

WEST OSSIPPEE FIRE PRECINCT
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

WEST OSSIPEE FIRE PRECINCT, NEW HAMPSHIRE
ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major general fund of the West Ossipee Fire Precinct as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Precinct's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 West Ossipee Fire Precinct 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 West Ossipee Fire Precinct'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 West Ossipee Fire Precinct'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 generally accepted 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.

***West Ossipee Fire Precinct
Independent Auditor's Report***

In performing an audit in accordance with generally accepted 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 West Ossipee Fire Precinct'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 West Ossipee Fire Precinct'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.

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.

Supplementary 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.

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.

July 26, 2022

*Plodyk & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
WEST OSS�PEE FIRE PRECINCT
Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 262,374
Intergovernmental receivable	120,048
Capital assets:	
Land and construction in progress	17,384
Other capital assets, net of depreciation	826,019
Total assets	1,225,825
LIABILITIES	
Accounts payable	4,703
Accrued salaries and benefits	3,609
Accrued interest payable	1,938
Long-term liabilities:	
Due within one year	57,245
Total liabilities	67,495
NET POSITION	
Net investment in capital assets	786,158
Unrestricted	372,172
Total net position	\$ 1,158,330

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B
WEST OSS�PEE FIRE PRECINCT
Statement of Activities
For the Fiscal Year Ended December 31, 2021

	Expenses	Net Expense and Change In Net Position
General government	\$ 90.740	\$ (90,740)
Public safety	274.192	(274,192)
Highways and streets	481	(481)
Interest on long-term debt	2.303	(2,303)
Total governmental activities	\$ 367,716	(367,716)
General revenues:		
Taxes:		
Precinct taxes		459,318
Unrestricted investment earnings		339
Miscellaneous		2,960
Total general revenues		462,617
Change in net position		94,901
Net position, beginning		1,063,429
Net position, ending		\$ 1,158,330

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-1
WEST OSSIPEE FIRE PRECINCT
Governmental Fund
Balance Sheet
December 31, 2021

	General
ASSETS	
Cash and cash equivalents	\$ 262,374
Intergovernmental receivable	120,048
Total assets	\$ 382,422
LIABILITIES	
Accounts payable	\$ 4,703
Accrued salaries and benefits	3,609
Total liabilities	8,312
FUND BALANCES	
Committed	106,075
Assigned	46,764
Unassigned	221,271
Total fund balances	374,110
Total liabilities and fund balances	\$ 382,422

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 - Governmental Fund to the Statement of Net Position
December 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance of the governmental fund (Exhibit C-1)		\$ 374,110
Capital assets used in governmental activities are not current financial resources, therefore, are not reported in the governmental funds.		
Cost	\$ 1,916,114	
Less accumulated depreciation	<u>(1,072,711)</u>	
		843,403
Interest on long-term debt is not accrued in governmental funds.		
Accrued interest payable		(1,938)
Long-term liabilities that are not due and payable in the current period, therefore, are not reported in the governmental funds.		
Capital lease		<u>(57,245)</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 1,158,330</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-3
WEST OSS�PEE FIRE PRECINCT
Governmental Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2021

	General
REVENUES	
Taxes	\$ 459,318
Miscellaneous	3,299
Total revenues	462,617
EXPENDITURES	
Current:	
General government	90,740
Public safety	237,325
Highways and streets	481
Debt service:	
Principal	55,197
Interest	4,172
Total expenditures	387,915
Net change in fund balances	74,702
Fund balances, beginning	299,408
Fund balances, ending	\$ 374,110

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 - Governmental Fund to the Statement of Activities
For the Fiscal Year Ended December 31, 2021

Net change in fund balance of the governmental fund (Exhibit C-3)		\$ 74,702
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental fund reports capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Capitalized capital outlay		\$ 10,745
Depreciation expense		<u>(47,612)</u>
		(36,867)
Bond and other debt proceeds provide current financial resources to governmental funds,		
but issuing debt increases long-term liabilities in the Statement of Net Position.		
Repayment of bond and other debt principal is an expenditure in the governmental funds,		
but repayment reduces long-term liabilities in the Statement of Net Position.		
Repayment of capital lease		55,197
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.		
Decrease in accrued interest expense		<u>1,869</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 94,901</u></u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT D
WEST OSS�PEE 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, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 457,845	\$ 459,318	\$ 1,473
Licenses and permits	500	-	(500)
Charges for services	300	-	(300)
Miscellaneous	30	2,980	2,950
Total revenues	<u>458,675</u>	<u>462,298</u>	<u>3,623</u>
EXPENDITURES			
Current:			
General government	93,026	102,740	(9,714)
Public safety	285,680	266,794	18,886
Highways and streets	600	481	119
Debt service:			
Principal	55,197	55,197	-
Interest	4,172	4,172	-
Total expenditures	<u>438,675</u>	<u>429,384</u>	<u>9,291</u>
Excess of revenues over expenditures	<u>20,000</u>	<u>32,914</u>	<u>12,914</u>
OTHER FINANCING USES			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>12,914</u>	<u>\$ 12,914</u>
Unassigned fund balance, beginning		<u>208,357</u>	
Unassigned fund balance, ending		<u>\$ 221,271</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

WEST OSSIPPEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

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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 U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

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 Basis of Accounting and Measurement Focus

The accounts of the Precinct are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Precinct’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Precinct accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Precinct’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements – Include a balance sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for the major governmental fund. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

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, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. 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, are recorded only when payment is due.

