

CALEDONIA FIRE DISTRICT
LIVINGSTON COUNTY, NEW YORK
BASIC FINANCIAL STATEMENTS
For Year Ended December 31, 2025



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Independent Auditors' Report

To the Board of Fire Commissioners
Caledonia Fire District
Livingston County, New York

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caledonia Fire District, Livingston County, New York (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

Fairport, New York
June 12, 2026

Mengel, Metzger, Barw & Co. LLP

Caledonia Fire District, Livingston County, New York

Management's Discussion and Analysis (MD&A)

December 31, 2025

Introduction

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2025. It should be read in conjunction with the basic financial statements to enhance understanding of the District's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2025 are as follows:

- ◆ The District's governmental fund financial statements report General Fund ending fund balance of \$840,798. Approximately \$94,663 of this total amount is available for spending at the District's discretion (unassigned fund balance).
- ◆ On the government-wide financial statements, the assets of the District exceeded liabilities by \$2,243,671. Of this amount, the unrestricted portion is \$204,024. The balance of net position is either restricted for specific purposes or the net book value of capital assets minus related debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

1. Government-Wide Financial Statements

The *government-wide financial statements* are 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 of the District's 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 the government's 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.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

2. Fund Financial Statements

- ◆ *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements.
- ◆ Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- ◆ The District maintains one individual governmental fund; General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for this fund.
- ◆ The District adopts an annual budget for the General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

3. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District's net position at the close of the current year was \$2,243,671.

Net Position

	Governmental Activities		Total Variance
	<u>2025</u>	<u>2024</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 840,800	\$ 1,113,139	\$ (272,339)
Capital Assets	1,402,873	795,698	607,175
Total Assets	\$ 2,243,673	\$ 1,908,837	\$ 334,836
<u>LIABILITIES:</u>			
Accounts Payable	\$ 2	\$ 4,081	\$ (4,079)
Total Liabilities	\$ 2	\$ 4,081	\$ (4,079)
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 1,402,873	\$ 795,698	\$ 607,175
<u>Restricted For:</u>			
Capital Reserve	636,774	1,032,309	(395,535)
Unrestricted	204,024	76,749	127,275
Total Net Position	\$ 2,243,671	\$ 1,904,756	\$ 338,915

Key Variances

- Current and Other Assets decreased \$272,339 as a result of planned utilization of capital reserve funds to purchase a new fire truck.
- Capital Assets and Net Investment in Capital Assets increased \$607,175 as a result of the purchase of a new fire truck.
- Capital Reserves decreased \$395,535 as a result of planned utilization of the capital reserve to purchase a fire truck totaling \$688,434 and then the Board refunded the reserve \$214,174 at the end of the year.

One of the largest components of the District's net position, 63%, reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the residents and consequently, these assets are not available for future 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 themselves cannot be used to liquidate these liabilities.

