differences between expected and actual experience of the District's proportionate share of the net pension liability and difference during the measurement period. The third item is the District's contribution to the pension system subsequent to the measurement date.

In addition to liabilities, the Combined Balance Sheets – Regulatory Basis 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting the category, which is related to advances of future period pensions reported in the combining statements of assets, liabilities, and fund balance – modified accrual basis – all governmental fund types and account groups. This represents the effect of the net change in the District's proportion of the collective net pension liability and difference during the measurement period between the District's contributions and its proportionate share of

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

total contributions to the pension systems not included in pension expense.

Fund Balance

In the regulatory basis financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.

Restricted Fund Balance - constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance - constraints to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

Assigned Fund Balance - amounts a government intended to use for a specific purpose. Intent can be expressed by the governing body or by an official body.

Unassigned Fund Balance - amounts that are available for any purpose.

The following is a summary of the District's restricted fund balance classifications and categories within those classifications. Any capital gains or interest earned on a restricted or assigned fund resource becomes a part of the respective restricted or assigned fund balance category.

Restricted Fund Balance

- **Capital Improvement Reserve** - The capital improvement reserve is used to account for revenue and expenditures relating to large building capital expenditures. Expenditures charged against this fund need prior approval of District residents obtained through a voter permissive referendum.
- **Equipment Reserve** - The equipment reserve is used to account for revenue and expenditures relating to firematic equipment. Expenditures charged against this fund need prior approval of District residents obtained through a voter permissive referendum.
- **Apparatus Reserve** - The apparatus reserve is used to account for purchases relating to equipping firematic vehicles. Expenditures charged against this fund need prior approval of District residents obtained through a voter permissive referendum.
- **Contingency and Tax Stabilization Reserve** - The contingency and tax stabilization reserve is used to reimburse contested taxes, and for any other unrelated items Expenditures charged against this fund need prior approval of District residents obtained through a voter permissive referendum.

It is the District's policy to consider restricted fund balance to have been depleted before using any

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Cash and Cash Equivalents

The District cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition.

Prepaid Expenditures

Prepaid expenditures include New York State Employee Retirement System and other items relating to the next fiscal year. Prepaid items are classified as not in spendable form fund balance.

Fixed Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Capital assets purchased or acquired with an original cost of at least \$5,000 and having a useful life of greater than one year are capitalized. Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the governmental fund types. No depreciation has been provided on fixed assets.

Long-Term Liabilities

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the Long-Term Debt Account Group. The long-term liabilities consist primarily of Serial Bonds, compensatory absences, and the District's proportionate share of the net pension liability. The proceeds from debt are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

Real Property Taxes

Real property taxes are levied annually. Taxes are collected during the period January 1 to March 31. The District receives the full amount of its levies annually, usually in the month of February. Uncollected real property taxes are subsequently enforced by the County. As such, the Fire District receives its entire real property tax levy on a current basis.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

Compliance and Accountability

The District establishes accounting control through formal adoption of an annual operating budget for the governmental funds. The operating budgets are prepared on the cash basis, a basis different from generally accepted accounting principles. Annual appropriated budgets are adopted for all of the governmental funds. The adopted budget can be amended by the Board of Fire Commissioners to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the Board of Fire Commissioners' approval.

Date of Management's Review

Subsequent events were evaluated through May 13, 2022, which is the date the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

The Fire District's investment policies are governed by State statutes. Fire District monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include demand accounts, savings accounts, certificates of deposits, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand, savings and certificates of deposit at 102% of all deposits 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 the state and its municipalities and school districts.

Deposits at year-end were entirely covered by federal deposit insurance or by collateral pledged by financial institutions.

Note 3 - Investments and Fair Value Measurements

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consists of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. Level 3 inputs are unobservable inputs and are to be used only if observable inputs are not available. The District uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The fair values of common stocks, corporate bonds, and U.S. government securities are based on the closing price reported in the active market where the individual securities are traded, when available.

