

**SPENCERPORT FIRE DISTRICT
SPENCERPORT, NEW YORK**

**BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED DECEMBER 31, 2018

SPENCERPORT FIRE DISTRICT

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	4-14
Basic Financial Statements:	
District-Wide Financial Statement	
Statement of Net Position	15
Statement of Activities and Changes in Net Position	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	19
Reconciliation of Governmental Funds, Revenues, Expenditures and Changes in Fund Balance to Statement of Activities.....	20
Notes to Financial Statements.....	21-32

SPENCERPORT FIRE DISTRICT

TABLE OF CONTENTS

	<u>Page Number</u>
Supplementary Information:	
Schedule of Revenues – Compared to Budget – General Fund.....	33
Schedule of Expenditures – Compared to Budget – General Fund	34-36
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	37-38

* * * *

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spencerport Fire District, as of and for the year then ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fire District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

36 Niagara Street
Tonawanda, New York 14150
Phone: 716.694.0336
Fax: 716.694.5081
email: info@amatofox.com

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate fund information of Spencerport Fire District, as of December 31, 2018, and the respective changes in financial position and where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires that the management's discussion and analysis and budgetary comparison information on pages 4-14 and 33-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Spencerport Fire District's financial statements. The schedules of revenues and expenditures (excluding budgetary amounts) are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements, themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules of revenues and expenditures (excluding budgetary amounts) are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2019 on our consideration of the Spencerport Fire District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Spencerport Fire District's internal control over financial reporting and compliance.

Amato Fox & Company, P.C.

May 15, 2019

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

This section of the Spencerport Fire District (the "District") annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2018. Please read it in conjunction with the District's Basic Financial Statements following this section.

FINANCIAL HIGHLIGHTS

The assets of the District exceeded liabilities at the close of the 2018 fiscal year by \$8,218,462 (Net Position). The Net Position of \$8,218,462 are as follows:

Unrestricted	\$25,873
Investments in Capital Assets net of related debt	4,978,254
Restricted Reserves	3,214,335

Unrestricted Net Position of \$25,873 may be used to meet ongoing obligations of the District. Restricted Net Position includes reserves for reconstruction, building and capital. Investments in Capital are shown net of Related Debt.

The District's total Net Position increased by \$341,779 during the year ended December 31, 2018.

Basic Financial Statements

Governmental-Wide Financial Statements are two statements designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all District assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how Net Position changed during the most recent year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these Governmental-Wide Financial Statements distinguish functions of the District that are principally supported by taxes. The District does not have any functions that are intended to recover all or, in part, a portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general support, fire protection, employee benefits and depreciation.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

The Governmental-Wide Financial Statements can be found on pages 15 and 16 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like any other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All funds of the District are Governmental Funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Governmental-Wide Financial Statements. However, unlike the Governmental-Wide Financial Statements, Government-Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus on governmental funds is narrower than that of the Governmental-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmental-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

The District maintains two individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Reserve Fund.

The Basic Governmental Fund Financial Statements can be found on pages 17 through 19 of this report.

Notes to the Basic Financial Statements provide information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

The Notes can be found on pages 21 through 32 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$8,218,462 at the close of the year December 31, 2018.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018
Summary of Net Position

	2018	2017
Assets:		
Cash and Other Assets	\$ 3,316,246	\$ 3,917,602
Capital Assets - Net Depreciation	8,543,254	7,734,889
Total Assets	\$ 11,859,500	\$ 11,652,491
Other Liabilities	76,038	45,808
Bonds Payable	3,565,000	3,730,000
Total Liabilities	3,641,038	3,775,808
Net Position:		
Restricted - Reserved for Building, Capital and Reconstruction	3,214,335	3,846,322
Investment in Capital Assets, Net of Depreciation	4,978,254	4,004,889
Unrestricted	25,873	25,472
Total Net Position	8,218,462	7,876,683
Total Liabilities and Net Position	\$ 11,859,500	\$ 11,652,491

The District's Net Position reflect \$4,978,254 as investments in Capital Assets (land, building, furniture and equipment), which is Net of Related Depreciation. The District uses these Capital Assets to provide services to citizens primarily in the form of fire-fighting protection; consequently, these assets are not available for future operations or spending. Although the District's investment in its Capital Assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the Capital Assets cannot be used to liquidate these liabilities.

