

**WEST OSSIPPEE FIRE PRECINCT,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016**

WEST OSS�PEE FIRE PRECINCT
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PLODZIK & SANDERSON

Professional Association/Accountants & Auditors

193 North Main Street • Concord • New Hampshire • 03301-5063 • 603-225-6996 • FAX 603-224-1380

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Commissioners
West Ossipee Fire Precinct
Ossipee, New Hampshire

We have audited the accompanying financial statements of the governmental activities, and major fund of the West Ossipee Fire Precinct as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Precinct'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. 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 control relevant to the entity'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 entity'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 and major fund of the West Ossipee Fire Precinct, as of December 31, 2016, and the respective changes in financial position and, the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Information - Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Ossipee Fire Precinct's basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

*West Ossipee Fire Precinct
Independent Auditor's Report*

The individual fund schedules are the responsibility of management and were derived from and relate 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, the individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

June 7, 2017

*Plodyk & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
WEST OSSIPPEE FIRE PRECINCT
Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 128,260
Intergovernmental receivable	102,039
Capital assets:	
Land and construction in progress	17,384
Other capital assets, net of depreciation	<u>788,052</u>
Total assets	<u>1,035,735</u>
LIABILITIES	
Accounts payable	4,735
Accrued salaries and benefits	1,730
Accrued interest payable	2,957
Long-term liabilities:	
Due within one year	42,000
Due in more than one year	<u>67,280</u>
Total liabilities	<u>118,702</u>
NET POSITION	
Net investment in capital assets	696,156
Unrestricted	<u>220,877</u>
Total net position	<u>\$ 917,033</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT B
WEST OSSIPPEE FIRE PRECINCT
Statement of Activities
For the Fiscal Year Ended December 31, 2016

	Expenses	Net Expense and Change In Net Position
General government	\$ 80,761	\$ (80,761)
Public safety	243,735	(243,735)
Highways and streets	546	(546)
Interest on long-term debt	12,414	(12,414)
Capital outlay	4,562	(4,562)
Total governmental activities	\$ 342,018	(342,018)
General revenues:		
Precinct assessment		372,955
Unrestricted investment earnings		1,176
Miscellaneous		746
Total general revenues		374,877
Change in net position		32,859
Net position, beginning		884,174
Net position, ending		\$ 917,033

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-1
WEST OSSIPPEE FIRE PRECINCT
Governmental Fund
Balance Sheet
December 31, 2016

	General
ASSETS	
Cash and cash equivalents	\$ 128,260
Intergovernmental receivable	102,039
Prepaid items	24,720
Total assets	\$ 255,019
LIABILITIES	
Accounts payable	\$ 4,735
Accrued salaries and benefits	1,730
Total liabilities	6,465
FUND BALANCES	
Nonspendable	24,720
Committed	102,039
Unassigned	121,795
Total fund balances	248,554
Total liabilities and fund balances	\$ 255,019

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-2
WEST OSSIPPEE FIRE PRECINCT
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position
December 31, 2016

Total fund balances of governmental funds (Exhibit C-1)	\$ 248,554
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	
Cost	\$ 1,651,489
Less accumulated depreciation	<u>(846,053)</u>
	805,436
Interest on long-term debt is not accrued in governmental funds.	
Accrued interest payable	(2,957)
Repayment of long-term liabilities not due until subsequent year are recorded in the governmental funds as prepaid items, but reduce the liability on the government-wide financial statements.	
	(24,720)
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds.	
Bond	<u>(109,280)</u>
Net position of governmental activities (Exhibit A)	<u><u>\$ 917,033</u></u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-3
WEST OSSIPPEE FIRE PRECINCT
Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2016

	General
REVENUES	
Taxes	\$ 372,955
Miscellaneous	1,922
Total revenues	374,877
EXPENDITURES	
Current:	
General government	80,761
Public safety	186,659
Highways and streets	546
Debt service:	
Principal	40,000
Interest	9,457
Capital outlay	21,946
Total expenditures	339,369
Net change in fund balances	35,508
Fund balance, beginning	213,046
Fund balance, ending	\$ 248,554

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT C-4
WEST OSSIPPEE FIRE PRECINCT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2016

Net change in fund balances of governmental funds (Exhibit C-3)		\$ 35,508
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capitalized capital outlay in the current period.		
Capitalized capital outlay	\$ 17,384	
Depreciation expense	<u>(57,076)</u>	(39,692)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position.		
Repayment of bond principal		40,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Increase in accrued interest expense		<u>(2,957)</u>
Changes in net position of governmental activities (Exhibit B)		<u>\$ 32,859</u>

The notes to the basic financial statements are an integral part of this statement.

