

NEW ISSUE**BOND RATING: S&P GLOBAL RATINGS: "A"****SERIAL BONDS****See "BOND RATING" herein**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "TAX MATTERS" herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that, interest on the Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the amount, accrual, or receipt of interest on the Bonds. See "TAX MATTERS" herein.

The Bonds will be designated "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

\$1,705,000*

MORRISONVILLE FIRE DISTRICT IN THE TOWNS OF SCHUYLER FALLS AND PLATTSBURGH CLINTON COUNTY, NEW YORK

\$1,705,000* Fire District Refunding (Serial) Bonds, 2021
(referred to herein as the "Bonds")

Dated: June 7, 2021

Due: September 1, 2021-2033

MATURITIES*

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2021	\$ 10,000				2028	\$ 140,000			
2022	125,000				2029	145,000			
2023	125,000				2030	150,000			
2024	130,000				2031	155,000			
2025	135,000				2032	160,000			
2026	135,000				2033	160,000			
2027	135,000								

The Bonds are general obligations of the Morrisonville Fire District in the Towns of Schuyler Falls and Plattsburgh, Clinton County, New York (the "Fire District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Bonds are not subject to redemption prior to maturity. See "THE BONDS – No Optional Redemption" herein.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on September 1, 2021 and semi-annually thereafter on March 1 and September 1. Principal and interest will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Hodgson Russ LLP, Bond Counsel, Albany, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey on or about June 7, 2021.

ROOSEVELT & CROSS INCORPORATED

April __, 2021

* Preliminary, subject to change.

**MORRISONVILLE FIRE DISTRICT
IN THE TOWNS OF SCHUYLER FALLS AND PLATTSBURGH
CLINTON COUNTY, NEW YORK**

BOARD OF FIRE COMMISSIONERS

Darren Seymour
CHAIRPERSON

Gary Rabideau, COMMISSIONER
April Randall, COMMISSIONER
Kenneth Kipp, Sr., COMMISSIONER
Craig Szatkowski, COMMISSIONER

* * * * *

Melanie Seymour
Treasurer

Leslie Gordon
Secretary



FISCAL ADVISORS & MARKETING, INC.
Fire District Municipal Advisor



Hodgson Russ LLP
Bond Counsel

No dealer, broker, salesman or other person has been authorized by the Fire District to give any information or to make any representations other than those contained in this Official Statement; and if given or made, such other information or representations must not be relied upon as having been authorized by the Fire District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Fire District from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Fire District since the date thereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

<u>Page</u>	<u>Page</u>
THE BONDS	1
Description of the Bonds	1
No Optional Redemption	1
NATURE OF THE OBLIGATION	2
BOOK-ENTRY-ONLY SYSTEM	3
Certificated Bonds	5
AUTHORIZATION AND PLAN OF REFUNDING	5
Authorization and Purpose	5
The Refunding Financial Plan	5
Verification of Mathematical Computations	6
Sources and Uses of Proceeds	7
THE FIRE DISTRICT	7
General Information	7
Larger Employers	7
Form of Fire District Government	8
Financial Organization	9
Population Trends	8
Wealth and Income Indicators	8
Employees	8
Budgetary Procedures	9
Investment Policy	9
Unemployment Rate Statistics	9
Financial Statements	10
Length of Service Award Program	10
Pension Payments/Other Post-Employment Benefits	10
TAX INFORMATION	10
Valuations	10
Tax Rates Per \$1,000 (Assessed)	11
Tax Collection Procedure	11
Tax Collection Record	11
Ten Largest Taxpayers - 2020 Assessment Roll	11
Additional Tax Information	11
TAX LEVY LIMITATION LAW	12
STATUS OF INDEBTEDNESS	12
Constitutional Requirements	12
Statutory Procedure	13
Debt Outstanding End of Fiscal Year	13
Details of Outstanding Indebtedness	14
Debt Statement Summary	14
Outstanding Long-Term Bond Indebtedness	14
Capital Project Plans	14
Estimated Overlapping Indebtedness	15
Debt Ratios	15
SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT	15
MARKET AND RISK FACTORS	17
TAX MATTERS	20
LEGAL MATTERS	21
LITIGATION	22
CONTINUING DISCLOSURE	22
Historical Continuing Disclosure Compliance	22
BOND RATING	22
MUNICIPAL ADVISOR	23
UNDERWRITER	23
MISCELLANEOUS	23
APPENDIX - A	
GENERAL FUND - Balance Sheets	
APPENDIX - A1	
GENERAL FUND – Revenues, Expenditures and Changes in Fund Balance	
APPENDIX - A2	
GENERAL FUND – Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
APPENDIX - B	
BONDED DEBT SERVICE	
APPENDIX - C	
FORM UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE	
APPENDIX - D	
AUDITED FINANCIAL STATEMENT December 31, 2019	

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
MORRISONVILLE FIRE DISTRICT
IN THE TOWNS OF SCHUYLER FALLS AND PLATTSBURGH
CLINTON COUNTY, NEW YORK
\$1,705,000* Fire District Refunding (Serial) Bonds, 2021

This Official Statement, which includes the cover page, has been prepared by the Morrisonville Fire District in the Towns of Schuyler Falls and Plattsburgh, Clinton County, New York (the “Fire District”, “County”, and “State”, respectively) in connection with the sale by the Fire District of \$1,705,000* Fire District Refunding (Serial) Bonds, 2021 (the “Bonds”).

The factors affecting the Fire District’s financial condition and the Bonds are described throughout this Preliminary Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Fire District’s tax base, revenues, and expenditures, this Preliminary Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Fire District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Bonds and the proceedings of the Fire District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the Fire District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Fire District is subject to the levy of ad valorem taxes to pay principal of and interest on the Bonds, subject to certain statutory limitations. See “TAX LEVY LIMITATION LAW,” herein.

The Bonds will be dated the date of delivery and will mature in the principal amounts as set forth on the cover page of this Official Statement. The Bonds are subject to redemption prior to maturity as described herein under “THE BONDS – Optional Redemption”. The “Record Date” of the Bonds will be fifteenth calendar day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on September 1, 2021 and semi-annually thereafter on March 1 and September 1. Principal and interest will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

No Optional Redemption

The Bonds will not be subject to redemption prior to maturity.

* Preliminary, subject to change.

NATURE OF OBLIGATION

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

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

The Bonds will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, unless paid from other sources, the Fire District has the power and statutory authorization to levy *ad valorem* taxes on all real property within the Fire District subject to such taxation by the Fire District, without limitation as to rate or amount (subject to certain applicable statutory limitations imposed by Chapter 97 of the 2011 Laws of New York State).

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

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

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

“A pledge of the city’s faith and credit is both a commitment to pay and a commitment of the city’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

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

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

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

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Direct Participants and Indirect Participants (collectively the “Participants”) are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct Participants’ and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants’ or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct Participants’ and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants’ and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Fire District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Fire District, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Fire District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Fire District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants' and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Fire District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Fire District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Fire District believes to be reliable, but the Fire District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE FIRE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE FIRE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE FIRE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Fire District and discharging its responsibilities with respect thereto under applicable law. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent to be named by the Fire District upon termination of the book-entry-only system. Interest on the Bonds will be payable on September 1, 2021, and semi-annually thereafter on March 1 and September 1. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owners of the Bonds, on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. The Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the Fire District Treasurer authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth calendar day of the calendar month preceding an interest payment date and such interest payment date.

AUTHORIZATION AND PLAN OF REFUNDING

Authorization and Purpose

The Bonds are being issued pursuant to the Constitution and statutes of the State, including particularly sections 90.00 and 90.10 of the Local Finance Law, a refunding bond resolution adopted by the Board of Fire Commissioners of the Morrisonville Fire District on February 16, 2021 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. The Refunding Bond Resolution authorizes the refunding of all or a portion of the \$1,725,000 maturing in the years 2022 through 2033, both inclusive, outstanding principal amount of the Fire District (Serial) Bonds, 2013 originally issued by the Fire District in the aggregate principal amount of \$2,500,000 (the "Refunded Bonds"). The Refunding Bond Resolution authorizes issuance of the Bonds to provide the funds necessary to effect the refunding of the Refunded Bonds.

The Refunded Bonds were issued pursuant to the Constitution and statutes of the State of New York, including among others, the Town Law, Local Finance Law, and a bond resolution adopted by the Board of Fire Commissioners on January 31, 2013 authorizing the issuance of \$2,500,000 for the purpose of the expansion project for the firehouse.

The proceeds of the Bonds are intended to be used to purchase a portfolio of non-callable direct obligations of the United States of America (the "Government Obligations") and pay certain costs of issuance related to the Bonds. The principal of and investment income on the portfolio of Government Obligations together with other available cash on deposit in the Escrow Deposit Fund (as hereinafter defined) are expected to be sufficient to pay the maturing principal of and interest on the Refunded Bonds.

All proceeds of the Refunded Bonds have been heretofore expended.