The Precinct reports the following major governmental fund:

General Fund – is the Precinct’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include the Precinct assessment. The primary expenditures are for general government, public safety, and debt service. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the expendable trust funds are consolidated in the general fund.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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1-C 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 primarily of demand deposits.

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-D Intergovernmental 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 Precinct assessments due from the Town of Ossipee as well as the expendable trust funds held by the Town of Ossipee Trustees of Trust Funds.

1-E Capital Assets

Capital assets include property, plant, and equipment, infrastructure assets (e.g., roads, parking lots, and similar items), and intangible assets (i.e., easements) which are reported in the government-wide financial statements. 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 a governmental fund and capitalized as assets in the government-wide Statement of Net Position.

Capital assets are defined by the Precinct as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are carried at historical cost or estimated historical cost. When the cost of the capital assets cannot be determined from available records, estimated historical cost is used. Donated capital assets received on or prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

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

1-F 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, 2021.

1-G Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfer and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between governmental funds have been eliminated.

WEST OSSIPPEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

1-H Long-term Obligations

In the government-wide financial statements, other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

1-I Net Position/Fund Balances

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

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Unrestricted net position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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 extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

Committed – 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.

Assigned – Amounts that are constrained by the Precinct's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Commissioners through the budgetary process.

Unassigned – Amounts that are available for any purpose.

When multiple net position/fund balance classifications are available for use, it is the government's practice 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.

1-J 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, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include the useful lives and impairment of capital assets, among others. 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 U.S. generally accepted accounting principles (GAAP).

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.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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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 2021, none of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the Precinct reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

Revenues:	
Per Exhibit D (budgetary basis)	\$ 462,298
Adjustment:	
Basis difference:	
GASB Statement No. 54:	
To record miscellaneous income of the blended expendable trust funds	319
Per Exhibit C-3 (GAAP basis)	<u>\$ 462,617</u>
Expenditures and other financing uses:	
Per Exhibit D (budgetary basis)	\$ 449,384
Adjustments:	
Basis differences:	
Encumbrances, beginning	5,295
Encumbrances, ending	(46,764)
GASB Statement No. 54:	
To eliminate transfer between general fund and blended expendable trust funds	(20,000)
Per Exhibit C-3 (GAAP basis)	<u>\$ 387,915</u>

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Precinct's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Precinct's agent in the Precinct's name. The FDIC currently insures the first \$250,000 of the Precinct's deposits at each financial institutions, per case custodial. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Precinct's deposits was \$262,374 and the bank balance was \$276,959.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Receivables of \$120,048 at December 31, 2021, consisted of a Precinct assessment owed to the Precinct from the Town of Ossipee and expendable trust funds held by the Town of Ossipee Trustee 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.

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 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
Machinery, equipment, and vehicles	1,174,609	10,745	1,185,354
Infrastructure	36,472	-	36,472
Total capital assets being depreciated	<u>1,887,985</u>	<u>10,745</u>	<u>1,898,730</u>
Total all capital assets	<u>1,905,369</u>	<u>10,745</u>	<u>1,916,114</u>
Less accumulated depreciation:			
Land improvements	(4,240)	(599)	(4,839)
Buildings and building improvements	(196,288)	(13,240)	(209,528)
Machinery, equipment, and vehicles	(816,547)	(32,314)	(848,861)
Infrastructure	(8,024)	(1,459)	(9,483)
Total accumulated depreciation	<u>(1,025,099)</u>	<u>(47,612)</u>	<u>(1,072,711)</u>
Net book value, capital assets being depreciated	862,886	(36,867)	826,019
Net book value, all capital assets	<u>\$ 880,270</u>	<u>\$(36,867)</u>	<u>\$ 843,403</u>

Depreciation expense of \$47,612 was charged to the public safety function of the Precinct based on their usage of the related assets.

NOTE 6 – CAPITAL LEASE OBLIGATION

The Precinct has entered into a certain capital lease agreement under which the related equipment will become the property of the Precinct when all the terms of the lease agreement are met.