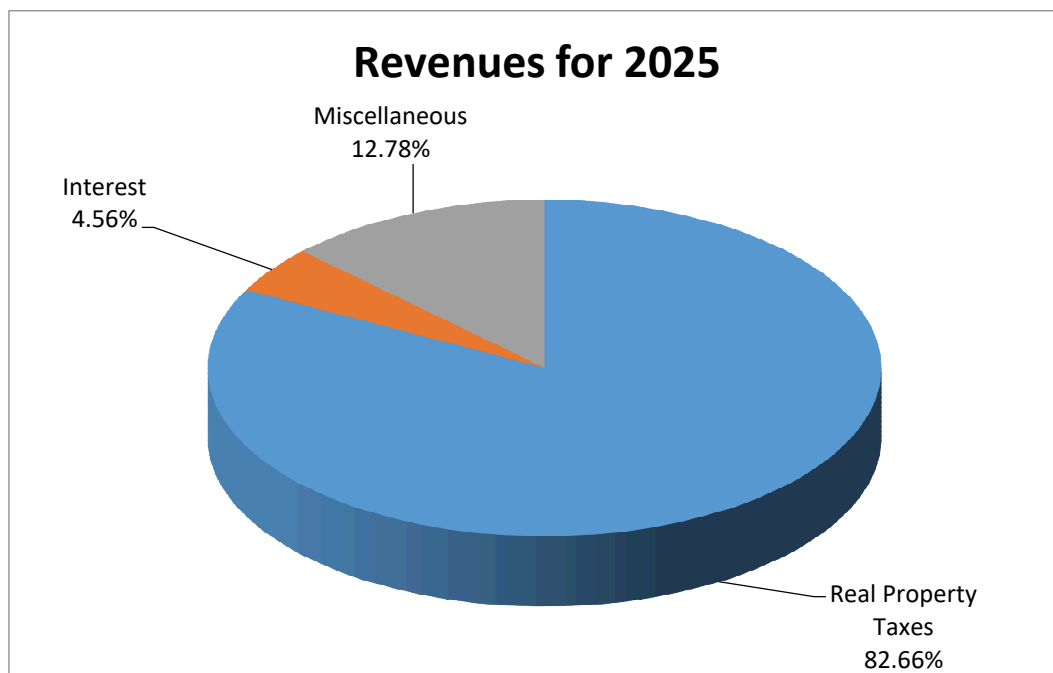
There is a restricted net position balance in Capital Reserves, which constitutes 28% of total net position. The remaining balance of unrestricted net position, which is a surplus of \$204,024 or 9%, may be used to finance future operations.

Changes in Net Position

	Governmental Activities		Total Variance
	<u>2025</u>	<u>2024</u>	
<u>REVENUES:</u>			
<u>General -</u>			
Property Taxes	\$ 552,018	\$ 361,846	\$ 190,172
Investment Earnings	30,460	55,054	(24,594)
Miscellaneous	85,350	13,170	72,180
Total General	\$ 667,828	\$ 430,070	\$ 237,758
TOTAL REVENUES	\$ 667,828	\$ 430,070	\$ 237,758
<u>EXPENSES:</u>			
Public Safety	\$ 328,913	\$ 384,848	\$ (55,935)
TOTAL EXPENSES	\$ 328,913	\$ 384,848	\$ (55,935)
INCREASE IN NET POSITION	\$ 338,915	\$ 45,222	
NET POSITION, BEGINNING OF YEAR	1,904,756	1,859,534	
NET POSITION, END OF YEAR	\$ 2,243,671	\$ 1,904,756	

Key Variances

- Property Taxes increased \$190,172 as a result of planned increases for debt service and reserve funding.
- Miscellaneous increased \$72,180 as a result of insurance reimbursement from damages to truck #114.
- Public Safety decreased \$55,935 as a result of building repairs, insurance, and finance department decreases in expenditures.



Budgetary Highlights

The key budget variances for the General Fund are listed below.

<u>Revenue Item</u>	<u>Budget Variance Amended Vs Actual</u>	<u>Explanation for Budget Variance</u>
Use of Money and Property	\$30,460	Did not budget for interest revenue
Miscellaneous	\$85,350	Insurance proceeds from accident

Capital Assets

At December 31, 2025 the District had \$1,402,873, net of accumulated depreciation invested in capital assets as follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 123,515	\$ 123,515
Machinery and Equipment	1,279,358	672,183
Total Capital Assets	<u>\$ 1,402,873</u>	<u>\$ 795,698</u>

More detailed information about the District's capital assets is presented in the notes to the financial statements.