The Refunding Financial Plan

The Bonds are being issued to effect the refunding of the Refunded Bonds pursuant to the Fire District's refunding financial plan (the "Refunding Financial Plan"). The Refunding Financial Plan provides that the proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance related to the Bonds) are to be applied to the purchase of Government Obligations. The Government Obligations are to be placed in an irrevocable escrow fund (the "Escrow Deposit Fund") with Wilmington Trust, N.A., an affiliate of M&T Bank Corporation (the "Escrow Holder"), pursuant to the terms of an escrow contract (the "Escrow Contract") by and between the Fire District and the Escrow Holder. The Refunding Financial Plan further provides that the Government Obligations so deposited will mature in amounts and bear interest sufficient, together with any un-invested cash deposited into the Escrow Deposit Fund from proceeds of the Bonds, to meet principal and interest payments and redemption premiums with respect to the Refunded Bonds on the dates such payments are due or, in the case of Refunded Bonds subject to redemption prior to maturity, upon their earliest redemption dates (the "Payment Dates"). The Refunding Financial Plan calls for the Escrow Holder, pursuant to the Refunding Bond Resolution and the Escrow Contract, to call for redemption all the then outstanding Refunded Bonds on their respective first permitted redemption date. The owners of the Refunded Bonds will have a first lien on all of the respective cash and Government Obligations necessary for the refunding in the Escrow Deposit Fund into which are required to be deposited all investment income on and maturing principal of the Government Obligations, together with the un-invested cash deposit, until the Refunded Bonds have been paid, whereupon the Escrow Contract, given certain conditions precedent, shall terminate.

The Fire District is expected to realize, as a result of the issuance of the Bonds, and in accordance with the Refunding Financial Plan, cumulative dollar and present value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the Fire District and will continue to be payable from Fire District sources legally available therefore. However, inasmuch as the Government Obligations and cash held in the Escrow Deposit Fund will have been verified to be sufficient to meet all required payments of principal, interest and redemption premiums on the Refunded Bonds, it is not anticipated that such Fire District sources of payment will be used.

The list of Refunded Bond maturities set forth below, may be changed by the Fire District in its sole discretion due to market or other factors considered relevant by the Fire District at the time of pricing of the Bonds and no assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

\$2,500,000 Fire District (Serial) Bonds, 2013 – August 28, 2013
CUSIP BASE: 61848P

<u>Due September 15th</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
2022	\$ 115,000	3.250%	9/1/2021	100.00%	AJ1
2023	120,000	4.000	9/1/2021	100.00	AK8
2024	125,000	4.000	9/1/2021	100.00	AL6
2025	130,000	4.000	9/1/2021	100.00	AM4
2026	135,000	4.000	9/1/2021	100.00	AN2
2027	140,000	4.000	9/1/2021	100.00	AP7
2028	145,000	4.000	9/1/2021	100.00	AQ5
2029	150,000	4.000	9/1/2021	100.00	AR3
2030	155,000	4.125	9/1/2021	100.00	AS1
2031	165,000	4.125	9/1/2021	100.00	AT9
2032	170,000	4.250	9/1/2021	100.00	AU6
2033	<u>175,000</u>	4.250	9/1/2021	100.00	AV4
	<u>\$ 1,725,000</u>				

The New York Local Finance Law provides that upon placement in escrow of proceeds of refunding bonds sufficient to provide for the payment of the principal of and interest on the bonds to be refunded by such refunding bonds, such bonds are no longer counted in computing the Fire District's debt for statutory debt limitation purposes.

Verification of Mathematical Computations

Causey Demgen & Moore P.C., a firm of independent public accountants, will deliver to the Fire District, on or before the settlement date of the Bonds, its attestation report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Fire District and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on, the Government Obligations listed in the underwriter's schedules, used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal and redemption premium of and interest on the Refunded Bonds.

The verification performed by Causey Demgen & Moore P.C. will be solely based upon data, information and documents provided to Causey Demgen & Moore P.C. by the Fire District and its representatives. The Causey Demgen & Moore P.C. verification report will state Causey Demgen & Moore P.C. has no obligations to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	Par Amount of the Bonds Original Issue Premium	Total
Uses:	Deposit to Escrow Fund Underwriter's Discount Costs of Issuance and Contingency	Total

THE FIRE DISTRICT

There follows in this Official Statement a general description of the Fire District, together with certain information concerning its location, economy, governmental organization, indebtedness, current major revenue sources, and general and specific funds.

General Information

The Fire District is located in the Towns of Schuyler Falls and Plattsburgh, in the County of Clinton and serves approximately 6,600 residents. The Fire District is situated in the northeast corner of New York State in the eastern sector of Clinton County and lies approximately 5 miles west to the City of Plattsburgh. The Fire District is located 15 miles south of the United States/Canadian border and is bounded by Lake Champlain to the east. The Canadian City of Montreal is approximately 60 miles to the north and the City of Albany, New York, is approximately 150 miles to the south.

Air transportation is provided by the Plattsburgh International Airport, a multi-purpose airport servicing passengers in nearby Montreal, Vermont and Lake Placid.

Major roadways of the District include NYS Routes #3, #22, and #9 and Interstate Highway #87. These highways provide easy access to the Plattsburgh area for many residents who commute to employment in the City of Plattsburgh.

Institutions of higher education include the State University of New York at Plattsburgh located in the City of Plattsburgh.

The Clinton County Airport site known as Air Industrial Park is home to a wide variety of international industrial manufacturers and suppliers. The Air Industrial Park includes twenty six acres of industrial land; twenty two operating industries and eighteen industrial buildings. The Development Corporation (TDC), is building two new structures at the former Clinton County Airport site. The two newly constructed buildings are a (TDC) administrative building and a 60,000 square foot industrial building.

In addition to the development at the Air Industrial Park, 2 new car dealerships, a Nissan and Kia dealership, and a Tractor Supply have opened in the Fire District.

Larger Employers

The following table sets forth the names of the major employers located within or nearby the Fire District and the estimated number of persons employed by each:

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Champlain Valley Educational Services	Vocational School	430
A. Schonbek Co. Inc.	Lighting Manufacturer	395-400
Nova Bus	Bus Manufacturer	240-260
UPS	Shipping/Delivery	130
Camoplast	Snowmobile Tracks	70

Source: Fire District officials.

Form of Fire District Government

The Fire District is governed by a five member Board of Fire Commissioners who are elected to five-year terms on a rotating basis. The Chairman of the Board is elected by the Commissioners at the Organizational Meeting each year. The Treasurer is elected to a three-year term. The Fire District Secretary is appointed to a one-year term annually by the Commissioners at the Organizational Meeting.

Financial Organization

Pursuant to Town Law, the Treasurer is Chief Fiscal Officer of the Fire District. The Treasurer is responsible to the Board of Commissioners and serves as the Fire District's Budget Officer. Pursuant to the Town Law, during the absence of the Fire District Treasurer or the inability to act as the Fire District Treasurer or while the office of the Fire District Treasurer is vacant; the Deputy Fire District Treasurer shall be vested with all of the powers and may perform all of the duties of the Fire District Treasurer.

Population Trends

	<u>Town of Schuyler Falls</u>	<u>Town of Plattsburgh</u>	<u>Clinton County</u>
U. S. Census 2000	5,128	11,190	78,894
U. S. Census 2010	5,181	11,870	82,128
U. S. Census 2019 (Estimate)	5,088	11,949	80,485

Source: U.S. Census Bureau, Census 2000 and 2010. U.S. Census Bureau Estimate 2019.

Wealth and Income Indicators

Per capita income statistics are not available for the Fire District as such. The smallest areas for which such statistics are available, which includes the Fire District, are the Towns and County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the Fire District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>	<u>2000</u>	<u>2006-2010</u>	<u>2015-2019</u>
Towns of:						
Schuyler Falls	\$ 18,294	\$ 25,001	\$ 29,377	\$ 45,262	\$ 56,750	\$ 68,027
Plattsburgh	19,385	26,094	31,580	50,277	66,117	73,621
County of:						
Clinton	17,946	22,660	27,761	45,732	60,280	71,048
State of:						
New York	23,389	30,948	39,326	51,691	67,405	84,385

Note: 2016-2020 information is not available at the time of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2015-2019 American Community Survey data.

Employees

The Fire District does not have full-time employees. The Fire District employees 2 part time employees. A 100% volunteer force is responsible for the operation of the equipment and apparatus within the Fire District.

Budgetary Procedures

The Board of Fire Commissioners, with the assistance of the Fire District Treasurer, prepares the annual budget for the General Fund and allocation to the Reserve Funds, which is approved by the Board of Fire Commissioners. The budget is not subject to referendum. Any revisions to the annual budget are adopted by resolution of the Board of Fire Commissioners. The budget is submitted to the Towns of Schuyler Falls and Plattsburgh for inclusion with the Town Budgets for submission to the County. The Town and County have no authority to alter the budget as submitted.

Investment Policy

Pursuant to the statutes of the State of New York, the Fire District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, Bond Anticipation Notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Fire District; (6) obligations of a New York public corporation which are made lawful investments by the Fire District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Fire District moneys held in certain reserve funds established pursuant to law, obligations issued by the Fire District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Fire District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, or for obligation of the State of New York or its municipal subdivisions. In the case of obligations of the United States government, the Fire District may also purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian bank or trust company.

Unemployment Rate Statistics

Unemployment statistics are not available for the Fire District as such. The smallest area for which such statistics are available (which includes the Fire District) is the County of Clinton. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that County statistics are necessarily representative of the Fire District, or vice versa.