Another portion of the District's Net Position, amounting to \$3,214,335 represents reserves for building, capital and reconstruction projects anticipated by the Board. The District's summary of net position is presented above for the years ended December 31, 2018 and 2017.

The remaining balance of District Net Position of \$25,873 represents Unrestricted Net Position, which is available for use by the District to pay ongoing obligations to citizens and creditors.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

The following table indicates the change in net assets for government activities for the years ended December 31, 2018 and 2017:

	2018	2017
Revenues:		
Real Property Taxes	\$ 1,633,429	\$ 1,587,494
Interest and Earnings	29,404	4,380
Sale of Equipment	68,581	18,000
Refund of Prior Years' Expenditures	25,873	24,015
Gifts and Donations	1,000	-
Other Income	3,553	3,145
Total Revenues	<u>1,761,840</u>	<u>1,637,034</u>
Expenses	<u>1,420,061</u>	<u>1,280,302</u>
Excess of Revenues over Expenses	341,779	356,732
Net Position at Beginning of Year	<u>7,876,683</u>	<u>7,519,951</u>
Net Position at End of Year	<u><u>\$ 8,218,462</u></u>	<u><u>\$ 7,876,683</u></u>

Revenues and detail expenses are shown on pages 10 and 11 with changes from prior year.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District used *fund accounting* to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The District functions are contained in the General and Capital Project Funds, where applicable. The focus of the District's *governmental funds* is to provide information on near-terms inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

At December 31, 2018, the District's governmental funds reported total balances of \$3,240,208, a decrease of \$631,586 in comparison with the prior year. Fund balance of \$25,873 constitutes unassigned fund balance, which is available to meet the District's current and future operational needs. The remainder of fund balance is restricted and assigned to indicate that it is *not* available for new spending because it has already been committed.

The General Fund is the chief operating fund of the District. At December 31, 2018, unassigned balance of the General Fund was \$25,873 while total fund balance reached \$3,240,208. As a measure of General Fund's liquidity, it may be useful to compare unassigned balance and total fund balance to total fund expenditures. Unassigned fund balance represents 1.08 % of total expenditures, while total fund balance represents 135.4 % of that same amount.

Revenues for governmental functions totaled \$1,761,820 in fiscal year ended December 31, 2018, which represents an increase of 7.10% from the fiscal year ended December 31, 2017.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

The following presents the Revenues from various sources:

	2018 <u>Amount</u>	2017 <u>Amount</u>	<u>Amount Increase (Decrease)</u>
Revenues:			
Real Property Taxes	\$ 1,633,429	\$ 1,587,494	\$ 45,935
Interest and Earnings	29,404	4,380	25,024
Sale of Equipment	68,581	18,000	50,581
Refund of Prior Years' Expenditures	25,873	24,015	1,858
Gifts and Donations	1,000	-	1,000
Other Income	<u>3,533</u>	<u>3,145</u>	<u>388</u>
Total Revenues	<u>\$ 1,761,820</u>	<u>\$ 1,637,034</u>	<u>\$ 124,786</u>

District revenues are budgeted each year based upon needed expenditures in order to balance the Budget.

An analysis of Budgeted Revenues compared to Actual Revenues is included as a schedule in this report.

The increase in Real Property Taxes of \$45,935 was primarily due to additional funds need to cover the cost of county mandated radio purchases.

The increase in Interest and Earnings of \$25,024 was primarily due to the Fire District switching to Treasury Bill accounts.

The increase of \$50,581 in Sale of Equipment was primarily due to the sale a pumper truck.

The increase of \$1,858 in Refund of Prior Years' Expenditures was primarily due to a reimbursement for an insurance policy.