EXHIBIT D
WEST OSSIPEE FIRE PRECINCT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 372,362	\$ 372,362	\$ 372,955	\$ 593
Charges for services	415	-	-	-
Miscellaneous	233	648	760	112
Total revenues	<u>373,010</u>	<u>373,010</u>	<u>373,715</u>	<u>705</u>
EXPENDITURES				
Current:				
General government	94,200	94,200	80,761	13,439
Public safety	181,700	181,700	185,196	(3,496)
Highways and streets	600	600	546	54
Debt service:				
Principal	40,000	40,000	40,000	-
Interest	16,710	16,710	9,457	7,253
Capital outlay	19,800	19,800	21,946	(2,146)
Total expenditures	<u>353,010</u>	<u>353,010</u>	<u>337,906</u>	<u>15,104</u>
Excess of revenues over expenditures	20,000	20,000	35,809	15,809
OTHER FINANCING USES				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	15,809	<u>\$ 15,809</u>
Increase in nonspendable fund balance			4,729	
Unassigned fund balance, beginning			<u>101,257</u>	
Unassigned fund balance, ending			<u>\$ 121,795</u>	

The notes to the basic financial statements are an integral part of this statement.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

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WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the West Ossipee Fire Precinct, New Hampshire (the Precinct), have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

In 2016 the Precinct implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a government should apply.

The more significant of the Precinct's accounting policies are described below.

1-A Reporting Entity

The West Ossipee Fire Precinct is a municipal corporation governed by an elected 3-member Board of Commissioners. In evaluating how to define the Precinct for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Precinct has no component units to include in its reporting entity.

1-B Government-wide and Fund Financial Statements

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government. Generally, the effect of interfund activity has been eliminated from these statements.

The *Statement of Net Position* presents the financial position of the Precinct at year-end. This statement includes all of the Precinct's assets, liabilities, and net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue.

Fund Financial Statements - Separate financial statements are provided for the governmental fund. The major individual governmental fund is reported as a separate column in the fund financial statements.

In the governmental fund financial statements, expenditures are reported by character: current, debt service, capital outlay, or other financing uses. Current expenditures are subclassified by function and are for items such as salaries, supplies, and services. Debt service includes both interest and principal outlays related to bonds. Capital outlay includes expenditures for equipment, real property, or infrastructure.

1-C Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting - 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 when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Precinct generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, licenses and permits, intergovernmental revenue, and interest associated with

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Financial Statement Presentation - A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The Precinct reports the following major governmental fund:

General Fund – is the Precinct’s operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue source is precinct tax. The primary expenditures are for general government, public safety, debt service and capital outlay. Under GASB Statement No. 54 guidance the expendable trust fund is consolidated in the general fund.

1-D Cash and Cash Equivalents

The Precinct considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist a demand deposit account.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-E Receivables

Receivables recorded in the financial statements represent amounts due to the Precinct at December 31. They are aggregated into a single intergovernmental receivable line. They consist of the expendable trust fund held by the Town of Ossipee Trustees of the Trust Funds.

1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

1-G Capital Assets

Capital assets are defined by the Precinct as assets with an initial individual cost of \$10,000 or more and an estimated life in excess of one year. Capital assets include property, plant, and equipment, infrastructure assets (e.g. roads, bridges, sidewalks, drainage, and similar items) and are reported in governmental activities.

The accounting and reporting treatment applied to capital assets associated with a fund are determined by the fund’s measurement focus. General capital assets are assets of the Precinct as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized as assets in the governmental activities column of the government-wide Statement of Net Position. When cost of general capital assets cannot be determined from available records, estimated historical cost is used.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend lives are not capitalized.

In the government-wide financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed and any resulting gain or loss is included in income.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

Capital assets of the Precinct are depreciated or amortized using the straight-line method over the following estimated useful lives:

	Years
Capital Asset Classes:	
Land improvements	25
Buildings and building improvements	50
Machinery, equipment, and vehicles	5-45
Infrastructure	25

1-H Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2016.