	<u>Year Average</u>							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Clinton County	8.5%	6.7%	5.9%	5.3%	5.4%	4.4%	4.4%	5.6%
New York State	7.8%	6.3%	5.3%	4.9%	4.7%	4.1%	4.0%	4.0%

	<u>2020-2021 Monthly Figures</u>											
	<u>2020</u>						<u>2021</u>					
	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Clinton County	17.1%	12.5%	10.4%	10.8%	7.7%	5.1%	5.0%	5.2%	6.1%	7.3%	7.0%	6.2%
New York State	16.2%	15.7%	14.8%	14.8%	11.6%	9.9%	8.3%	8.3%	8.5%	9.1%	9.7%	8.5%

Note: Unemployment rates for the month of April of 2021 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Financial Statements

The Fire District retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the Fire District. The financial affairs of the Fire District are also subject to annual audits by the State Comptroller. The last independent audit report covers the fiscal year ending December 31, 2019, and may be found attached hereto as APPENDIX - C to this Official Statement. Certain financial information of the Fire District can be found attached as additional Appendices to this Official Statement.

The Fire District complies with the Uniform System of Accounts as prescribed for fire districts in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Length of Service Award Program

The Fire District has approved Length of Service Award Program (LOSAP) for its volunteer firefighters. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally funded, deferred compensation benefits to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Fire District contributions since the fiscal year ending December 31, 2016 and budgeted for the fiscal year ending December 31, 2021 are follows:

2016	\$	23,300
2017		30,318
2018		32,400
2019		32,000
2020		32,000
2021 (Budgeted)		32,000

Pension Payments/Other Post-Employment Benefits

The Fire District is not a member of the NYS Employees' Retirement System. The Fire District had no post-employment benefits at year end. The Fire District will not be conducting an actuarial valuation of its other post-employment benefit liability.

TAX INFORMATION

Valuations

<u>Years Ending December 31:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Valuation					
Towns of:					
Schuyler Falls	\$ 184,038,098	\$ 184,574,992	\$ 196,480,994	\$ 196,885,843	\$ 198,843,210
Plattsburgh	<u>238,823,506</u>	<u>248,760,740</u>	<u>252,117,698</u>	<u>255,294,809</u>	<u>273,643,651</u>
Total					
Assessed Valuation	\$ 422,861,604	\$ 433,335,732	\$ 448,578,892	\$ 452,160,652	\$ 472,486,861

New York State Equalization Rate

Towns of:					
Schuyler Falls	100.00%	100.00%	100.00%	100.00%	95.00%
Plattsburgh	100.00%	100.00%	100.00%	100.00%	90.00%
Taxable					
Full Valuation	\$ 422,861,604	\$ 433,335,732	\$ 448,578,892	\$ 452,160,652	\$ 513,357,143

Tax Rate Per \$1,000 (Assessed)

<u>Year of Fire District Tax Roll:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
	\$ 1.23	\$ 1.24	\$ 1.25	\$ 1.26	\$ 1.28

Tax Collection Procedure

The respective Town Tax Receivers collect all the real property taxes of the Town, County, Fire District and special district purposes. The Town Tax Receivers distribute the collected tax money to both the Towns and Fire District prior to distributing the balance collected to the County. The Fire District is thereby assured 100% tax collections. Responsibility for the collecting of unpaid taxes rests with the County.

Tax Collection Record

<u>Year of Fire District Tax Roll:</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Schuyler Falls	\$ 225,922	\$ 229,343	\$ 245,303	\$ 248,490	\$ 241,508
Plattsburgh	<u>302,709</u>	<u>308,999</u>	<u>214,408</u>	<u>322,208</u>	<u>350,823</u>
Total Tax Levy	\$ 528,631	\$ 538,342	\$ 459,711	\$ 570,698	\$ 592,331
Uncollected Taxes ⁽¹⁾	None	None	None	None	None

⁽¹⁾ See "Tax Collection Procedure".

Ten Largest Taxpayers - 2020 Assessment Roll – 2021 Fire District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Fort Schuyler Management Corp	R E Management	\$ 15,000,000
Prevost Car US, Inc	Bus Manufacture	8,000,000
New England Waste	Waste Services	8,000,000
Schonbeck & Co	Lighting	4,500,000
JCEO Plattsburgh & Clinton Co	HUD Housing	4,100,000
Town of Plattsburgh offices	Municipal Offices	4,014,000
CM Development, LLC	Manufacture Snow Mobile Tracks	3,100,000
Realbat, Inc	Toy Distributor	3,000,000
The Development Corp	Industrial RE and Developer	3,000,000
APG Neuros Corp	Technology Development	2,800,000

The ten larger taxpayers listed above have a total taxable full valuation of \$55,514,000 which represents 11.74% of the tax base of the Fire District.

As of the date of this Official Statement, the Fire District is not aware of any pending or outstanding tax certioraris that are known to have a material impact on the Fire District.

Source: Town Tax Rolls.

Additional Tax Information

Real property located in the Fire District is assessed by the Towns of Schuyler Falls and Plattsburgh.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the Fire District is approximately residential-77.7%, commercial-5.5% and agricultural-16.8%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the Fire District is approximately \$3,218.65 including State, Counties, Town, School District and Fire District Taxes.

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It was set to expire on June 15, 2020, but recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The State Constitution does not contain provisions relating to a Fire District's power to issue obligations and incur indebtedness. Therefore, the authorization and issuance of Fire District debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are determined by statute.

Purpose and Pledge. Subject to certain enumerated exceptions, the Fire District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Fire District may contract indebtedness only for a Fire District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Fire District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its notes and such required annual installments on its bonds.

Debt Limit. The Fire District has the power to contract indebtedness for any Fire District purpose authorized by the State Legislature provided that the aggregate principal amount thereof shall not exceed three per centum (3.0%) of the full valuation of the taxable real estate located in the Fire District (such limit may be increased to five per centum (5.0%) of the full value; if approved by a 2/3's affirmative vote of the voters followed by approval of the State Comptroller) and subject to certain enumerated exclusions and deductions such as cash or appropriations for principal debt. The statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation as determined by the State Board of Real Property Service (the "State Board"). The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Fire District to borrow and incur indebtedness by the enactment of the Local Finance Laws subject, to the provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least three-fifths of the members of the Board of Fire Commissioners, the finance board of the Fire District. The Local Finance Law requires that the bond resolution be submitted to the voters of the Fire District for approval. Customarily, the Fire District delegates to the Fire District Treasurer, as chief fiscal officer of the Fire District, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Fire District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Fire District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law) restrictions relating to the period of probable usefulness with respect thereto.

Statutory Law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided, generally, that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Fire District with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes, and budget or capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bonds	\$ 2,235,000	\$ 2,140,000	\$ 2,040,000	\$ 1,940,000	\$ 1,835,000
Bond Anticipation Notes	0	0	0	0	0
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 2,235,000</u>	<u>\$ 2,140,000</u>	<u>\$ 2,040,000</u>	<u>\$ 1,940,000</u>	<u>\$ 1,835,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Fire District as of April 28, 2021:

	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2021-2033	\$ 1,835,000
<u>Bond Anticipation Notes</u>	--	<u>0</u>
	Total Indebtedness	<u>\$ 1,835,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared as of April 28, 2021:

Full Valuation of Taxable Real Property	\$ 513,357,143
Debt Limit 3% thereof.....	15,400,714

<u>Inclusions:</u>	
Bonds.....	\$ 1,835,000
Bond Anticipation Notes	<u>0</u>
Total Inclusions	<u>\$ 1,835,000</u>

<u>Exclusions:</u>	
Appropriations.....	\$ <u>0</u>
Total Inclusions	<u>\$ 0</u>

Total Net Indebtedness	<u>\$ 1,835,000</u>
Net Debt-Contracting Margin.....	<u>\$ 13,565,714</u>
The percent of debt contracting power exhausted is.....	11.92%

Note: The issuance of the Bonds will refund \$1,725,000 outstanding principal balance of the Fire District’s Series 2013 Bonds. The Fire District will make the \$110,000 principal payment due on the Series 2013 Bonds on September 1, 2021.

Outstanding Long-Term Bonded Indebtedness

A schedule of Bonded Debt Service may be found in “APPENDIX-B” to this Official Statement.

Capital Project Plans

Other than in connection with the current issuance of the Bonds, the Fire District does not have authorizations outstanding nor are any contemplated at the present time.

Estimated Overlapping Indebtedness

In addition to the Fire District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Fire District. The estimated net outstanding indebtedness of such political subdivisions is as follows:

<u>Unit</u>	<u>Total Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾⁽³⁾⁽⁴⁾	<u>Net Indebtedness</u>	<u>% Within Fire District</u>	<u>Net Indebtedness</u>
County of:					
Clinton	\$ 61,698,294	\$ 6,116,129	\$ 55,582,165	9.12%	\$ 5,068,339
Towns of:					
Schuyler Falls	357,223	357,223	0	70.00%	0
Plattsburgh	17,073,207	16,631,263	441,944	21.75%	<u>96,141</u>
				Total	\$ 5,164,480

Notes:

⁽¹⁾ Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

⁽²⁾ Water and sewer debt and appropriations.

⁽³⁾ Estimated State building aid based on current aid ratio.

Sources of information: Most recent available State Comptroller's Special Report for the respective fiscal year end of the municipality.