The increase of \$1,000 in Gift and Donations was due to a donation from not received in prior year.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

	2018 <u>Amount</u>	2017 <u>Amount</u>	Increase (Decrease) <u></u>
Expenditures:			
General Support	\$ 520,359	\$ 488,993	\$ 31,366
Fire Protection	1,545,444	388,030	1,157,414
Employee Benefits	4,137	4,336	(199)
Debt Service Principal and Interest	<u>323,466</u>	<u>326,969</u>	<u>(3,503)</u>
Total Expenditures	<u>\$ 2,393,406</u>	<u>\$ 1,208,328</u>	<u>\$ 1,185,078</u>

Increase in General Support of \$31,366 was mainly due to increases in building and legal/professional expenses.

Increase in Fire Protection of \$1,157,414 was mainly due to the purchases of two pumper trucks and a chief's truck.

Decrease in debt service principal and interest of \$3,503 was mainly due to a decrease in interest payment as per the bond payment schedule.

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

Statements of Revenues, Expenditures and Changes in Fund Balance: Governmental Funds

	<u>General</u>	<u>Capital Fund</u>	<u>Total Governmental Funds</u>
Fund Balance @ December 31, 2016	\$ 3,563,088	\$ (120,000)	\$ 3,443,088
Revenues	1,637,034	-	1,637,034
Expenditures	<u>(1,208,328)</u>	<u>-</u>	<u>(1,208,328)</u>
Excess (Deficiency) of Revenues over Expenditures	428,706	-	428,706
BANS Redeemed from Appropriation	(120,000)	120,000	-
Fund Balance @ December 31, 2017	<u>3,871,794</u>	<u>-</u>	<u>3,871,794</u>
Revenues	1,761,820	-	1,761,820
Expenditures	<u>(2,393,406)</u>	<u>-</u>	<u>(2,393,406)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(631,586)</u>	<u>-</u>	<u>(631,586)</u>
BANS Redeemed from Appropriation	-	-	-
Fund Balance @ December 31, 2018	<u>\$ 3,240,208</u>	<u>\$ -</u>	<u>\$ 3,240,208</u>

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in Capital Assets net for its activities as of December 31, 2018, amounted to \$8,543,254 (net of accumulated depreciation). This investment includes land, buildings, and equipment.

Capital assets net of depreciation are presented below:

	2018	2017	Amount of Increase or Decrease
Land	\$ 45,000	\$ 45,000	\$ -
Buildings & Improvements	6,258,964	6,484,258	(225,294)
Furniture and Equipment	2,239,290	1,205,631	1,033,659
Total	\$ 8,543,254	\$ 7,734,889	\$ 808,365

SPENCERPORT FIRE DISTRICT
Management's Discussion and Analysis
December 31, 2018

Long-term Debt

At December 31, 2018, the District had long-term debt of \$ 3,565,000 which is payable as follows:

Year Ending December 31	Principal	Interest	Total
2019	\$ 175,000	\$ 151,660	\$ 326,660
2020	180,000	144,441	324,441
2021	190,000	137,016	327,016
2022	195,000	129,179	324,179
2023	205,000	121,135	326,135
2024-2028	1,175,000	470,582	1,645,582
2029-2033	<u>1,445,000</u>	<u>199,350</u>	<u>1,644,350</u>
Total	<u>\$ 3,565,000</u>	<u>\$ 1,353,363</u>	<u>\$ 4,918,363</u>

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

Spencerport Fire District
 PO Box 359
 Spencerport, New York 14559

BASIC FINANCIAL STATEMENTS

SPENCERPORT FIRE DISTRICT

Statement of Net Position

December 31, 2018

ASSETS

Current Assets:

Cash	\$ 3,316,246
Capital Assets Net of Depreciation	<u>8,543,254</u>

Total Assets

\$ 11,859,500

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$ 76,038
------------------	-----------

Non-Current Liabilities:

Due in one year	170,000
Due in more than one year	<u>3,395,000</u>
Total Liabilities	<u>3,641,038</u>

Net Position:

Investment in Capital Assets, Net of Depreciation	4,978,254
Restricted - Reserved for Building, Capital and Reconstruction	3,214,335
Unrestricted	<u>25,873</u>
Total Net Position	<u>8,218,462</u>

Total Liabilities and Net Position

\$ 11,859,500

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

**Statement of Activities and Changes in Net Position
For the Year Ended December 31, 2018**

Revenues:

Real Property	\$ 1,633,429
Interest and Earnings	29,404
Sale of Equipment	68,581
Refund of Prior Years' Expenses	25,873
Gifts and Donations	1,000
Other Classified Revenues	<u>3,533</u>
Total Revenues	<u>1,761,820</u>

Expenses:

General Support	520,359
Fire Protection	569,785
Employee Benefits	4,137
Debt Service Interest	158,466
Depreciation	<u>167,294</u>
Total Expenses	<u>1,420,041</u>

Change in Net Position 341,779

Net Position at Beginning of Year 7,876,683

Net Postion at End of Year \$ 8,218,462

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

**Balance Sheet – Governmental Funds
December 31, 2018**

	<u>General Fund</u>
<u>ASSETS:</u>	
Cash	\$ 101,911
Cash - Restricted for Reserve Funds	3,214,335
Total Assets	<u>\$ 3,316,246</u>
 <u>LIABILITIES AND FUND EQUITY</u>	
Liabilities:	
Accounts Payable	\$ 76,038
Total Liabilities	<u>76,038</u>
 Fund Equity:	
Contingency Reserve	35,477
Insurance Reserve	115,258
Truck Reserve	2,697,892
Equipment Reserve	157,460
Apparatus Equipment	88,742
Building/Station Reserve	119,506
Unassigned	25,873
Total Fund Equity	<u>3,240,208</u>
Total Liabilities and Fund Equity	<u>\$ 3,316,246</u>

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

Statement of Revenues, Expenditures and Change in Fund Balance – Governmental Funds For the Year Ended December 31, 2018

	<u>General Fund</u>
Revenues:	
Real Property Taxes	\$ 1,633,429
Interest and Earnings	29,404
Sale of Equipment	68,581
Refund of Prior Years' Expenditures	25,873
Gifts and Donations	1,000
Other Unclassified Revenues	<u>3,533</u>
Total Revenues	<u>1,761,820</u>
Expenditures:	
General Support	520,359
Fire Protection	1,545,444
Debt Service-Principal	165,000
Debt Service-Interest	158,466
Employee Benefits	<u>4,137</u>
Total Expenditures	<u>2,393,406</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(631,586)</u>
Net Change in Fund Balance	(631,586)
Fund Equity at Beginning of Year	<u>3,871,794</u>
Fund Equity at End of Year	<u><u>\$ 3,240,208</u></u>

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

**Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
December 31, 2018**

	<u>Total Governmental Funds</u>	<u>Long-Term Assets and Liabilities</u>	<u>Statement of Net Position Total</u>
Assets:			
Unrestricted Cash	\$ 101,911	\$ -	\$ 101,911
Restricted Cash	3,214,335	-	3,214,335
Capital Assets, Net	<u>-</u>	<u>8,543,254</u>	<u>8,543,254</u>
Total Assets	<u>\$ 3,316,246</u>	<u>\$ 8,543,254</u>	<u>\$ 11,859,500</u>
Liabilities:			
Accounts Payable	\$ 76,038	\$ -	\$ 76,038
Bonds Payable	<u>-</u>	<u>3,565,000</u>	<u>3,565,000</u>
Total Liabilities	<u>76,038</u>	<u>3,565,000</u>	<u>3,641,038</u>
Fund Balance/Net Position	<u>3,240,208</u>	<u>4,978,254</u>	<u>8,218,462</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 3,316,246</u>	<u>\$ 8,543,254</u>	<u>\$ 11,859,500</u>

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

**Reconciliation of Government Funds Revenue, Expenditures and Changes in Fund Balance
To Statement of Activities
Year Ended December 31, 2018**

