

**GOODWINS MILLS FIRE & RESCUE**  
**INDEPENDENT AUDITORS' REPORT AND**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2017**

## TABLE OF CONTENTS

	Statement	Page
<b>Independent Auditors' Report</b>		<b>3-4</b>
<b>Basic Financial Statements</b>		
<i>Business-Type Activities:</i>		
Statement of Net Position	<b>1</b>	<b>5</b>
Statement of Activities	<b>2</b>	<b>6</b>
Statement of Cash Flows	<b>3</b>	<b>7</b>
Notes to Financial Statements		<b>8-9</b>

# Maine Municipal Audit Services, PA

---

Mindy J. Cyr, CPA

## Independent Auditors' Report

To the Board of Commissioners  
Goodwins Mills Fire and Rescue  
Lyman, Maine

We have audited the accompanying financial statements of the business-type activities of Goodwins Mills Fire and Rescue, a department of the Town of Lyman, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Goodwins Mills Fire and Rescue'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 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 business-type activities of Goodwins Mills Fire and Rescue, as of June 30, 2017, and the respective changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners  
Goodwins Mills Fire and Rescue  
Lyman, Maine  
Page 2

**OTHER MATTERS**

*Required Supplementary Information*

Goodwins Mills Fire and Rescue has not presented Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of the financial statements.

As discussed in Note 1, the financial statements of the Goodwin Mills Fire and Rescue are intended to present the change in financial position of only that portion of the government fund information of the Town of Lyman, Maine that is attributable to the transactions of the Department. It does not purport to, and does not, present fairly the financial position of the Town of Lyman, Maine, as of June 30, 2017, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of Management, Boards of Selectmen, Fire Commission, and others within the Department, and is not intended to be and should not be used by anyone other than these specified parties.

*Maine Municipal Audit Services, PA*

Levant, Maine  
August 24, 2017

**Goodwins Mills Fire and Rescue**  
**Statement of Net Position**  
**June 30, 2017**

	<b>2017</b>
<b>ASSETS</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 233,320.01
Accounts receivable - Net of allowance (\$82,034.46)	101,900.75
Due from other governments (Dayton)	19,000.00
<i>Total current assets</i>	354,220.76
<b>TOTAL ASSETS</b>	
	<b>\$ 354,220.76</b>
<b>LIABILITIES AND NET POSITION</b>	
<i>Current liabilities:</i>	
Accounts payable	\$ 1,724.33
Current portion of long-term debt	12,000.00
<i>Total current liabilities</i>	13,724.33
<i>Non-current liabilities:</i>	
Lease payable - net of current portion	26,000.00
<i>Total non-current liabilities</i>	26,000.00
<i>Net position:</i>	
Unrestricted	314,496.43
<i>Total net position</i>	314,496.43
<b>TOTAL LIABILITIES AND NET POSITION</b>	
	<b>\$ 354,220.76</b>

The accompanying notes are an integral part of this statement.

**Goodwins Mills Fire and Rescue  
Statement of Activities  
For the Year Ended June 30, 2017**

	<b>2017</b>
<b>Revenues:</b>	
Dayton contract	\$ 210,818.04
Lyman contract	299,261.00
Ambulance service	170,943.52
Miscellaneous other income	6,676.50
<i>Total revenues</i>	<b>687,699.06</b>
<b>Expenditures:</b>	
Wages and benefits	453,272.61
Supplies and equipment	46,617.93
Fleet	39,385.96
Utilities	19,850.12
Communications and information systems	6,596.65
Professional fees	16,382.08
Insurance	15,302.00
Training and education	7,546.97
FD reserve	27,501.38
Programs	7,423.58
Administration	20,228.50
<i>Total expenditures</i>	<b>660,107.78</b>
<b>Operating income</b>	<b>27,591.28</b>
<b>Other revenues (expenses):</b>	
Interest earned	1,129.20
Transfer of capital assets to general fund	(728,663.07)
Adjustment for capital assets	(434,773.66)
<i>Total other revenues (expenses)</i>	<b>(1,162,307.53)</b>
<i>Change in net position before extraordinary items</i>	<b>(1,134,716.25)</b>
<b>NET POSITION (DEFICIT) - BEGINNING</b>	<b>1,449,212.68</b>
<b>NET POSITION (DEFICIT) - ENDING</b>	<b>\$ 314,496.43</b>

The accompanying notes are an integral part of this statement.

