



WADING RIVER FIRE DISTRICT BOARD OF FIRE COMMISSIONERS

6.5 WRFD LEASE CLASSIFICATION & ACCOUNTING POLICY

WHEREAS, GASB issued Statement No. 87 Leases that established a single lease accounting model for the financial reporting of certain lease assets and related liabilities for leases that were previously classified as Operating Leases.

WHEREAS, according to a Memorandum issued by the Office of the New York State Comptroller in December of 2022 Fire Districts must implement the new lease accounting and reporting standards for AUD reporting purposes for those leases the Fire District is a party to either as a lessee or a lessor and the District deems to be material leases.

FURTHER, the determination of materiality is a managerial decision to be made by the Board of Commissioners and that the Board of Commissioners should use professional judgement and consider any factors they deem relevant to their District when determining materiality.

WHEREAS, the Fire District is thus establishing a materiality threshold for the required reporting of Fire District leases.

Now therefore be it resolved for purposes of accounting and reporting in accordance with GASB No. 87 Leases that any lease falling within in the scope of the pronouncement that the total remaining aggregate lease payments **exceed 2% of the current year's operating budget shall be deemed material.**

Be it further resolved that the District report in the Annual Update Document all Fire District leases that are determined material in accordance with the materiality threshold established in this policy.

Be it further resolved that the Board of Fire Commissioners will review this policy on an annual basis.

Adopted by the Wading River Fire District Board of Fire Commissioners on Monday, 08/14/2023.

Kevin McQueeney, Chairman
Joe Moreno, Commissioner
Tim Deveny, Commissioner

Matt Wallace, Commissioner
Gregory Meyer, Commissioner