Fair values of assets measured at December 31, 2021 are as follows:

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>(Level 1)</u>
Cash and Money Market	\$ 18,783	\$ 18,783
Equities	587,210	587,210
Fixed Income Assets	<u>506,020</u>	<u>506,020</u>
Total	<u>\$1,112,014</u>	<u>\$1,112,014</u>

Note 4 - Changes in Fixed Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>December 31, 2020 Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2021 Balance</u>
Land	\$ 145,000	\$ -	\$ -	\$ 145,000
Building	2,966,073	-	(60,460)	2,905,613
Building Improvements	836,714	-	-	836,714
Machinery and Equipment	<u>3,063,810</u>	<u>1,357,511</u>	<u>(4,500)</u>	<u>4,416,821</u>
Total Non-Current Governmental Assets	<u>\$ 7,011,597</u>	<u>\$1,357,511</u>	<u>\$ (64,960)</u>	<u>\$8,304,148</u>

Note 5 - Long-Term Debt

A summary of transactions of the current and non-current government liabilities for the year ended December 31, 2021 is as follows:

	<u>Balance 12/31/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/21</u>
Serial Bonds	\$ 295,000	\$ 763,000	\$ 40,000	\$ 1,018,000
Net Pension Liability	132,464	-	131,999	465
Accrued Compensation	58,966	3,873	-	62,839
Subtotal	<u>\$ 486,430</u>	<u>\$ 766,873</u>	<u>\$171,999</u>	<u>\$ 1,081,304</u>

Serial Bonds

As of December 31, 2021, the District had outstanding serial bonds for financing a new fire truck purchased in 2016 in the amount of \$255,000 with an interest rate of 2.79%.

In 2021, the District purchased a new fire truck and financed it using serial bonds. The District received \$763,000 in serial bond proceeds in 2021. As of December 31, 2021 the District had outstanding serial bonds for financing the new 2021 fire truck in the amount of \$763,000 with an interest rate of 1.25%-2.00%.

Serial bond debt service requirements to maturity as of December 31, 2021 are as follows:

**BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 113,000	\$ 18,787
2023	110,000	11,511
2024	110,000	9,957
2025	120,000	8,404
2026	120,000	6,680
2027-2031	<u>445,000</u>	<u>12,462</u>
Total	<u>\$ 1,018,000</u>	<u>\$ 67,801</u>

Net Pension Liability

The District reported a liability of \$465 for the year ended December 31, 2021, for its proportionate share of the net pension liability for the New York State and Local Employees' Retirement System.

Accrued Vacation and Sick Leave

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 20 days a year, but may accumulate no more than a maximum of 20 days at 15 years. Upon separation from service, employees are paid up to 20 days.

Employees accrue sick leave at a rate of 12 days per year and may accumulate such credits up to a total of 165 days. Upon retirement or termination of employment, unused sick days can be applied to NYS retirement service. Employees who terminate are not entitled to unused sick pay.

The liability at December 31, 2021 is \$62,839.

Note 6 - Reserve Accounts

<u>Description</u>	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Equity Transfer</u>	<u>Ending Balance</u>
Capital Improvement Reserve	\$299,828	\$ 66	\$ 20,203	\$ 319,877	\$599,568
Equipment Reserve	207,946	37	4,538	20,000	223,444
Apparatus Reserve	909,757	52,758	605,057	280,115	637,572
Contingency and Tax Stabilization Reserve	42,736	8	-	-	42,744
Total Restricted	<u>\$1,460,267</u>	<u>\$ 52,869</u>	<u>\$629,798</u>	<u>\$ 619,992</u>	<u>\$1,503,328</u>

Note 7 - CODES Liability

This liability represents money in the District's name that is for the Council of Departments Educational Services (CODES) program, created to improve communication and performance of the fire departments and the Town of Lysander and providing fire prevention education to students of the Baldwinsville School District.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

Note 8 - Pension Obligations

New York State Local Employees' Retirement System (ERS)

Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost sharing multiple employer retirement system. ERS 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 serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the ERS and for the custody and control of its funds. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Plan members who joined ERS before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 who have less than ten years of service or membership are required to contribute three percent of their annual salary. Employees joining on or after January 1, 2010 are required to contribute three percent of their annual salary throughout their active membership.

Funding Policy

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31st.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to Pensions

At December 31, 2021, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the District.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

ERS

Measurement Date	March 31, 2021
Net Pension Liability	\$ 465
District's portion of the Plan's total net pension liability	0.00046690%
Change in proportion since the prior measurement date	0.000000333

For the year ended December 31, 2021, the District recognized pension expense of \$27,582. At December 31, 2021, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources ERS</u>	<u>Deferred Inflows of Resources ERS</u>
Differences between expected and actual experience	\$ 5,678	\$ -
Change of assumptions	85,482	1,612
Net difference between projected and actual earnings on pension plan investments	-	133,550
Changes in proportion and differences between the District's contributions and proportionate share of contributions	3,775	5,461
District's contributions subsequent to the measurement date	25,242	-
Total	<u>\$120,1177</u>	<u>\$140,623</u>