1-I Long-term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position.

1-J Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in two components:

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets.
- b) *Unrestricted net position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extend of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Precinct Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Unassigned – This classification includes the amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When multiple net position/fund balance classifications are available for use, it is the government’s policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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1-K Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates consist of the useful lives of capital assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Precinct’s operations. At its annual meeting, the Precinct adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with US generally accepted accounting principles.

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

Encumbrance accounting, under which purchase orders, contracts, and continuing appropriations (certain projects and specific items not fully expended at year-end) are recognized, is employed in the governmental funds. Encumbrances are not the equivalent of expenditures, and are therefore, reported as part of the assigned fund balance at year-end, and are carried forward to supplement appropriations of the subsequent year.

State statutes require balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2016, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

The Precinct employs certain accounting principles for budgetary reporting purposes that differ from a GAAP basis. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis presents the actual results to provide a comparison with the budget. The major difference between the budgetary basis and GAAP basis is as follows:

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities, but represent budgetary accounting controls. Governmental fund budgets are maintained on the modified accrual basis of accounting except that budgetary basis expenditures include purchase orders and commitments (encumbrances) for goods or services not received at year-end. Encumbrances are recorded to reserve a portion of fund balance in the governmental fund types for commitments for which no liability exists.

The following reconciles the general fund budgetary basis to the GAAP basis:

Revenues:	
Per Exhibit D (budgetary basis)	\$ 373.715
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
Interest income earned on eliminated blended expendable trust funds	1.162
Per Exhibit C-3 (GAAP basis)	<u>\$ 374.877</u>
	<i>(Continued)</i>

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Budgetary reconciliation to GAAP basis continued:

Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 357,906
Adjustment:	
Basis differences:	
Encumbrances, beginning	1,463
GASB Statement No. 54:	
To eliminate transfers between the blended general and expendable trust funds	(20,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 339,369</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Precinct’s deposits are entirely covered by federal depository insurance (FDIC). The FDIC currently insures the first \$250,000 of the Precinct’s deposits at each financial institution, per case custodian. As of year-end, the carrying amount of the Precinct’s deposits was \$128,260 and the bank balances totaled \$135,518.

NOTE 4 – RECEIVABLES

Receivables of \$102,039, at December 31, 2016, consist of the expendable trust fund held by the Town of Ossipee Trustees of Trust Funds. Receivables are recorded on the Precinct’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – PREPAID ITEMS

Prepaid items of \$24,720 December 31, 2016 consisted of a principal debt payment due to Zion National Bank, which will be applied to their principal owed in the last year of the bond, 2019. The amount has been used to reduce the non-current portion of the bond payable reported in the governmental activities (Exhibit A).

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is as follows:

	<u>Balance, beginning</u>	<u>Additions</u>	<u>Balance, ending</u>
At cost:			
Not being depreciated:			
Construction in progress	\$ -	\$ 17,384	\$ 17,384
Being depreciated:			
Land improvements	14,966	-	14,966
Buildings and building improvements	661,938	-	661,938
Vehicles	920,729	-	920,729
Infrastructure	36,472	-	36,472
Total capital assets being depreciated	<u>1,634,105</u>	<u>-</u>	<u>1,634,105</u>
Total all capital assets	<u>1,634,105</u>	<u>17,384</u>	<u>1,651,489</u>

(Continued)

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Capital assets continued:

	Balance, beginning	Additions	Balance, ending
Less accumulated depreciation:			
Land improvements	(1,247)	(599)	(1,846)
Buildings and building improvements	(130,094)	(13,240)	(143,334)
Vehicles	(656,906)	(41,778)	(698,684)
Infrastructure	(730)	(1,459)	(2,189)
Total accumulated depreciation	<u>(788,977)</u>	<u>(57,076)</u>	<u>(846,053)</u>
Net book value, capital assets being depreciated	<u>845,128</u>	<u>(57,076)</u>	<u>788,052</u>
Net book value, all capital assets	<u>\$ 845,128</u>	<u>\$ (39,692)</u>	<u>\$ 805,436</u>

Depreciation expense of \$57,076 was charged to the public safety function of the Precinct based on their usage of the related assets.