Debt Ratios

The following table sets forth certain ratios relating to the Fire District's indebtedness as of April 28, 2021.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness (see "Debt Statement Summary")	\$ 1,835,000	\$ 360.55	0.36%
Net Indebtedness Plus Net Overlapping Indebtedness ^(c)	6,999,480	1,375.68	1.36%

^(a) The 2019 estimated population of the Fire District is 5,088. (See "Population Trends" herein.)

^(b) The Fire District's total full valuation of taxable real property for the 2021 tax roll is \$513,357,143. (See "TAX INFORMATION" herein.)

^(c) The Fire District's estimated applicable share of net underlying indebtedness is \$5,164,480. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the Fire District and the holder thereof. Under current law, provision is made for contract creditors of the Fire District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Fire District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum (9.0%) per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Fire District may not be enforced by levy and execution against property owned by the Fire District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. This provision does not by its terms apply to fire districts.

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

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

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. This provision does not by its terms apply to fire districts.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its "property, affairs and government" by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the "property, affairs and governments" of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

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

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

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

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

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

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes, and does not, in any event, apply by its terms to fire districts.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “NATURE OF OBLIGATION” and “State Debt Moratorium Law” herein.

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

MARKET AND RISK FACTORS

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

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

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Bonds. See “TAX LEVY LIMITATION LAW” herein.

Current and future legislative proposals, if enacted into law, or clarification of the Code (as hereinafter defined) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See “TAX MATTERS” herein.

Disease outbreaks or similar public health threats could have an adverse impact on the Fire District's financial condition and operating results. See "COVID-19" herein for a discussion of the impacts of the COVID-19 pandemic.

Cybersecurity. The Fire District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Fire District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic.

While initially the hospitality and tourism industries were hardest hit, within a short period of time there was widespread unemployment across all economic sectors in the United States.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, and markets have since generally stabilized. Still, given these conditions, it is possible that the process of trading the Bonds in the secondary market could be affected in ways that are difficult to predict.

Federal Response

The federal government passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which attempted to address financial stability and liquidity issues through a variety of stimulus measures.

Stimulus Efforts for State and Local Governments: The CARES Act included a \$150 billion Coronavirus Relief Fund, which provided funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations can receive monies from the amount allocated to their state). The money was intended for programs that were necessary expenditures incurred due to the public health emergency resulting from the pandemic. The money was not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it may have indirectly assisted with revenue shortfalls in cases where the expenses that were being covered by this fund would otherwise create a further budget shortfall. Because the money was targeted to larger governmental units, it is unlikely that the District benefited directly from this program. Additionally, the recently enacted Coronavirus Response and Relief Supplemental Appropriations Act, 2021, did not include any direct funding for state and local governments.

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits. As of the date of this Official Statement it is not possible to predict the impact that the American Rescue Plan will have on the finances of the State and the School District.

Although the American Rescue Plan provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

State Response

Executive Orders: Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring “non-essential” employees to work from home. Starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening. Reopening occurred in phases, with different industries allowed to open in each phase. However, in response to rising COVID-19 infection rates, Governor Cuomo announced a new cluster action initiative in October of 2020. Working with public health experts, the State developed a science-based approach to contain these clusters and stop any further spread of the virus, including new rules and restrictions directly targeted to areas with the highest concentration of COVID cases and surrounding communities. The initiative will divide clusters and surrounding areas into three categories with successively higher restrictions within each category: Yellow Zone (precautionary), Orange Zone (warning) and Red Zone (cluster itself). See <https://forward.ny.gov/> for more details on the relevant industry-specific guidelines provided by the Department of Health for each cluster zone. Reference to website implies no warranty of accuracy of information therein.

State Budget: The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses.

To mitigate a potential budget gap, the State’s adopted budget for the fiscal year ending March 31, 2021 allows the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts are lower than anticipated or disbursements from the State’s general fund are higher than anticipated. In such a scenario, the State Budget Director will develop a plan to make spending reductions. The State Budget Director’s plan would take effect automatically unless the Legislature passes its own plan within ten days. It is theoretically possible for such reductions to later be restored under certain circumstances.

On April 25, 2020, the State Division of the Budget (the “DOB”) announced the release of the State’s Fiscal Year 2021 Enacted State Budget Financial Plan (the “Financial Plan”), which projected a \$13.3 billion (14%) shortfall in State revenues from the Executive Budget Forecast that was released in January and estimated a \$61 billion decline through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in State spending from FY 2020 levels.

On October 30, 2020, the DOB released the FY 2021 Mid-Year State Budget Financial Plan Update, with a revised projection of a \$14.9 billion shortfall, over \$1.6 billion more than was projected in April. The updated Financial Plan also noted that, in the absence of additional federal aid, the DOB began withholding 20 percent of most local aid payments in June, pursuant to the withholding authority granted in the fiscal year 2021 enacted budget. As of the date of this Official Statement, the DOB has not converted such withholds to permanent reductions, but the DOB has stated that such a conversion may be made depending on the size and timing of new federal aid, if any.

Negotiations for additional federal aid to states and local governments have stalled; therefore, the extent of future COVID-19-related direct federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of municipalities in the State, including the District.

Legislation Allowing Financial Flexibility for Municipalities and School Districts: On August 24, 2020, Governor Cuomo signed legislation allowing municipalities and school districts additional financial flexibility in response to the COVID-19 pandemic. Whereas municipalities and school districts in the State typically may only pursue short-term financing for five years, under certain circumstances the new legislation allows an additional two years prior to converting to long-term bonds.

The new legislation also allows municipalities and school districts additional flexibility related to the use of reserve funds or inter-fund transfers for costs associated with COVID-19. The typical mandatory or permissive referendum requirements for the expenditure of funds from a capital reserve fund have been waived for capital costs attributable to the COVID-19 pandemic. Moneys from a capital reserve fund can also be temporarily advanced for operating costs or other costs attributable to the COVID-19 pandemic, so long as such moneys are repaid within five fiscal years, with interest. Additionally, while inter-fund transfers must typically be repaid by the end of the fiscal year in which the transfer is made, inter-fund advances for costs attributable to the COVID-19 pandemic do not need to be repaid until the close of the following fiscal year.

TAX MATTERS

The Bonds

Hodgson Russ LLP, of Albany, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Internal Revenue Code of 1986, as amended (the “Code”). However, such opinion will note that the Fire District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance of the Bonds. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Tax Requirements

In rendering the foregoing opinions, Hodgson Russ LLP will note that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the Fire District with the applicable requirements of Code Sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax compliance certificate and non arbitrage certificate that will be executed and delivered by the Fire District in connection with the issuance of the Bonds (collectively, the “Tax Certificate”) establishes the requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Bonds remains excluded from gross income for federal income tax purposes, include, but are not limited to:

- 1 The requirement that the proceeds of the Bonds be used in a manner so that the Bonds are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
- 2 The requirements contained in Code Section 148 relating to arbitrage bonds; and
- 3 The requirements that payment of principal or interest on the Bonds not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code Section 149(b).

In the Tax Certificate, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes from the date of issuance of the Bonds. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Bank Qualified

The Bonds will be designated as “qualified tax-exempt obligations” pursuant to Code Section 265.

Other Impacts

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal income tax purposes.

Future Legislation

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

No representation is made as to the likelihood of such proposals being enacted, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than their original issuance at the respective prices set indicated on the cover of this Official Statement should also consult their own tax advisers regarding other tax considerations, such as the consequences of market discount, as to which Bond Counsel expresses no opinion.

New York State Taxes

In the opinion of Bond Counsel, interest on the Bonds is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous

All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. Unless separately engaged, Bond Counsel is not obligated to defend the Fire District or the owners of the Bonds regarding the tax status of the interest thereon in the event of an audit examination by the Service.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

LEGAL MATTERS

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinion of Hodgson Russ LLP, Bond Counsel, Albany, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Fire District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to the statutory limitation imposed by the Tax Levy Limitation Law, (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Fire District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases. See "TAX LEVY LIMITATION LAW" herein.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii)

the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the Fire District to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to this Official Statement for factual information which, in the judgment of the Fire District, would materially affect the ability of the Fire District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Certain legal matters will be passed on for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

LITIGATION

The Fire District is subject to a number of lawsuits in the ordinary conduct of its affairs. The Fire District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Fire District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Fire District, threatened against or affecting the Fire District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Fire District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Fire District.

CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), unless the Notes are purchased for the purchaser’s own account, as principal for investment and not for resale, the Fire District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as “APPENDIX – C.”

In the past five years the Fire District has not provided its annual financial information and operating data as required under its outstanding disclosure requirements. On April 26, 2021 the Fire District filed a failure to file notice to the Electronic Municipal Market Access Website stating that the previous five years of operating data was not generated or filed as required by the Fire District’s continuing disclosure agreements. On April 26, 2021, the Fire District filed its Audited Financial Statements for the fiscal years 2015 to 2019 and a failure to file notice for the late financial statements.

The Fire District has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board (“MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System (“EMMA”).

A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

BOND RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned their rating of “A” with a stable outlook to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. This rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P Global Ratings, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Fire District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Fire District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Fire District or the information set forth in this Official Statement or any other information available to the Fire District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Fire District to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

UNDERWRITING

The Bonds are being purchased by Roosevelt & Cross Incorporated (the "Underwriter") for reoffering to the public. The purchase contract for the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a purchase price equal to \$_____ (being the par amount of the Bonds plus a net original issue premium of \$_____, less an underwriter's fee for the transaction of \$_____). The Underwriter is initially offering the Bonds to the public at the public offering yields indicated on the cover page but the Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by the Underwriter) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriter.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Fire District management's beliefs as well as assumptions made by, and information currently available to, the Fire District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Fire District's files with the repositories. When used in Fire District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

Bond Counsel expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Fire District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Fire District will furnish a certificate to the effect that as of the date of this Official Statement, this Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in this Official Statement obtained from sources other than the Fire District.