The District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
Year ended March 31:	
2022	\$ (8,581)
2023	(3,551)
2024	(7,613)
2025	(25,944)

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

2026	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of the March 31, 2021, was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

<u>ERS</u>	
Inflation	2.7%
Salary increases	4.4
Investment rate of return (net of investment expense, including inflation)	5.9
Cost of living adjustments	1.4

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System’s experience with adjustments for mortality improvements based on MP-2020. The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2020 – March 31, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021, for both ERS are summarized below:

Asset Class:	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.0 %	4.1 %
International equity	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic/ARS portfolio	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	5.6
Bond and mortgages	23.0	0.0
Cash	1.0	0.5
Total	100.0 %	

Discount Rate

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

The discount rate used to calculate the total pension liability was 7.0%. 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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables present the District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption 5.9%	1% Increase (6.9%)
<u>ERS</u>			
District's proportionate share of the net pension liability/(asset)	\$ 129,041	\$ 465	\$ (118,113)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, were as follows:

	(Dollars in Thousands) <u>ERS</u>
Employers' total pension liability	\$ 220,680,157
Plan net position	220,580,583
Employers' net pension liability	<u>\$ 99,574</u>

Ratio of plan net position to the employers' total pension liability	99.95%
--	--------

Prepays to the Pension Plan

For ERS employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Prepaid retirement contributions as of December 31, 2021, represent the employer contribution for the period of January 1, 2021 through March 31, 2021, based on paid

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

ERS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2021, amounted to \$7,061 for ERS.

Note 9 - Defined Benefit Volunteer Firefighter Service Award Program

The District financial statements are for the year ended December 31, 2021. The information contained in this note is based on asset and service credit information for the Belgium Cold Springs Fire District Service Award Program as of January 1, 2021, which is the most recent information available.

Length of Service Awards Program - LOSAP

The Belgium Cold Springs Fire District established a defined benefit Service Award Program (referred to as a "LOSAP" - length of service award program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1992 for the active volunteer firefighter members of the Belgium Cold Springs Fire District. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Belgium Cold Springs Fire District is the sponsor of the program.

The District established a defined contribution Service Award Program under Section 457(e)(11) of the Internal Revenue Code, effective January 1, 1993 for the active volunteer firefighter members of the Belgium Cold Springs Volunteer Fire Association, Inc. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The District is the sponsor and program administrator.

Program Description

Participation, Vesting and Service Credit

In a defined contribution LOSAP, participating volunteers begin to be paid a service award upon attainment of the Program's entitlement age of 55 and who have completed three years of firefighting service. An eligible participant is defined by the program sponsor to be an active volunteer firefighter who is at least eighteen (18) years of age, has completed probation, and has earned one year of service award program service credit by earning 50 points. The amount of the service award paid to a participant is based upon the number of years of service credit the participant earned under the program for performing active volunteer firefighter activities.

Benefits

A participant's benefit under the program is the amount resulting from the contributions made by the sponsor on behalf of the participant, plus interest and/or other earnings resulting from the investment of the contributions, less necessary administrative costs, forfeitures and losses resulting from the investments of contributions. Contributions in the amount of \$700 are made on behalf of each participant who is credited with a year of firefighting service. The maximum

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

number of years of firefighting service for which a participant may receive a contribution is forty years. Benefits are payable when a participant reaches entitlement age, except in the case of disability or death. The program provides statutory mandatory disability and death benefits.

For a complete explanation of the Program, see the Program Document. A copy is available from the Fire District Secretary.

Fiduciary Investment and Control

After the end of each calendar year, the fire association prepares and certifies a list of names of all persons who were active volunteer members of the fire association during the year indicating which volunteers earned fifty (50) points.

The certified list is delivered to the Board of Fire Commissioners for the Board's review and approval. The fire association must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Board of Fire Commissioners.

The Board of Fire Commissioners has retained Omega, Inc. to assist in the administration of the Program. The services provided by Omega, Inc. include services of a third party administrator, census, statement of values, and an annual accounting. Disbursements for the payment of benefits or administrative expenses must be approved by the Board of Fire Commissioners.

Program assets are required to be held in trust by Article 11-A, 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, 1992. Authority to invest in program asset is vested in the Board of Fire Commissioners. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The Board of Fire Commissioners has retained Lincoln Investments to provide investment management and custodial services.