	<u>Total Governmental Funds</u>	<u>Capital Related Items</u>	<u>Long-Term Debt Transactions</u>	<u>Statement of Activities Total</u>
Revenues:				
Real Property Tax	\$ 1,633,429	\$ -	\$ -	\$ 1,633,429
Interest and Earnings	29,404	-	-	29,404
Sale of Equipment	68,581	-	-	68,581
Refund of Prior Years' Expenditures	25,873	-	-	25,873
Gifts and Donations	1,000	-	-	1,000
Other Unclassified Revenues	3,533	-	-	3,533
Total Revenues	<u>1,761,820</u>	<u>-</u>	<u>-</u>	<u>1,761,820</u>
Expenditures:				
General Support	520,359	-	-	520,359
Fire Protection	1,545,444	(975,659)	-	569,785
Employee Benefits	4,137	-	-	4,137
Debt Service Principal and Interest	323,466	-	(165,000)	158,466
Depreciation	-	167,294	-	167,294
Total Expenditures	<u>2,393,406</u>	<u>(808,365)</u>	<u>(165,000)</u>	<u>1,420,041</u>
Excess (Deficiency) of Revenues over Expenditures	(631,586)	808,365	(165,000)	341,779
Fund Balance/Net Position at Beginning of Year	<u>3,871,794</u>	<u>7,734,889</u>	<u>(3,730,000)</u>	<u>7,876,683</u>
Fund Balance/Net Position at End of Year	<u>\$ 3,240,208</u>	<u>\$ 8,543,254</u>	<u>\$ (3,565,000)</u>	<u>\$ 8,218,462</u>

The accompanying Notes are an integral part of the Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 1 - Summary of Certain Significant Accounting Policies

This summary of significant accounting policies of Spencerport Fire District (The Fire District) is presented to assist in understanding the Fire District's Basic Financial Statements. The Basic Financial Statements and notes are the representation of the Fire District's management, which is responsible for its integrity and objectivity. As more fully explained under Basis of Presentation, the accounting policies conform to accounting principles generally accepted in the United States of America and those prescribed by the State Comptroller of the State of New York. The records are on the double-entry modified accrual basis of accounting.

The Basic Financial Statements of the Spencerport Fire District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

Reporting Entity - The Spencerport Fire District was formed in 2002 and provides fire protection services in the Towns of Ogden and Parma, New York through three fire stations. The District is governed by the laws of New York State. In addition, the District contracts for fire protection in certain portions of the Town of Ogden with the Chili Fire Department and the Village of Churchville.

The District is an independent entity governed by a Board of Commissioners that consists of five members. The Treasurer of the Board serves as the Chief Fiscal Officer. The Board is responsible for, and controls all activities related to the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The accompanying Basic Financial Statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, there are no additional entities included in the District's Basic Financial Statements.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Basis of Presentation -

District-wide Statements: The Statement of Net Assets and Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities are financed primarily through services with the Towns of Ogden and Parma.

The Statement of Activities presents direct expenses and revenues for the direct cost of operations for the Fire District.

Fund Financial Statements: The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of Fund Financial Statements is on major governmental funds, each displayed in a separate column.

The District reports the following governmental funds:

GENERAL FUND: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund. The Board of Fire Commissioners has established capital, reconstruction, and construction reserve funds.

CAPITAL PROJECTS FUND: These funds are used to account for the financial resources for acquisition, construction or major repair of capital facilities.

Measurement Focus and Basis of Accounting - The District-wide and fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Measurement Focus and Basis of Accounting (Cont.) - The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 365 days after the end of the fiscal year, except for real property taxes, which are considered to be available if collected within 60 days after the end of the fiscal year.

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

Property Tax Collections - The Towns of Ogden and Parma act as a collection agent for the real property taxes levied for Spencerport Fire District. After collecting the taxes due, the Towns transfer the funds to the Town Supervisors who remit them to the Fire District's Treasurer.