This Official Statement is submitted only in connection with the sale of the Bonds by the Fire District and may not be reproduced or used in whole or in part for any other purpose.

The Fire District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Fire District nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the Fire District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website.

The Municipal Advisor and the Fire District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Morrisonville Fire District in the Towns of Schuyler Falls and Plattsburgh will act as Paying Agent for the Bonds.

The Fire District's contact information is as follows: Mr. Gary W. Rabideau, Fire District Chairman, Morrisonville Fire District, 1927 Route 22B, Morrisonville, New York 12962, Phone: (518) 563-1112, Fax: (518) 563-3727, Email: rabideaug@charter.net

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

**MORRISONVILLE FIRE DISTRICT
TOWNS OF SCHUYLER FALLS AND PLATTSBURGH**

Dated: May __, 2021

**MELANIE SEYMOUR
FIRE DISTRICT TREASURER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>ASSETS</u>					
Cash	\$ 75,109	\$ 113,628	\$ 89,929	\$ 106,026	\$ 111,067
Cash in Time Deposits	437,852	521,106	644,019	202,638	318,338
Accounts Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 512,961</u></u>	<u><u>\$ 634,734</u></u>	<u><u>\$ 733,948</u></u>	<u><u>\$ 308,664</u></u>	<u><u>\$ 429,405</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND EQUITY</u>					
Reserve for Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Reserve	437,852	521,106	644,019	202,638	318,338
Unreserved, Appropriated	-	-	-	-	-
Unreserved, Unappropriated/Unassigned	75,109	113,628	89,929	106,026	111,067
	<u>75,109</u>	<u>113,628</u>	<u>89,929</u>	<u>106,026</u>	<u>111,067</u>
TOTAL FUND EQUITY	<u>512,961</u>	<u>634,734</u>	<u>733,948</u>	<u>308,664</u>	<u>429,405</u>
TOTAL LIABILITIES and FUND EQUITY	<u><u>\$ 512,961</u></u>	<u><u>\$ 634,734</u></u>	<u><u>\$ 733,948</u></u>	<u><u>\$ 308,664</u></u>	<u><u>\$ 429,405</u></u>

Source: 2015-2019 Audited financial reports of the Fire District. This Appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 521,149	\$ 525,111	\$ 528,631	\$ 538,269	\$ 559,738
Use of Money and Property	331	393	450	272	298
Sale of Equipment	549	-	-	48,000	-
Insurance Recoveries	-	2,687	-	-	-
Refund of Prior Year's Expenditures	6	-	-	2,505	-
Miscellaneous	10,136	11,800	14,160	16,974	-
Revenues from State Sources	-	-	-	1,500	-
Total Revenues	<u>\$ 532,171</u>	<u>\$ 539,991</u>	<u>\$ 543,241</u>	<u>\$ 607,520</u>	<u>\$ 560,036</u>
<u>Other Sources</u>					
Interfund Transfers	<u>\$ -</u>	<u>\$ 18,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Other Sources	<u>\$ 532,171</u>	<u>\$ 558,783</u>	<u>\$ 543,241</u>	<u>\$ 607,520</u>	<u>\$ 560,036</u>
<u>EXPENDITURES</u>					
Public Safety	\$ 373,088	\$ 350,949	\$ 344,785	\$ 748,287	\$ 185,727
Employee Benefits	84,039	86,061	99,242	101,629	73,930
Debt Service	-	-	-	182,888	179,638
Total Expenditures	<u>\$ 457,127</u>	<u>\$ 437,010</u>	<u>\$ 444,027</u>	<u>\$ 1,032,804</u>	<u>\$ 439,295</u>
<u>Other Financing Sources (Uses):</u>					
Operating Transfers	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>477,127</u>	<u>437,010</u>	<u>444,027</u>	<u>1,032,804</u>	<u>439,295</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>					
	<u>55,044</u>	<u>121,773</u>	<u>99,214</u>	<u>(425,284)</u>	<u>120,741</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	\$ 457,917	\$ 512,961	\$ 634,734	\$ 733,948	\$ 308,664
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 512,961</u>	<u>\$ 634,734</u>	<u>\$ 733,948</u>	<u>\$ 308,664</u>	<u>\$ 429,405</u>

Source: 2015-2019 Audited financial reports of the Fire District. This Appendix itself is not audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2019		2020	2021
	Adopted Budget	Actual	Adopted Budget	Adopted Budget
<u>REVENUES</u>				
Real Property Taxes	\$ 559,408	\$ 559,738	\$ 570,598	\$ 593,083
Use of Money and Property	100	298	100	100
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	-	-	-	-
Revenues from State Sources	-	-	-	-
Total Revenues	<u>\$ 559,508</u>	<u>\$ 560,036</u>	<u>\$ 570,698</u>	<u>\$ 593,183</u>
<u>EXPENDITURES</u>				
Public Safety	\$ 176,370	185,727	\$ 221,948	\$ 198,683
Employee Benefits	140,500	73,930	106,112	204,500
Debt Service	179,638	179,638	179,638	190,000
Other	63,000	-	63,000	-
Total Expenditures	<u>\$ 559,508</u>	<u>\$ 439,295</u>	<u>\$ 570,698</u>	<u>\$ 593,183</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>120,741</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Uses	<u>559,508</u>	<u>439,295</u>	<u>570,698</u>	<u>593,183</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>120,741</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Fund Balance - Beginning of Year	\$ -	\$ 308,664	\$ -	\$ -
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>-</u></u>	<u><u>429,405</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Source: 2019 Audited financial report and budgets of the Fire District. This Appendix itself is not audited.

APPENDIX - B
Morrisonville Fire District

Fiscal Year Ending December 31st	2013 Serial Bonds - Fire House Expansion PRIOR TO REFUNDING			Refunded Bonds Debt Service	Refunding of 2013 Series Bonds REFUNDING BONDS			Total New Debt Service
	Principal	Interest	Total		Principal	Interest	Total	
2021	\$ 110,000	\$ 72,975.00	\$ 182,975.00	\$ -	\$ -	\$ -	\$ -	\$ -
2022	115,000	69,400.00	184,400.00	-	-	-	-	-
2023	120,000	65,662.50	185,662.50	-	-	-	-	-
2024	125,000	60,862.50	185,862.50	-	-	-	-	-
2025	130,000	55,862.50	185,862.50	-	-	-	-	-
2026	135,000	50,662.50	185,662.50	-	-	-	-	-
2027	140,000	45,262.50	185,262.50	-	-	-	-	-
2028	145,000	39,662.50	184,662.50	-	-	-	-	-
2029	150,000	33,862.50	183,862.50	-	-	-	-	-
2030	155,000	27,862.50	182,862.50	-	-	-	-	-
2031	165,000	21,468.75	186,468.75	-	-	-	-	-
2032	170,000	14,662.50	184,662.50	-	-	-	-	-
2033	175,000	7,437.50	182,437.50	-	-	-	-	-
TOTALS	\$ 1,835,000	\$ 565,643.75	\$ 2,400,643.75	\$ -	\$ -	\$ -	\$ -	\$ -

FORM UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

This undertaking to provide continuing disclosure (the “Disclosure Undertaking”) is executed and delivered by the Morrisonville Fire District, a municipal corporation of the State of New York (the “Issuer”) in connection with the issuance of its \$ _____ **Fire District Refunding (Serial) Bonds, 2021** (the “Security”). The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB):

- (i) no later than the following September 30 after the end of each fiscal year, commencing with the fiscal year ending December 31, 2021, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following September 30 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the “Report Date”), but in no event later than one year after the end of each fiscal year;
- (ii) if not provided as part of the Annual Financial Information, Audited Financial Statements within 60 days of their receipt, but in no event later than one year after the end of each fiscal year;
- (iii) in a timely manner (not in excess of ten business days after the occurrence of any such event), notice of any of the following events with respect to the Security:
 - (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over

substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(iv) in a timely manner (not in excess of ten business days after the occurrence of such event), notice of a failure to provide by the date set forth in Section 1(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a)(ii) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions

“Annual Financial Information” means the information specified in Section 3 hereof.

“Audited Financial Statements” means the Issuer’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of New York.

“EMMA” means the Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer’s final official statement relating to the Security under the headings “THE FIRE DISTRICT,” “TAX INFORMATION,” “STATUS OF INDEBTEDNESS,” and “LITIGATION” and all Appendices (other than “APPENDIX – C” and other than any related to bond insurance); which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it must be available on EMMA.

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 6(f) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 5. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 6. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;

(f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(g) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 7. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 8. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 9. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of **June __, 2021**.