**Goodwins Mills Fire and Rescue**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2017**

	<b>2017</b>
<i>Cash flows from operating activities:</i>	
Cash received from members and users	\$ 699,515.69
Cash payments to suppliers	(200,008.78)
Cash payments to employees	(474,034.45)
<b>Net cash provided (used) by operating activities</b>	<b>25,472.46</b>
<i>Net increase (decrease) in cash</i>	<i>25,472.46</i>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>207,847.55</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 233,320.01</b>
<i>Reconciliation of operating income to net cash provided (used) by operating activities:</i>	
<b>Change in net position</b>	<b>\$ (1,134,716.25)</b>
<i>Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>	
Transfer of asset from town	728,663.07
Adjustment for assets owned by Dayton	434,773.66
<i>Changes in operating assets and liabilities:</i>	
Increase (decrease) in notes payable, net	19,000.00
Decrease (increase) in accounts receivable	(1,486.18)
Increase (decrease) in accounts payable	(20,761.84)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 25,472.46</b>

The accompanying notes are an integral part of this statement.

**GOODWINS MILLS FIRE AND RESCUE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Goodwins Mills Fire and Rescue (GMFR) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of GMFR's accounting policies are described below:

**REPORTING ENTITY**

The Goodwins Mills Fire and Rescue is a department of the Town of Lyman. The Department is included in the financial statements reporting entity, which has a year end of June 30.

In evaluating how to define the Department for financial 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 in GASB Statement No. 14 *The Financial Reporting Entity* as amended by GASB Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. Based on the criteria, it was determined that no other entities should be included in the Department's financial statements.

The Lyman-Dayton Fire Commission was established by the Boards of Selectmen of the Town of Dayton, Maine and the Town of Lyman, Maine to act as a governing board for the Lyman-Dayton Joint Fire and Emergency Rescue Department, referred to as "Goodwins Mills Fire and Rescue".

Bylaws were formulated in accordance with the Interlocal Agreement dated December 20, 2010, as amended, between the Towns of Dayton and Lyman for the joint operation of fire and emergency rescue services and be treated as a department of the Town of Lyman.

Goodwins Mills Fire and Rescue is operated as an enterprise fund and is administered by the Towns of Lyman under an interlocal agreement.

**BASIS OF PRESENTATION**

GMFR is classified as an enterprise fund, which is intended to be self-supporting. GMFR is established to account for an operation financed and operated in a manner similar to private business enterprises. The intent is that costs of ambulance services to the general public on a continuing basis be recovered or financed primarily through charges to users.

**CAPITAL ASSETS**

Capital assets acquired are recorded by the Towns at cost as per the interlocal agreement.

**ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**GOODWINS MILLS FIRE AND RESCUE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**CASH AND INVESTMENTS**

Cash at year-end consists of a checking account. For purposes of the Statement of Cash Flows, GMFR considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. CASH AND INVESTMENTS**

**Deposits**

Custodial credit risk of deposits is the risk that, in the event of a bank failure, GMFR's deposits may not be returned to it. GMFR does not have a formal policy with respect to custodial credit risk.

GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized or collateralized by securities held by the pledging financial institution's trust department but not in the GMFR's name. At June 30, 2017, cash deposits had a carrying value of \$233,320.01. Of the deposited amounts, \$250,000 of demand deposits and \$250,000 of time deposits per bank were protected by depository insurance. Accordingly, GMFR was not exposed to credit risk as of June 30, 2017.

**3. SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**4. LONG-TERM DEBT**

	Balance 7/1/2016	Additions	(Reductions)	Balance 6/30/2017
<i>Business-type activities:</i>				
US Bank Equipment Lease (Defibrillators), due monthly for 5 years	\$ 50,000.00	\$ -	\$ (12,000.00)	\$ 38,000.00
<b>Total</b>	<b>\$ 50,000.00</b>	<b>\$ -</b>	<b>\$ (12,000.00)</b>	<b>\$ 38,000.00</b>

Per the interlocal agreement, the Town of Dayton is responsible for one-half of the defibrillator lease. The Town of Lyman bills the Town of Dayton annually for their share of the debt obligation. A receivable has been accrued on the financial statements for \$19,000 (\$6,000 as a current asset).