Future Factors

The District has concerns with staffing, the cost of equipment, especially the large fire fighting trucks and that Caledonia's growth is somewhat flat.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Caledonia Fire District, Livingston County
Attn: Ms. Susan Carson
Caledonia, New York 14423

CALEDONIA FIRE DISTRICT
LIVINGSTON COUNTY, NEW YORK
STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 840,800
Capital assets:	
Land	123,515
Equipment	1,279,358
TOTAL ASSETS	\$ 2,243,673
LIABILITIES	
Accounts payable and other current liabilities	\$ 2
TOTAL LIABILITIES	\$ 2
NET POSITION	
Net investment in capital assets	\$ 1,402,873
Restricted for:	
Capital reserves	636,774
Unrestricted	204,024
TOTAL NET POSITION	\$ 2,243,671

(The accompanying notes are an integral part of these financials)

CALEDONIA FIRE DISTRICT
LIVINGSTON COUNTY, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	Net (Expense)
			Revenue and Changes in Net Position
Governmental Activities:			Primary Government Governmental Activities
Public safety	\$ 328,913	\$ -	\$ (328,913)
Total Governmental Activities	\$ 328,913	\$ -	\$ (328,913)
General Revenues:			
Property taxes			\$ 552,018
Investment earnings			30,460
Miscellaneous			85,350
Total General Revenues			\$ 667,828
Change in Net Position			\$ 338,915
Net Position - Beginning			1,904,756
Net Position - Ending			\$ 2,243,671

(The accompanying notes are an integral part of these financials)

CALEDONIA FIRE DISTRICT
LIVINGSTON COUNTY, NEW YORK
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Total Governmental Funds
Assets		
Cash and cash equivalents	\$ 840,800	\$ 840,800
Total Assets	<u>\$ 840,800</u>	<u>\$ 840,800</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and other current liabilities	\$ 2	\$ 2
Total Liabilities	<u>\$ 2</u>	<u>\$ 2</u>
Fund Balances:		
Restricted	\$ 636,774	\$ 636,774
Assigned	109,361	109,361
Unassigned	94,663	94,663
Total Fund Balances	<u>\$ 840,798</u>	<u>\$ 840,798</u>
Total Liabilities and Fund Balances	<u>\$ 840,800</u>	

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

	<u>1,402,873</u>
Net Position of Governmental Activities	<u>\$ 2,243,671</u>

(The accompanying notes are an integral part of these financials)

CALEDONIA FIRE DISTRICT

LIVINGSTON COUNTY, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS

For the Year Ended December 31, 2025

	General Fund	Total Governmental Funds
Revenues:		
Real property and tax items	\$ 552,018	\$ 552,018
Use of money and property	30,460	30,460
Miscellaneous	85,350	85,350
Total Revenues	\$ 667,828	\$ 667,828
Expenditures:		
Current:		
Public safety	\$ 934,791	\$ 934,791
Employee benefits	1,297	1,297
Total Expenditures	\$ 936,088	\$ 936,088
Excess (deficiency) of revenue over expenditures	\$ (268,260)	\$ (268,260)
Fund Balance - Beginning	1,109,058	1,109,058
Fund Balance - Ending	\$ 840,798	\$ 840,798

(The accompanying notes are an integral part of these financials)

CALEDONIA FIRE DISTRICT

LIVINGSTON COUNTY, NEW YORK

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2025

Net Change in Fund Balances - Total Governmental Funds **\$ (268,260)**

**Amounts reported for governmental activities in the Statement of
Activities are different because:**

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Addition of assets	\$ 731,452	
Depreciation	<u>(124,277)</u>	
		<u>607,175</u>

Change in Net Position of Governmental Activities **\$ 338,915**

(The accompanying notes are an integral part of these financials)

CALEDONIA FIRE DISTRICT
LIVINGSTON COUNTY, NEW YORK
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2025

I. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Basis of Presentation

1. Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). All of the District's services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions, i.e., public safety. The functions are also supported by general government revenues (property taxes, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operation grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

The emphasis in fund financial statements is on the major fund categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

(I) (Continued)

a. Governmental Funds - Governmental funds are those major and nonmajor funds through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following is the District's governmental fund type.

1. Major Governmental Fund

General Fund - the principal operating fund which includes all operations not required to be recorded in other funds.