**MORRISONVILLE FIRE DISTRICT
IN THE TOWNS OF SCHUYLER FALLS AND
PLATTSBURGH, NEW YORK**

By: /s/:
Fire District Treasurer

**MORRISONVILLE FIRE DISTRICT
TOWNS OF SCHUYLER FALLS AND PLATTSBURGH
CLINTON COUNTY, NEW YORK**

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

DECEMBER 31, 2019

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

MORRISONVILLE FIRE DISTRICT
ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
and
INDEPENDENT AUDITOR'S REPORT

For the Fiscal Year Ended December 31, 2019

Richard H. Dinolfo
Certified Public Accountant
Queensbury, New York

MORRISONVILLE FIRE DISTRICT
ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
and
INDEPENDENT AUDITOR'S REPORT
For the Fiscal Year Ended December 31, 2019

C O N T E N T S

	Page
REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION AS REPORTED IN THE ANNUAL FINANCIAL REPORT UPDATE DOCUMENT	1-4
ANNUAL FINANCIAL REPORT UPDATE DOCUMENT	
Cover Sheet and Table of Contents	5-6
Financial Section – Annual Update Document Financial Statements	7-10
Supplemental Section	11-17
Notes to Annual Update Document Financial Statements	18-27
OTHER INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29

15 Willow Road
Queensbury, New York 12804-1240
518-793-9331
518-798-0904 FAX
rdinolfo@gmail.com

**REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION AS REPORTED IN THE ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT**

Independent Auditor's Report

Chairman and Members of the Board of Fire Commissioners
Morrisonville Fire District
Morrisonville, New York

Report on the Financial Statements

I have audited the accompanying regulatory basis financial statements as reported in the Annual Financial Report Update Document of the Morrisonville Fire District (Fire District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fire District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Prior Year Financial Information

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

Basis of Accounting

As more fully described in Note A to the Annual Update Document Financial Statements, the Fire District prepared these financial statements using the regulatory basis of accounting and reporting prescribed by the Office of the State Comptroller of the State of New York for submitting annual financial reports to that office. This regulatory basis of accounting and reporting is a special purpose framework other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and reporting prescribed by the Office of the State Comptroller of the State of New York and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements reported in the Annual Financial Report Update Document are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fire District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In my opinion, the accompanying regulatory basis financial statements as reported in the Annual Financial Report Update Document referred to above present fairly, in all material respects, the financial position of the Morrisonville Fire District as of December 31, 2019, and the results of its operations for the year then ended, in conformity with the regulatory basis of accounting and reporting described in Note A.

Report on Supplemental Information

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

from and relates directly to the underlying accounting and other records used by the Treasurer to prepare the financial statements.

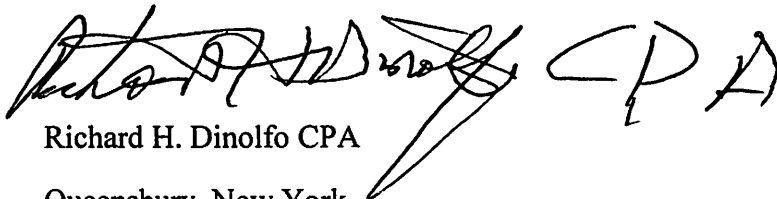
This supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, such as reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, and other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

Report on Government Auditing Standards

In accordance with *Government Auditing Standards* issued by the Comptroller General, I have also issued my report dated June 30, 2020 on my consideration of the Fire District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control over financial reporting and compliance.

Intended Use of This Report

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

A handwritten signature in black ink, appearing to read "Richard H. Dinolfo", followed by the letters "CPA" in a large, stylized font.

Richard H. Dinolfo CPA

Queensbury, New York
June 30, 2020

This page is intentionally blank.

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

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
FIRE DISTRICT of Morrisonville
County of Clinton
For the Fiscal Year Ended 12/31/2019

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

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

FIRE DISTRICT OF Morrisonville

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2018 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2019:

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

All amounts included in this update document for 2018 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

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

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

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

MORRISONVILLE FIRE DISTRICT
Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

(A) General

Balance Sheet

Code Description	2018	EDP Code	2019
Assets:			
Cash	\$ 106,026	A200	\$ 111,067
Cash in Time Deposits	-	A201	-
Cash in Time Deposits, Special Reserves	202,638	A231	318,338
Total Assets	<u>\$ 308,664</u>		<u>\$ 429,405</u>
Liabilities and Fund Balance:			
Accounts payable	-	A600	-
Fund Balance:			
Capital Reserve	202,638	A878	318,338
Unassigned Fund Balance	106,026	A917	111,067
Total Fund Balance	<u>308,664</u>		<u>429,405</u>
Total Liabilities and Fund Balance	<u>\$ 308,664</u>		<u>\$ 429,405</u>

MORRISONVILLE FIRE DISTRICT
Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

(A) General

Results of Operation

Code Description	2018	EDP Code	2019
Detail Revenues and Other Sources:			
Real Property Taxes	\$ 538,269	A1001	\$ 559,738
Interest and Earnings	272	A2401	298
Sales of Equipment	48,000	A2665	-
Refund of Prior Year's Expenditures	2,505	A2701	-
Gifts and Donations	500	A2705	-
Unclassified	16,474	A2770	-
State Aid - Other Public Safety	1,500	A3089	-
Total Revenues and Other Sources	<u>\$ 607,520</u>		<u>\$ 560,036</u>
Detail Expenditures and Other Uses:			
Fire, Personal Services	\$ 8,000	A34101	\$ 8,000
Fire, Equipment and Capital Outlay	616,999	A34102	22,782
Fire, Contractual Expenditures	123,288	A34104	154,945
Local Pension Fund, Employee Benefits	28,412	A90258	26,635
Social Security, Employee Benefits	612	A90308	612
Worker's Compensation, Employee Benefits	64,954	A90408	39,792
Life Insurance, Employee Benefits	7,651	A90458	6,891
Debt Principal, Serial Bonds	100,000	A97106	100,000
Debt Interest, Serial Bonds	82,888	A97107	79,638
Total Expenditures	1,032,804		439,295
Transfers, Capital Projects Fund	-	A99509	-
Total Expenditures and Other Uses	<u>\$ 1,032,804</u>		<u>\$ 439,295</u>
Analysis of Changes in Fund Balance:			
Fund Balance - Beginning of Year	\$ 733,948	A8021	\$ 308,664
Add - Revenues and Other Sources	607,520		560,036
Deduct - Expenditures and Other Uses	<u>(1,032,804)</u>		<u>(439,295)</u>
Fund Balance - End of Year	<u>\$ 308,664</u>	A8029	<u>\$ 429,405</u>

MORRISONVILLE FIRE DISTRICT
Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

(A) General

Budget Summary Next Fiscal Year

Code Description	2019	EDP Code	2020
Estimated Revenues and Other Sources:			
Est Rev - Real Property Taxes	\$ 559,408	A1049N	\$ 570,598
Est Rev - Miscellaneous Local Sources	100	A2799N	100
Total Estimated Revenues and Other Sources	<u>\$ 559,508</u>		<u>\$ 570,698</u>
Appropriations and Other Uses:			
App - Public Safety	\$ 176,370	A3999N	\$ 221,948
App - Employee Benefits	140,500	A9199N	106,112
App - Debt Service	179,638	A9899N	179,638
Total Appropriations	496,508		507,698
Other Budgetary Purposes	63,000	A962N	63,000
Total Appropriations and Other Uses	<u>\$ 559,508</u>		<u>\$ 570,698</u>

(K) General Fixed Assets

Balance Sheet

Code Description	2018	EDP Code	2019
Assets:			
Land	\$ 2,000	K101	\$ 2,000
Buildings	2,925,706	K102	2,925,706
Improvements Other Than Buildings	12,000	K103	12,000
Machinery and Equipment	3,535,698	K104	3,535,698
Total Fixed Assets	<u>\$ 6,475,404</u>		<u>\$ 6,475,404</u>
Total Non-Current Governmental Assets	<u>\$ 6,475,404</u>	K159	<u>\$ 6,475,404</u>

MORRISONVILLE FIRE DISTRICT
Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

(TA) Agency

Balance Sheet

Code Description	2018	EDP Code	2019
Assets:			
Service Award Program Assets	<u>\$ 271,090</u>	TA461	<u>\$ 329,332</u>
Total Assets	<u>271,090</u>		<u>329,332</u>
Liabilities:			
Service Awards	<u>271,090</u>	TA13	<u>329,332</u>
Total Liabilities	<u>\$ 271,090</u>		<u>\$ 329,332</u>

(W) General Long-Term Debt

Balance Sheet

Code Description	2018	EDP Code	2019
Assets:			
Non-Current Governmental Liabilities	<u>\$ 2,040,000</u>	W129	<u>\$ 1,940,000</u>
Total Non-Current Governmental Liabilities	<u>2,040,000</u>		<u>1,940,000</u>
Liabilities:			
Bonds Payable	<u>2,040,000</u>	W628	<u>1,940,000</u>
Total Liabilities	<u>\$ 2,040,000</u>		<u>\$ 1,940,000</u>

Morrisonville FIRE DISTRICT
Statement of Indebtedness
For the Fiscal Year Ending 2019

7/18/2020

County of: Clinton

Municipal Code: 091175805500

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2013	BOND N	Fire Station Construction			08/28/2013	09/01/2033	4.00%		\$2,500,000	\$2,040,000	\$100,000	\$0	\$0		\$1,940,000
Total for Type/Exempt Status - Sums Issued Amt only made in AFR Year									\$0	\$2,040,000	\$100,000	\$0	\$0	\$0	\$1,940,000
AFR Year Total for All Debt Types - Sums Issued Amt only made in AFR Year									\$0	\$2,040,000	\$100,000	\$0	\$0	\$0	\$1,940,000