Restricted Resources - When an expense is incurred for purposes for which both Restricted and Unrestricted Net Assets are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

Interfund Transactions - The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Estimates - The preparation of Basic Financial Statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Basic Financial Statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Cash (and Cash Equivalents)/Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

Receivables - Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Capital Assets - Capital Assets are reported at actual cost for acquisitions subsequent to 2006. For assets acquired prior to 2006, estimated historical costs, based on insurance values were used. Donated assets are reported at estimated fair market value at the time received.

SPENCERPORT FIRE DISTRICT

**Notes to Financial Statements
December 31, 2018**

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Cash (and Cash Equivalents)/Investments (Cont.)

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of Capital Assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 250	Straight-line	40
Furniture and Equipment	250	Straight-line	15

Fund Balance - Fund balance represents the excess of accumulated receipts over disbursements. No portion of this amount was appropriated as a funding source for the 2019 budget.

Budgetary Data - On or before November 4th the Fire District Board of Commissioners must approve the budget for the ensuing calendar year and file it with the Budget Officers of the Towns of Ogden and Parma by November 7th. The budget includes proposed cash receipts and the proposed means of financing cash disbursements for the General Fund. The budget is not subject to Town Board and/or voter approval. The Budget is subject to a New York State statutory spending limitation. The budgeted amounts are as originally adopted, or as amended by the Board of Fire Commissioners

Short Term Debt - The District may issue short-term notes in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 1 - Summary of Certain Significant Accounting Policies (Cont.)

Accrued Liabilities and Long-Term Obligations - Payables, accrued liabilities and long-term obligations are reported in the District-wide Basic Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments that will be paid from governmental funds are reported as a liability in the fund's Financial Statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Equity Classifications

District-wide Statements: - In the district-wide statements there are three classes of Net Position:

Restricted Net Position consist of reserves for building, construction and equipment, which is planned by the Board of Commissioners.

Invested in Capital Assets, Net of Related Debt consists of Net Capital Assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Unrestricted Net Position reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District

Funds Statements: - Unreserved fund balance consists of two classifications. A designation of unreserved fund balance indicates the planned use of these resources in the subsequent year's budget. The undesignated portion reports remaining fund balance that has not been designated or reserved.

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. Reserve funds are established through Board of Commissioner action and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 2 - Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements

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

Total Fund Balances of Governmental Funds vs. Net Assets of Governmental Activities: - Total fund balances of the District's governmental funds differs from "Net Position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Funds Balance Sheets.

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities - Differences between the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of two broad categories. The amounts shown below represent:

Capital Related Differences - Capital related differences include the difference between proceeds for the sale of Capital Assets reported on Governmental Funds statements and the gain or loss on the sale of assets as reported on the Statement of Activities.

Long-term Debt Transaction Differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the Governmental Funds statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Note 3 - Stewardship, and Compliance, and Accountability

Budgets - The District administration prepares a proposed budget for approval by the Board of Commissioners for the General Fund for which legal (appropriated) budgets are adopted.

Appropriations are adopted at the program line item level.

SPENCERPORT FIRE DISTRICT

Notes to Financial Statements December 31, 2018

Note 3 - Stewardship, and Compliance, and Accountability (Cont.)

Budgets (Cont.)

Appropriations established by the adoption of the budget constitute a limitation on expenditures that may be incurred. Appropriations lapse at the end of the fiscal year unless expended. Appropriations authorized for the for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Commissioners as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Note 4 - Receivables

The District had no receivables outstanding as of December 31, 2018.

Note 5 - Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks

Cash

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

SPENCERPORT FIRE DISTRICT

**Notes to Financial Statements
December 31, 2018**

Note 5 - Cash (and Cash Equivalents) – Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks (Cont.)

Cash (Cont.)

The District's aggregate bank balances (disclosed in the Basic Financial Statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or Its trust department or agent, but not in the District's name	\$ 2,816,246
FDIC Coverage	<u>500,000</u>
	<u>\$ 3,316,246</u>

Note 6 - Short-Term Debt

The District had no short-term debt as of December 31, 2018.