B. Basis of Accounting/Measurement Focus

1. Accrual

The government-wide financial statements are reported using the economic resources measurement focus and the 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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations are recognized in the year in which all eligibility requirements have been satisfied.

2. Modified Accrual

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

Expenditures are recorded when incurred except that:

- a.** Expenditures for prepaid expenditures and inventory-type items are recognized at the time of purchase.
- b.** Principal and interest on indebtedness are not recognized as an expenditure until due.

3. Impact of Recently Issued Accounting Principles

GASB has issued Statement 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, which will be effective for fiscal years beginning after June 15, 2025.

(I) (Continued)

GASB has issued Statement 105, *Subsequent Events*, which will be effective for fiscal years beginning after June 15, 2026.

The District is currently studying these statements and plans on adoption as required.

C. Property Taxes

Real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to March 31. Taxes for county purposes are levied together with taxes for town and special district purposes as a single bill. The District receives the full amount of their levy annually out of the first amounts collected. The County assumes enforcement responsibility for all taxes levied in the towns.

D. Cash and Cash Equivalents

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

E. Inventory

Inventory purchases in all funds are recorded as expenditures at the time of purchase and year end balances are not maintained.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

G. Capital Assets - Property, Plant and Equipment

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

<u>Class</u>	<u>Estimated Useful Life</u>
Machinery & Equipment	3-20 Years

H. Long-Term Obligations

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.

(I) (Continued)

I. **Equity Classifications**

1. **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

2. **Financial Statements – Fund Balance**

The District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- a. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- b. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- c. **Unassigned fund balance** – Amounts that are available for District purposes pursuant to any Law restrictions. Any positive amounts are reported only in the General Fund.

3. The following policies relate to GASB No. 54:

- a. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds.

(I) (Continued)

- b. **Order of fund balance** – The District’s policy is to apply expenditures against restricted fund equity and unassigned fund equity at the end of the year.

For all funds, restricted fund equity is determined first. In the General Fund, the remaining amounts are reported as unassigned.

It is possible for the funds to have negative unassigned fund equity when the restricted fund equity for specific purposes amounts exceed the positive fund balance.

II. **Stewardship:**

A. **Budgetary Data**

1. **Budget Policies** - The budget policies are as follows:

- a. After a public hearing held on the third Tuesday of October of each year, the District Board adopts the District budget.
- b. All revisions that alter appropriations of any department or fund must be approved by the District’s Board.

2. **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with generally accepted accounting principles.

III. **Detail Notes on All Funds and Account Groups:**

A. **Assets**

1. **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.

The District’s aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$ -
Collateralized within Trust	367,264
Total	\$ 367,264

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$636,774 within the governmental funds.

(III) (Continued)

2. Changes In Capital Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/25</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/25</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 123,515	\$ -	\$ -	\$ 123,515
<i>Total Nondepreciable</i>	<u>\$ 123,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,515</u>
<u>Capital Assets that are Depreciated -</u>				
Machinery and equipment	\$ 3,077,077	\$ 731,452	\$ -	\$ 3,808,529
<i>Total Depreciated Assets</i>	<u>\$ 3,077,077</u>	<u>\$ 731,452</u>	<u>\$ -</u>	<u>\$ 3,808,529</u>
<u>Less Accumulated Depreciation -</u>				
Machinery and equipment	\$ 2,404,894	\$ 124,277	\$ -	\$ 2,529,171
<i>Total Accumulated Depreciation</i>	<u>\$ 2,404,894</u>	<u>\$ 124,277</u>	<u>\$ -</u>	<u>\$ 2,529,171</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 672,183</u>	<u>\$ 607,175</u>	<u>\$ -</u>	<u>\$ 1,279,358</u>
Total Capital Assets	<u><u>\$ 795,698</u></u>	<u><u>\$ 607,175</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,402,873</u></u>

Depreciation expense for the period was charged to public safety totaling \$124,277.