Risk and Contingencies

The LOSAP Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Balance Sheet - General Fund.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

Program Financial Condition:

Assets and Liabilities

Assets Available for Benefits	\$1,088,260
Money Market	14,781
Employer Receivable Contribution	24,444
Equities	564,631
Fixed Income	<u>484,404</u>
Total Net Assets Available for Benefits	<u>1,088,260</u>
Unfunded Normal Benefits	<u>\$ -</u>

Receipts and Disbursements

Plan Net Assets, Beginning of Year	\$ 1,108,000
Changes During the Year:	
Sponsor Contributions	24,444
Changes in Fair Market Value of Investments	92,180
Benefits Paid/Payable	<u>(136,364)</u>
Plan Net Assets, End of Year	<u>\$ 1,088,260</u>

Contributions

Amount of sponsor's required contribution:	\$ 24,444
Amount of sponsor's actual contribution in 2020	<u>\$ 28,500</u>

Note 10 - Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

BELGIUM COLD SPRINGS FIRE DISTRICT
NOTES TO THE REGULATORY BASIS FINANCIAL STATEMENTS

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance. Effective immediately.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2022

**BELGIUM COLD SPRINGS FIRE DISTRICT
STATEMENT OF BUDGET SUMMARY - REGULATORY BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>FAVORABLE/ (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Real Property Tax	\$ 1,412,702	\$ 1,412,702	\$ 1,412,782	\$ 80
Interest and Earnings	500	500	374	(126)
Interest and Earnings - Service Award Program	-	-	77,252	77,252
Local Pension Fund - Contribution	-	-	25,844	25,844
Rent Income	-	-	250	250
Refund of Prior Year Expenditures	-	-	1,818	1,818
Proceeds from Sale of Equipment	-	-	52,837	52,837
Miscellaneous	-	-	1,481	1,481
TOTAL REVENUES	1,413,202	1,413,202	1,572,638	159,436
EXPENDITURES				
Public Safety:				
Personnel	187,786	187,786	178,995	8,791
Equipment and Capital Outlay	523,877	523,877	662,243	(138,366)
Contractual Expenditures	445,100	448,600	385,492	63,108
Employee Benefits:				
Social Security and Medicare	14,000	14,000	13,693	307
Workers' Compensation	80,000	80,000	49,785	30,215
Hospital and Medical Insurance	34,500	34,500	35,222	(722)
Life Insurance	20,000	20,000	16,099	3,901
New York State Retirement System	26,592	26,592	27,582	(990)
Local Pension Fund - Contribution	32,000	28,500	25,844	2,656
Local Pension Fund - Expenditures	-	-	54,899	(54,899)
Debt Service:				
Redemption of Bonds	40,000	40,000	40,000	-
Interest on Bonds	9,347	9,347	8,231	1,116
TOTAL EXPENDITURES	1,413,202	1,413,202	1,498,085	(84,883)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	74,553	74,553
OTHER FINANCING SOURCES:				
Serial Bond Premium	-	-	14,692	14,692
TOTAL OTHER FINANCING SOURCES:	-	-	14,692	14,692
CHANGE IN FUND BALANCE	-	-	89,245	89,245
FUND BALANCE, BEGINNING OF YEAR	1,679,140	1,679,140	1,679,140	-
Fire Service Award Fiduciary Fund Balance Transfer	-	-	1,063,816	1,063,816
FUND BALANCE, BEGINNING OF YEAR - RESTATED	1,679,140	1,679,140	2,742,956	1,063,816
FUND BALANCE, END OF YEAR	\$ 1,679,140	\$ 1,679,140	\$ 2,832,201	\$ 1,153,061



STOKES, VISCA, HUCKO & BARONE, LLC

Certified Public Accountants

**INDEPENDENT AUDITOR'S 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 Commissioners
Belgium Cold Springs Fire District
Baldwinsville, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Belgium Cold Springs Fire District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Belgium Cold Springs Fire District's basic financial statements, and have issued our report thereon dated May 13, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Belgium Cold Springs Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Belgium Cold Springs Fire District's internal control. Accordingly, we do not express an opinion on the effectiveness of Belgium Cold Springs 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 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 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Belgium Cold Springs 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 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.

Stokes, Visca, Hucko & Barone, CPAs, LLC

Stokes, Visca, Hucko & Barone, CPAs, LLC
Rochester, NY
May 13, 2022