Note 7 - Risk Management

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

SPENCERPORT FIRE DISTRICT

**Notes to Financial Statements
December 31, 2018**

Note 8 - Capital Assets

Capital asset balances and activity for the year ended December 31, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Depreciated:				
Land	\$ 45,000	\$ -	\$ -	\$ 45,000
Total	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>
Capital Assets that are Depreciated:				
Buildings & Improvements	\$ 8,518,355	\$ 2,756	\$ -	\$ 8,521,111
Furniture and Equipment	<u>4,054,018</u>	<u>1,377,114</u>	<u>(404,211)</u>	<u>5,026,921</u>
Total Depreciable Historical Cost	<u>12,572,373</u>	<u>1,379,870</u>	<u>(404,211)</u>	<u>13,548,032</u>
Less Accumulated Depreciation:				
Buildings & Improvements	2,034,097	228,050	-	2,262,147
Furniture and Equipment	<u>2,848,387</u>	<u>237,372</u>	<u>(298,128)</u>	<u>2,787,631</u>
Total Accumulated Depreciation	<u>4,882,484</u>	<u>465,422</u>	<u>(298,128)</u>	<u>5,049,778</u>
Total Depreciable Historical Cost, Net	<u>\$ 7,689,889</u>	<u>\$ 914,448</u>	<u>\$ (106,083)</u>	<u>\$ 8,498,254</u>

SPENCERPORT FIRE DISTRICT

**Notes to Financial Statements
December 31, 2018**

Note 9 - Long-Term Debt

Long-term liability balances and activity for the year are summarized below:

<u>Government Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>	<u>Amounts Due Within One Year</u>
Serial Bonds Payable	\$ 3,730,000	\$ -	\$ 165,000	\$ 3,565,000	\$ 175,000
Total Government Activities	3,730,000	-	165,000	3,565,000	175,000
Total Long-Term Liabilities	<u>\$ 3,730,000</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 3,565,000</u>	<u>\$ 175,000</u>

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
Serial Bond	11/17/2009	11/15/2033	4.125%	<u>\$ 3,565,000</u>

SPENCERPORT FIRE DISTRICT

**Notes to Financial Statements
December 31, 2018**

The following is a summary of debt service requirement:

Fiscal Year	Serial Bonds		Total	
	Ending December 31	Principal		Interest
2019	\$	175,000	\$ 151,660	\$ 326,660
2020		180,000	144,441	324,441
2021		190,000	137,016	327,016
2022		195,000	129,179	324,179
2023		205,000	121,135	326,135
2024-2028		1,175,000	470,582	1,645,582
2029-2033		1,445,000	199,350	1,644,350
Total	\$	3,565,000	\$ 1,353,363	\$ 4,918,363

Note 10 - Interfund Transactions – Governmental Funds

The District had no outstanding interfund transactions at the end of the year.

Note 11 - Commitments and Contingencies

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for return of funds. Based on prior audits, the District’s administration believes disallowances, if any, will be immaterial.

Note 12 - Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 15, 2019 (the date the financial statements were available to be issued.) Management indicates that there are no items that require disclosure.

* * * * *

SPENCERPORT FIRE DISTRICT

**Schedule of Revenues
Compared to Budget – General Fund
For the Year Ended December 31, 2018**

<u>Account Number</u>		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
A1001	Real Property Tax	\$ 1,633,429	\$ 1,633,429	\$ -
A2401	Interest and Earnings	800	29,404	28,604
A2660	Sale of Assets	60,000	68,581	8,581
A2680	Insurance Recoveries	-	-	-
A2701	Refund of Prior Years' Expenditures	6,500	25,873	19,373
A2705	Gifts and Donations	-	1,000	1,000
A2770	Other Unclassified Revenues	-	3,533	3,533
	Total Revenues	<u>1,700,729</u>	<u>\$ 1,761,820</u>	<u>\$ 61,091</u>
	Designated Fund Balance	<u>56,000</u>		
	Total Revenues and Designated Fund Balance	<u>\$ 1,756,729</u>		

See Independent Auditor's Report.