B. Fund Balances

1. Fund Balances

a. Restricted

Currently, New York State laws still use the terminology reserves and Districts are only allowed to use reserves authorized by law. The District currently utilizes the following reserves which are classified as restricted funds:

Capital Reserve - The District maintains a Capital Reserve Fund, recorded in the General Fund, which has a balance of \$636,774 at December 31, 2025.

b. Assigned

The District has the following assigned funds:

General Fund – 1. Encumbrances/Equipment & repairs

Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

(III) (Continued)

c. **Unassigned**

Unassigned funds include the residual classification for the District's General Fund and all spendable amounts not contained in other classifications.

The following table summarizes the District's fund balance according to the descriptions above:

<u>FUND BALANCE:</u>	<u>General Fund</u>
<u>Restricted -</u>	
Capital improvements	\$ 636,774
Total Restricted	\$ 636,774
<u>Assigned -</u>	
Public safety	\$ 72,577
Equipment & repairs	36,784
Total Assigned	\$ 109,361
<u>Unassigned</u>	\$ 94,663
TOTAL FUND BALANCE	<u>\$ 840,798</u>

IV. **Risk Management:**

A. **General Information**

The District is exposed to various risks of loss related to theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage for the year ended December 31, 2025.

V. **Short-Term Leases:**

The District currently rents space on a year to year basis from the Village of Caledonia. The total cost of renting this space for 2025 totaled \$28,800.

VI. **Litigation:**

There is no litigation pending against the District as of the balance sheet date.

**Required Supplemental Information
CALEDONIA FIRE DISTRICT**

LIVINGSTON COUNTY, NEW YORK

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**

For the Year Ended December 31, 2025

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 562,018	\$ 562,018	\$ 552,018	\$ -	\$ (10,000)
Use of money and property	-	-	30,460	-	30,460
Miscellaneous	-	-	85,350	-	85,350
Total Revenues	\$ 562,018	\$ 562,018	\$ 667,828	\$ -	\$ 105,810
Expenditures:					
Current:					
Public safety	\$ 376,376	\$ 1,002,143	\$ 934,791	\$ 72,577	\$ (5,225)
Employee benefits	1,300	1,300	1,297	-	3
Debt Service:					
Debt service - interest and other charges	150,000	150,000	-	-	150,000
Total Expenditures	\$ 527,676	\$ 1,153,443	\$ 936,088	\$ 72,577	\$ 144,778
Excess (deficiency) of revenue over expenditures	\$ 34,342	\$ (591,425)	\$ (268,260)	\$ (72,577)	\$ 250,588
Other Financing Sources and Uses:					
Transfers - out	\$ (40,000)	\$ (40,000)	\$ -	\$ -	\$ 40,000
Total Other Financing Sources and Uses	\$ (40,000)	\$ (40,000)	\$ -	\$ -	\$ 40,000
Net change in fund balances	\$ (5,658)	\$ (631,425)	\$ (268,260)	\$ (72,577)	\$ 290,588
Fund Balance - Beginning	1,109,058	1,109,058	1,109,058	-	-
Fund Balance - Ending	\$ 1,103,400	\$ 477,633	\$ 840,798	\$ (72,577)	\$ 290,588

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

(See Independent Auditors' Report)

**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 Auditors' Report

To the Board of Fire Commissioners
Caledonia Fire District
Livingston County, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caledonia Fire District, Livingston County, New York (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 12, 2026.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barw & Co. LLP

Fairport, New York
June 12, 2026

**Caledonia Fire District
Livingston County, New York**

Schedule of Findings and Responses

For the Year Ended December 31, 2025

I. Summary of the Auditor's Results

Financial Statements

a) Type of auditor's report issued	Unmodified
b) Internal control over financial reporting	
1. Material weaknesses identified	No
2. Significant deficiency(ies) identified	No
c) Noncompliance material to financial statements noted	No

II. Financial Statement Findings

There were no current year findings and there were no prior year findings.