Morrisonville FIRE DISTRICT
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2019

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	<u> </u>
Demand Deposits	9Z2011	<u> </u>
Time Deposits	9Z2021	<u>\$429,403.40</u>
Total		<u>\$429,403.40</u>
 COLLATERAL:		
- FDIC Insurance	9Z2014	<u>\$250,000.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z2014A	<u>\$400,000.00</u>
Total		<u>\$650,000.00</u>
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	<u>\$0.00</u>
Market Value at Balance Sheet Date	9Z4502	<u> </u>
Collateralized with securities held in possession of municipality or its agent	9Z4504A	<u> </u>
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	<u> </u>
Market Value at Balance Sheet Date	9Z4512	<u> </u>
Collateralized with securities held in possession of municipality or its agent	9Z4514A	<u> </u>

Morrisonville FIRE DISTRICT
Bank Reconciliation
For the Fiscal Year Ending 2019

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****9401	\$318,338	\$0	\$0	\$318,338
*****9443	\$111,067	\$0	\$0	\$111,067
Total Adjusted Bank Balance				\$429,405
Petty Cash				\$0.00
Adjustments				\$0.00
Total Cash				9ZCASH * \$429,405
Total Cash Balance All Funds				9ZCASHB * \$429,405
* Must be equal				

Morrisonville FIRE DISTRICT
Fire District Questionnaire
For the Fiscal Year Ending 2019

	Response
1) Has your district adopted a written procurement policy and is it complied with?	Y
2) Has your district contracted to have an independent audit of its financial statements?	Y
If not, has the Board of Fire Commissioners performed an internal audit of the Treasurer's records and reports?	
3) Does your district have a written travel policy and is it complied with?	Y
4) Are monthly bank reconciliations performed?	Y
5) What is your district's statutory spending limitation margin (amount) for the next fiscal	\$122,973
6) Does your district have a Length of Service Award Program (LOSAP) for volunteer firefighters?	
If so, how are the LOSAP funds invested?	
Marketable Securities	
Annuities	
Life Insurance	
Other (describe) Mass Mutual Investment Account	
7) Has your Fire District adopted an investment policy as required by General Municipal Law, Section 39?	Y

Morrisonville FIRE DISTRICT
Employee and Retiree Benefits
For the Fiscal Year Ending 2019

Total Full Time Employees:					
Total Part Time Employees:		3			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System				
90158	Police and Fire Retirement				
90258	Local Pension Fund	\$26,634.92			
90308	Social Security	\$612.00			
90408	Worker's Compensation Insurance	\$39,791.74			
90458	Life Insurance	\$6,890.58			
90508	Unemployment Insurance				
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance				
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$73,929.24			
Computed Total From Financial Section (comparative purposes only)		\$73,929.24			

**Morrisonville FIRE DISTRICT
Energy Costs and Consumption
For the Fiscal Year Ending 2019**

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$285		gallons	
Diesel Fuel	\$4,228		gallons	
Fuel Oil			gallons	
Natural Gas			cubic feet	
Electricity	\$6,815		kilowatt-hours	
Coal			tons	
Propane	\$7,934		gallons	

FIRE DISTRICT DEMOGRAPHICS

Postal or Mailing Address:

PO Box 352	Morrisonville	NY	12962
Street Address or PO Box	City	State	Zip
(518) 563-1112	() -		
Fire District Telephone Number	Fire District Fax Number		
Official Email Address	Website		
Physical Address: (If Different From Postal Address)			
1927 NYS Route 22B	Morrisonville	NY	12962
Street Address	City	State	Zip

BOARD DEMOGRAPHICS CHIEF FISCAL OFFICER

Melanie Seymour	Treasurer		
Name	Title		
PO Box 352	Morrisonville	NY	12962
Street Address or PO Box	City	State	Zip
(518) 563-1112	() -		
Telephone Number	Fax Number		
	12/31/2020		
Email Address	Term End Date		

CHAIRMAN OF THE BOARD

Gary Rabideau	Chairmen		
Name	Title		
PO Box 352	Morrisonville	NY	12962
Street Address or PO Box	City	State	Zip
(518) 562-1112	() -		
Telephone Number	Fax Number		
	12/31/2020		
Email Address	Term End Date		

I, Melanie Seymour hereby certify that I am the Chief Fiscal Officer of the Morrisonville Fire District, and that the information provided in the annual financial report of the Morrisonville Fire District, for the fiscal year ended 12/31/2019, is true and correct to the best of my knowledge and belief. By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Morrisonville Fire District, and adopted by me as my signature for use in conjunction with the filing of the Morrisonville Fire District's annual financial report, I am evidencing my express intent to authenticate my certification of the Morrisonville Fire District's annual financial report report for the fiscal year ended 12/31/2019 and filed by means of electronic data transmission.

Name of Report Preparer
if different than Chief Fiscal Officer

Personal Identification Number
of Chief Fiscal Officer

06/30/2020
Date

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Morrisonville Fire District (Fire District) is a district corporation created in 1928 under Article 11 of the Town Law of New York State to provide fire protection and other emergency services to residents and organizations located within the district. The Fire District is governed by various provisions of the Town Law, other general laws of New York State, and various other locally adopted rules and regulations. The Board of Fire Commissioners, which is the legislative body responsible for the overall operation of the Fire District, consists of five elected members. The Chairman, who serves as the chief executive officer, is elected by members of the Board. The Treasurer serves as the chief fiscal officer.

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

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles that are generally accepted in the United States of America. The regulatory basis of accounting and reporting referred to above varies from accounting principles generally accepted in the United States of America primarily because it does not require implementation of GASB Statement No. 34 and other applicable statements, and does not require reporting the government-wide financial statements of net position and activities in the AUD. The regulatory basis of accounting and reporting prescribed by OSC is the same method used by the Fire District for years ending prior to December 31, 2019.

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

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

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

1. Financial Reporting Entity

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

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

Morrisonville Volunteer Fire Department

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

2. Basis of Presentation, Fund Accounting

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

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

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

The Fire District maintains the following funds and schedules:

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

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

Capital projects fund – a governmental fund used to account for capital expenditures for acquisition, construction, reconstruction and/or improvements of capital assets financed from the proceeds of debt, transfers from other funds, capital grants and contributions, and/or other applicable capital financing sources. No capital projects fund was required to be reported for the year ended December 31, 2019.

Agency fund – a fiduciary fund used to account for assets of the Fire District’s service award program and other assets held in a fiduciary capacity pending distribution to other parties.

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

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

3. Measurement Focus and Basis of Accounting

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

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

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

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when paid. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method.
- Principal and interest on indebtedness, if any, are recorded as expenditures when the debt is paid.
- Annual contributions to the service award program for prior year service credit are recorded as expenditures when paid in the subsequent fiscal year, after the amounts are determined in an actuarial valuation report and billed to the Fire District.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are paid.

For fiduciary funds, most agency fund transactions are recorded on a cash basis. Investment assets of the service award program are recorded at market value as reported in actuarial valuation reports.

4. Assets, liabilities, reserves, and fund balances

- a. Cash and cash equivalents consist of unrestricted cash in demand deposits and time

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

deposits at the Fire District's designated depository.

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

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary information and real property tax levies

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

The Fire District is required to follow applicable provisions of the Town Law of New York State to prepare the annual budget and submit it to the applicable tax collection entity. In general, a public hearing on the budget must be held and the budget amounts for the ensuing fiscal year must be adopted by the Board of Fire Commissioners and submitted to the Towns of Plattsburgh, New York and Schuyler Falls, New York by November 7 each year. The amount of real property taxes needed for the ensuing year is assessed against the properties in the district located in each town. The Towns include the Fire District's budget estimates and amount of taxes needed for fire district purposes in their annual town budgets, which are then submitted to the County of Clinton, New York for the levy of taxes by the County's Governing

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

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

2. Reserves

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

During the year ended December 31, 2019, no expenditures were made from reserves.

NOTE C – DETAILED NOTES ON ALL FUNDS

1. Cash and investments

At December 31, 2019 the Fire District's cash balances consisted of the following:

Cash in interest bearing checking accounts	\$ 111,067
Cash in savings accounts	318,338
Total cash in bank accounts	<u>\$ 429,405</u>

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

Cash deposits in bank accounts totaling \$429,405 were fully insured and/or collateralized as of December 31, 2019. The Fire District had no investments at December 31, 2019.

2. Receivables

The Fire District reports no receivables arising from cash transactions at December 31, 2019.