SPENCERPORT FIRE DISTRICT

**Schedule of Expenditures, Other Uses
Compared to Budget – General Fund
For the Year Ended December 31, 2018**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	Expenditures:			
	General Support			
A1980.101	Personal Services	\$ 79,402	\$ 71,880	\$ 7,522
	Other			
.401	Administration/Office	7,000	4,969	2,031
.402	Building Alarm System	-	-	-
.403	Commissioner Elections	300	150	150
.404	Dues/Fees	1,700	1,435	265
.405	GIS	1,000	400	600
.406	House 1	87,000	70,052	16,948
.407	House 2	20,000	12,902	7,098
.408	House 3	64,000	62,899	1,101
.409	Insurance	198,750	178,759	19,991
.410	Legal/Professional Fees	23,700	19,424	4,276
.411	Maintenance/Repair Equipment	124,000	95,866	28,134
.412	Newspaper Publications	450	353	97
.413	Refreshments	1,250	574	676
.414	OSHA	750	642	108
.415	County relevy	-	-	-
.415	Petty Cash	50	54	(4)
	Total Other	<u>529,950</u>	<u>448,479</u>	<u>81,471</u>
	Total General Support	<u>609,352</u>	<u>520,359</u>	<u>88,993</u>

See Independent Auditor's Report.

SPENCERPORT FIRE DISTRICT

**Schedule of Expenditures, Other Uses
Compared to Budget – General Fund
For the Year Ended December 31, 2018**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Fire Protection				
A3410.200	Equipment and Capital Outlay	90,338	65,754	24,584
Other				
.400	Educational Development	21,500	12,957	8,543
.401	EMS Supplies	3,900	2,778	1,122
.402	Explorer Post	1,000	1,520	(520)
.403	Fire Protection	59,363	59,363	-
.404	Fire Prevention Materials	6,000	5,185	815
.405	Physicals	14,000	8,578	5,422
.406	Recruitment/Retention	24,000	18,077	5,923
.407	Records Management	250	-	250
.408	Tournament Team	1,500	138	1,362
.409	Training	19,510	14,201	5,309
.410	Uniforms/Clothing	5,800	5,944	(144)
.411	Fire Police	5,000	5,261	(261)
.412	Truck Reserve	395,000	1,173,751	(778,751)
.413	Buildings Reserve	10,000	30,000	(20,000)
.414	Equipment Reserve	170,000	141,937	60,000
.415	Insurance Reserve	20,000	-	20,000
.416	Workers Unemployment Reserve	10,000	-	10,000
	Total Other	766,823	1,479,690	(712,867)
	Total Fire Protection	857,161	1,545,444	(688,283)

See Independent Auditor's Report.

SPENCERPORT FIRE DISTRICT

**Schedule of Expenditures, Other Uses
Compared to Budget – General Fund
For the Year Ended December 31, 2018**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
A9030.800	Employee Benefits			
	Social Security	4,600	4,137	463
	Total Employee Benefits	<u>4,600</u>	<u>4,137</u>	<u>463</u>
A9710.600	Debt Service-Principal			
	Principal on Serial Bonds	165,000	165,000	-
	Total Debt Service-Principal	<u>165,000</u>	<u>165,000</u>	<u>-</u>
A9710.700	Debt Service-Interest			
	Interest on Serial Bonds	158,466	158,466	-
	Total Debt Service-Interest	<u>158,466</u>	<u>158,466</u>	<u>-</u>
	Total General Fund Expenditures	<u><u>\$ 1,794,579</u></u>	<u><u>\$ 2,393,406</u></u>	<u><u>\$ (598,827)</u></u>

See Independent Auditor's Report.

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spencerport Fire District as of the year ended December 31, 2018, which collectively comprise the Spencerport Fire District's basic financial statements and have issued our report thereon dated May 15, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Spencerport Fire District's internal control over financial as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Basic Financial Statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in 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 Fire District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

36 Niagara Street
Tonawanda, New York 14150
Phone: 716.694.0336
Fax: 716.694.5081
email: info@amatofox.com

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Spencerport 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 Spencerport Fire District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AmatoFox & Company, P.C.

May 15, 2019