	<u>Standard Interest Rate</u>	<u>Present Value of Remaining Payments as of December 31, 2021</u>
Capital lease obligations:		
HME Mini Evo (Pumper)	3.7101%	<u>\$ 57,245</u>

Leased equipment under the capital lease, included in capital assets, is as follows:

	<u>Governmental Activities</u>
Equipment:	
HME Mini Evo Pumper	\$ 264,390
Less: accumulated depreciation	<u>(34,150)</u>
Total capital lease equipment	<u>\$ 298,540</u>

WEST OSS�PEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

The annual requirements to amortize the capital lease payable as of December 31, 2021, including interest payments, are as follows:

Fiscal Year Ending December 31,	Governmental Activities
2022	\$ 59,369
Less: interest	(2,124)
Present value of remaining payments	\$ 57,245

Amortization of lease equipment under capital assets is included with depreciation expense.

NOTE 7 – LONG-TERM LIABILITIES

Changes in the Precinct’s long-term liabilities consisted of the following for the year ended December 31, 2021:

	Balance January 1, 2021	Reductions	Balance December 31, 2021	Due Within One Year
Capital lease	\$ 112,442	\$ (55,197)	\$ 57,245	\$ 57,245

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.

NOTE 8 – ENCUMBRANCES

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at December 31, 2021 and are as follows:

General fund:	
General government	\$ 12,000
Public safety	34,764
Total encumbrances	\$ 46,764

NOTE 9 – GOVERNMENTAL NET POSITION

Net position reported on the governmental activities Statement of Net Position at December 31, 2021 include the following:

Net investment in capital assets:	
Net book value, all capital assets	\$ 843,403
Less:	
Capital lease payable	(57,245)
Total net investment in capital assets	786,158
Unrestricted	372,172
Total net position	\$ 1,158,330

None of the net position is restricted by enabling legislation.

WEST OSSIPEE FIRE PRECINCT
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

NOTE 10 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2021 include the following:

	General Fund
Committed:	
Expendable trust	\$ 106,075
Assigned:	
Encumbrances	46,764
Unassigned	221,271
Total governmental fund balances	\$ 374,110

NOTE 11 – 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 July 26, 2022, the date the December 31, 2021 financial statements were available to be issued, and the following occurred that requires recognition or disclosure:

At the 2022 Annual Precinct Meeting, held on March 12, 2022, the Precinct residents approved one warrant article authorizing the use of December 31, 2021, surplus, totaling \$100,000 to fund a new expendable trust fund.

INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
WEST OSSIPPEE FIRE PRECINCT
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Estimated	Actual	Variance Positive (Negative)
Taxes:			
Precinct assessment	\$ 457,845	\$ 459,318	\$ 1,473
Licenses, permits, and fees:			
Other	500	-	(500)
Charges for services:			
Other	300	-	(300)
Miscellaneous:			
Interest on investments	30	20	(10)
Other	-	2,960	2,960
Total from miscellaneous	30	2,980	2,950
Total revenues	\$ 458,675	\$ 462,298	\$ 3,623

See Independent Auditor's Report.

SCHEDULE 2
WEST OSS�PEE FIRE PRECINCT
Major General Fund
Schedule of Appropriations, Expenditures, and Encumbrances (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

	Encumbered from Prior			Encumbered to Subsequent		Variance
	Year	Appropriations	Expenditures	Year		Positive (Negative)
Current:						
General government:						
Executive	\$ -	\$ 12,150	\$ 12,192	\$ -		\$ (42)
Financial administration	-	6,000	6,100	-		(100)
Legal	-	1,000	-	-		1,000
General government buildings	-	48,376	46,947	12,000		(10,571)
Insurance, not otherwise allocated	-	25,500	25,501	-		(1)
Total general government	-	93,026	90,740	12,000		(9,714)
Public safety:						
Fire	5,295	285,680	237,325	34,764		18,886
Highways and streets:						
Street lighting	-	600	481	-		119
Debt service:						
Principal of long-term debt	-	55,197	55,197	-		-
Interest on long-term debt	-	4,172	4,172	-		-
Total debt service	-	59,369	59,369	-		-
Other financing uses:						
Transfers out	-	20,000	20,000	-		-
Total appropriations, expenditures, other financing uses, and encumbrances	\$ 5,295	\$ 458,675	\$ 407,915	\$ 46,764		\$ 9,291

See Independent Auditor's Report.

SCHEDULE 3
WEST OSSIPEE FIRE PRECINCT
Major General Fund
Schedule of Changes in Unassigned Fund Balance (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2021

Unassigned fund balance, beginning		\$ 208,357
2021 Budget summary:		
Revenue surplus (Schedule 1)	\$ 3,623	
Unexpended balance of appropriations (Schedule 2)	9,291	
2021 Budget surplus		12,914
Unassigned fund balance, ending		\$ 221,271