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

3. Capital Assets

The Fire District reported no changes in capital assets for the year ended December 31, 2019:

<u>Assets:</u>	<u>Balance</u> <u>12/3/2018</u>	<u>Adjusted</u> <u>Added</u>	<u>Adjusted</u> <u>Removed</u>	<u>Balance</u> <u>12/31/2019</u>
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Buildings	2,925,706	-	-	2,925,706
Improvements Other Than Buildings	12,000	-	-	12,000
Machinery and Equipment:				
Vehicles	1,724,169	-	-	1,724,169
Other Equipment	1,811,529	-	-	1,811,529
Total Machinery and Equipment	3,535,698	-	-	3,535,698
Construction work in progress	-	-	-	-
Total General Fixed Assets	<u>\$ 6,475,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,475,404</u>

4. Bonds payable

The Fire District reports the following bonds payable as of December 31, 2019:

Construction of Additions to Fire Station	8/28/2013	9/1/2033	3.25 to 4.25%	\$ 1,940,000
---	-----------	----------	---------------	--------------

Bond principal transactions for the year ended December 31, 2019 were as follows:

Bonds payable - beginning of year	\$ 2,040,000
Bond principal issued during year	-
Bond principal paid during year	(100,000)
Bonds payable - end of year	<u>\$ 1,940,000</u>

Aggregate minimum payments due on bonds payable as of December 31, 2019 are as follows:

<u>Years Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 105,000	\$ 76,387	\$ 181,387
2021	110,000	72,975	182,975
2022	115,000	69,400	184,400
2023	120,000	65,663	185,663
2024	125,000	60,862	185,862
2025-2029	700,000	223,313	923,313
2030-2033	665,000	71,431	736,431
Total	<u>\$ 1,940,000</u>	<u>\$ 640,031</u>	<u>\$ 2,580,031</u>

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

NOTE D – LENGTH OF SERVICE AWARD PROGRAM

The Fire District established a defined benefit Service Award Program (referred to as a “LOSAP” - length of service award program) effective March 1, 1991 for the active volunteer firefighter members of the Morrisonville Volunteer Fire Department (Fire Department). The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally funded, deferred compensation benefits to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Fire District, through its Board of Fire Commissioners, is the sponsor of the program and the program administrator. The Fire District’s financial statements included in this report are for the year ended December 31, 2019. However, the information contained in this note is based on information reported for the LOSAP plan year ending on February 28, 2019, which is the most recent plan year for which complete information is available.

Program Description:

Participation, vesting and service credit.

Active volunteer firefighters who have reached the age of 18 and who have earned at least 50 points under the Fire District’s Service Award Point System during a calendar year are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award benefit after being credited with one year of firefighting service or upon attaining the program’s entitlement age while an active volunteer. The program’s entitlement age is age 65. 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 firefighter 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 five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of the Fire Department.

Benefits

A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life, guaranteed for ten years, equal to the following:

1. \$5 multiplied by the person’s total number of years of firefighting service, prior to the effective date of the plan, not to exceed 5 years, plus
2. \$5 multiplied by the person’s total number of years of firefighting service completed after the effective date of the plan.
3. \$200 is the maximum monthly benefit that may be earned.

The number of years of firefighting service used to compute the benefit cannot exceed 40 years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits. The program does not provide optional line-of-duty disability or death benefits.

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

Fiduciary Investment and Control

Service credit is determined by the Board of Fire Commissioners, which is the governing board of the sponsor, based on information certified to the Board of Fire Commissioners by the Fire Department having members who participate in the program. The Fire Department must maintain all required records on forms prescribed by the Board of Fire Commissioners.

The Fire District has retained the services of Volunteer Firemen's Insurance Services, Inc. (VFIS) to assist in the administration of the program. The services provided by VFIS are detailed in a service agreement with the Fire District, effective March 1, 1991, and generally include assistance with installation and operation of the program, assistance with maintenance of required records, determining annual contributions to be provided by the Fire District, preparation of annual plan year actuarial valuation reports, and preparation of annual schedules of benefits and costs. Much of the information included in this Note is taken from the Actuarial Valuation Report prepared by VFIS dated July 9, 2019.

Disbursements of program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of the process generally used for approving disbursements:

Payment of Benefits:

1. Entitlement benefits – VFIS prepares and submits to the Fire District (Plan Administrator and Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon termination from the Plan. Following review for accuracy, an authorized Fire District official signs and returns the paperwork to VFIS authorizing VFIS to disburse entitlement benefits.
2. Death Benefits – Upon notification from the Fire District of a participant death, VFIS prepares a Verification of Benefits and a Lump Sum Death Benefit form. Following a review for accuracy, an authorized Fire District official signs and returns the paperwork, accompanied by a death certificate, to VFIS authorizing VFIS to disburse a death benefit.
3. Disability Benefits – Upon notification from the Fire District of a participant total and permanent disability, VFIS prepares a Verification of Benefits Statement, a Physician Statement form, and a Lump Sum Disability Benefit form. Following review for accuracy, an authorized Fire District official signs and returns the paperwork authorizing VFIS to disburse a disability benefit.

Payment of Administrative Expenses is approved in accordance with a service fee agreement between the Fire District and VFIS. Fees for administration are included in the Fire District's annual contribution and are deducted from the fund.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with Article 11-A of the General Municipal Law of the State of New York. Such assets consisted of VFIS investments in a Mass Mutual Investment Account.

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

Program Financial Condition

Assets and Liabilities

Actuarial present value of accrued benefits at February 28, 2019	\$	336,647
Plan assets available for benefits in group annuity fixed fund		270,643
Funding ratio - Plan assets divided by present value of accrued benefits		80%

Additions and Deductions

Plan net assets, beginning of plan year	\$	250,455
Additions:		
Sponsor contributions received		28,412
Cash values		-
Fixed investment gain		8,012
Total additions		36,424
Deductions:		
Life insurance premiums		4,855
Administrative fees		1,590
Benefit payments		9,791
Total deductions		16,236
Plan net assets, end of plan year	\$	270,643

Contributions

Sponsor's contributions recommended	\$	28,412
-------------------------------------	----	--------

Administration Fees

Fees paid to VFIS for administration and actuary services	\$	1,590
---	----	-------

Actuarial Assumptions and Funding Methods

Normal Costs

The VFIS actuarial valuation reports indicate that the actuarial assumptions and the funding method chosen are used to develop recommended deposits. These assumptions are intended to reasonably estimate the future expectations of the plan. They may be modified from time to time to maintain reasonableness as actual experience under the plan develops.

The actuarial funding method reported as being used by VFIS to determine the sponsor's contribution is the Entry Age Normal Frozen Initial Liability. The assumptions reported as being used by VFIS to determine the sponsor's contribution and the actuarial present value of benefits are reported as:

MORRISONVILLE FIRE DISTRICT
Notes to Annual Update Document Financial Statements
For the Fiscal Year Ended December 31, 2019

- Assumed interest rate pre-retirement – 4.75%
- Assumed interest rate post-retirement – 4.75%
- Mortality and setbacks pre-retirement male – N/A 0
- Mortality and setbacks pre-retirement female – N/A 0
- Mortality and setbacks post-retirement male – RP2000M>2030 0
- Mortality and setbacks post-retirement female – RP2000F>2030 0
- Primary vesting schedule – 5-year cliff
- Turnover table - none

NOTE E – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

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

Richard H. Dinolfo

Certified Public Accountant

15 Willow Road
Queensbury, New York 12804-1240
518-793-9331
518-798-0904 FAX
rdinolfo@gmail.com

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

Independent Auditor's Report

Chairman and Members of the Board of Fire Commissioners
Morrisonville Fire District
Morrisonville, New York

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements as reported in the Annual Financial Report Update Document of the Morrisonville Fire District as of and for the year ended December 31, 2019, and the related notes to financial statements, and have issued my report thereon dated June 30, 2020.

Internal Control over Financial Reporting

The Board of Fire Commissioners and other management of the Fire District are responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Fire District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements as reported in the Annual Financial Report Update Document, but not for the purpose of expressing an opinion on the effectiveness of the Fire District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fire District's internal control.

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

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. I consider the deficiency described below as item 2019-001 to be a significant deficiency.

2019-001 Annual Report for the Service Award Program

The Annual Report for the Service Award Program for the plan year ended February 28, 2020 had not been received by the Fire District on a timely basis. The Actuarial Certification report for the plan year ended February 28, 2019 was issued to the Fire District in a report dated July 9, 2019 and used in this report. Specific information about the service award program is required to be accurately reported in the Fire District's annual independent auditor's report which is required to be completed and filed by June 30 of the subsequent year.

Fire District and Fire Department officials should develop a plan and process to ensure that the required completed service award information is submitted to the actuary promptly after the end of the plan year in order for the actuary to complete the annual report on a timely basis.

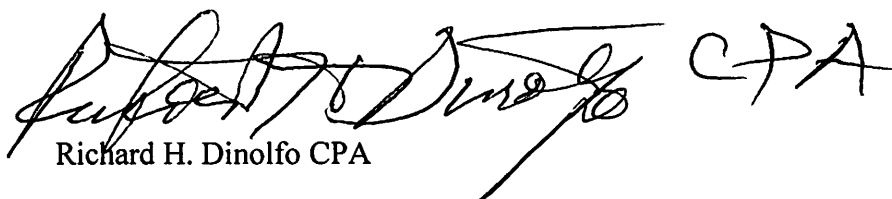
Given the limitations described above, I did not identify any other deficiencies in internal control that I consider to be material weaknesses or significant deficiencies. However, other material weaknesses and significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fire District's financial statements as reported in the Annual Financial Report Update Document are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed that the deficiency identified as item 2019-001 above is also an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fire District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fire District's internal control and compliance. This report is intended for the information and use of the Chairman and Members of the Board of Fire Commissioners, Secretary/Treasurer, others within the Fire District, and for filing with the Town of Plattsburgh, New York, the Town of Schuyler Falls, New York and the Office of the State Comptroller of the State of New York. Accordingly, this communication is not suitable for any other purpose.



Richard H. Dinolfo CPA

Queensbury, New York
June 30, 2020