NOTE 7 – LONG-TERM LIABILITIES

Changes in the Precinct’s long-term liabilities consisted of the following for the year ended December 31, 2016:

	Balance January 1, 2016	Reductions	Balance December 31, 2016	Due Within One Year
General obligation bond payable	<u>\$ 149,280</u>	<u>\$ (40,000)</u>	<u>\$ 109,280</u>	<u>\$ 42,000</u>

The long-term bond is comprised of the following:

	Original Amount	Issue Date	Maturity Date	Interest Rate %	Outstanding at December 31, 2016	Current Portion
General obligation bond payable:						
Jewell Hill Fire Station	\$ 373,000	2009	2019	5.96	\$ 109,280	\$ 42,000

The annual requirements to amortize all general obligation bond outstanding as of December 31, 2016, including interest payments, are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2017	\$ 42,000	\$ 7,065	\$ 49,065
2018	45,000	4,453	49,453
2019	22,280 *	1,546	23,826
Totals	<u>\$ 109,280</u>	<u>\$ 13,064</u>	<u>\$ 122,344</u>

*A prepayment on the noncurrent portion of the debt (2019) was made in December 2016 of \$24,720 which is reflected in the governmental activities (Exhibit A) at year-end.

All debt is general obligation debt of the Precinct, which is backed by its full faith and credit, and will be repaid from general governmental revenues.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2016

NOTE 8 – GOVERNMENTAL ACTIVITIES NET POSITION

Governmental activities net position reported on the government-wide Statement of Net Position at December 31, 2016 include the following:

Net investment in capital assets:	
Net property, buildings, and equipment	\$ 805,436
Less:	
General obligation bond payable	(109,280)
Total net investment in capital assets	696,156
Unrestricted	220,877
Total net position	\$ 917,033

None of the net position is restricted by enabling legislation.

NOTE 9 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2016 include the following:

	General Fund
Nonspendable:	
Prepaid items	\$ 24,720
Committed:	
Expendable trust	102,039
Unassigned	121,795
Total governmental fund balances	\$ 248,554

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through June 7, 2017, the date the December 31, 2016 financial statements were available to be issued, and no events occurred that require recognition or disclosure.

INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
WEST OSS�PEE FIRE PRECINCT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

	<u>Estimated</u>	<u>Actual</u>	Variance Positive (Negative)
Taxes:			
Precinct assessment	<u>\$ 372,362</u>	<u>\$ 372,955</u>	<u>\$ 593</u>
Miscellaneous:			
Interest on investments	8	14	6
Other	<u>640</u>	<u>746</u>	<u>106</u>
Total from miscellaneous	<u>648</u>	<u>760</u>	<u>112</u>
Total revenues	<u><u>\$ 373,010</u></u>	<u><u>\$ 373,715</u></u>	<u><u>\$ 705</u></u>

SCHEDULE 2
WEST OSSIPPEE FIRE PRECINCT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

	Encumbered from Prior Year	Appropriations	Expenditures	Variance Positive (Negative)
Current:				
General government:				
Executive	\$ -	\$ 13,150	\$ 12,785	\$ 365
Financial administration	-	6,000	8,510	(2,510)
Legal	-	1,000	-	1,000
General government buildings	-	51,950	33,767	18,183
Insurance, not otherwise allocated	-	22,100	25,699	(3,599)
Total general government	-	94,200	80,761	13,439
Public safety:				
Fire	1,463	181,700	186,659	(3,496)
Highways and streets:				
Street lighting	-	600	546	54
Debt service:				
Principal of long-term debt	-	40,000	40,000	-
Interest on long-term debt	-	16,710	9,457	7,253
Total debt service	-	56,710	49,457	7,253
Capital outlay	-	19,800	21,946	(2,146)
Other financing uses:				
Transfers out	-	20,000	20,000	-
Total appropriations, expenditures, other financing uses, and encumbrances	<u>\$ 1,463</u>	<u>\$ 373,010</u>	<u>\$ 359,369</u>	<u>\$ 15,104</u>

SCHEDULE 3
WEST OSSIPPEE FIRE PRECINCT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2016

Unassigned fund balance, beginning		\$ 101,257
Changes:		
2016 Budget summary:		
Revenue surplus (Schedule 1)	\$ 705	
Unexpended balance of appropriations (Schedule 2)	15,104	
2016 Budget surplus		15,809
Decrease in nonspendable fund balance		4,729
Unassigned fund balance, ending		\$ 121,795