

2017

Annual Report Lakes Region Mutual Fire Aid



SERVING:

- Alexandria
- Alton
- Andover
- Ashland
- Barnstead
- Belmont
- Bridgewater
- Bristol
- Campton
- Center Harbor
- Danbury
- Dorchester
- Ellsworth
- Franklin
- Gilford
- Gilmanton
- Groton
- Hebron
- Hill
- Holderness
- Laconia
- Meredith
- Moultonborough
- New Hampton
- Northfield
- Plymouth
- Rumney
- Sanbornton
- Sandwich
- Strafford
- Thornton
- Tilton
- Warren
- Waterville Valley
- Wentworth



2017 STATISTICS

01/01/2017-12/31/2017	EMS	FIRE	MVA	SVC.	TOTAL
ALEXANDRIA	133	65	5	12	215
ALTON	491	258	93	101	943
ANDOVER	13	89	18	11	131
ANDOVER EMS	101	49	20	6	176
ASHLAND	252	109	45	27	433
BARNSTEAD	393	202	62	51	708
BELMONT	886	410	92	87	1475
BRIDGEWATER	120	63	5	24	212
BRISTOL	754	238	64	83	1139
CAMPTON/THORNTON	418	227	72	82	799
CENTER HARBOR	167	144	17	11	339
DANBURY	105	60	24	12	201
FRANKLIN	1,373	399	60	147	1,979
GILFORD	917	488	84	179	1668
GILMANTON	272	188	47	30	537
HEBRON	136	54	5	13	208
HILL	54	32	5	2	93
HOLDERNESS	179	165	19	26	389
LACONIA	3,444	934	162	375	4,915
LRMFA	5	21	2	2	30
MEREDITH	29	318	90	38	475
MEREDITH EMS	1,733	159	153	84	2,129
MOLTONBOROUGH	487	296	48	59	890
NEW HAMPTON	266	169	70	52	557
PLYMOUTH	1,083	322	108	84	1,597
RUMNEY	152	77	18	24	271
SANBORNTON	190	159	59	36	444
SANDWICH	106	90	18	12	226
STRAFFORD	222	126	29	32	409
TILTON/NORTHFIELD	1,219	391	136	94	1,840
WATERVILLE VALLEY	152	71	4	18	245
WARREN	5	28	12	4	49
WENTWORTH	12	61	21	6	100
WARREN/WENTWORTH E 251		25	23	17	316

Message from the Chief...

The Lakes Region Mutual Fire Aid Association Executive Committee, board of Directors, and staff are pleased to present the 2017 annual report. The Lakes Region Mutual Fire Aid Association is a District Fire Mutual Aid System organized under state law (RSA 154:30 a-h). We serve thirty-five-member communities and fire districts across five counties in the State of New Hampshire. In



addition to providing 24/7 professional Fire, EMS, and All Hazards Emergency Dispatch Services, LRMFA collaboratively provides to our members a Training and Education Division, Central NH Hazardous Material Team oversight (in conjunction with CAFMAC), Task Force Overhead Teams, Mutual Aid Coordination, and on scene support. 2017 brought with it many changes as can be expected.

We bid Chief Jim Hayes farewell in February, and Chief Coordinator Jonathan Goldman began. Chief Goldman comes to the Lakes Region Mutual Fire Aid Association with years of experience managing Police, Fire, and EMS Communications systems and dispatch centers. Chief Goldman believes strongly in standards-based dispatching. While Chief Goldman spent much of 2017 learning the system, and the intricacies of a thirty-five-member mutual aid system, he also spent considerable time observing and making changes to the operations side of the house. In 2017 LRMFAA introduced to its staff an “intranet,” which is internally accessible website that allows for storage of online documents such as policies, procedures, administrative regulations, and other pertinent information to be stored in one easily

accessible location. The intranet also stores all our routinely needed documents such as payroll forms, and our employee manual.

As part of Chief Goldman’s desire for standards-based dispatching we begun the process of evaluating and updating all our existing internal procedures, and policies in preparation for the Association of Public Safety Communication’s Officials (APCO) “Project-33 Certification.” APCO Project-33 certification is a nationally recognized certification that “certifies” an agencies training program meets or exceeds nationally acceptable minimum training standards for newly hired, and tenured employees. As part of this initiative all full and part time staff are required to participate in monthly training individually and as a shift. LRMFAA staff were introduced to a Quality Assurance/Quality Improvement program as well. The LRMFAA QA/QI program has been created to model itself after the APCO/NENA ANS 1.107.1.2015 Standard for the Establishment of a Quality Assurance and Quality Improvement Program for Public Safety Answering Points. This standard where applicable will insure that our staff meets or exceeds standards set for the for the appropriate handling of emergency calls.

In 2017 your LRMFAA Dispatchers dispatched a total of 26,217 calls for service. This is 1387 more calls than we dispatched in 2016. The percentage increase in calls for service is a 5.59% difference over 2016.

In 2017 several staff members of LRMFAA travelled to Dallas Texas to continue to learn, and work with our new CAD program XCAD. We believe XCAD will be implemented sometime in the fourth quarter of this year. Lieutenant Dave Parker oversees the CAD team and is working intimately with Securus, the company that produces XCAD to make sure we are moving slowly and deliberately in XCAD implementation.

The 2017 budget had monies set aside to replace the 2007 Chevy Tahoe (Car 1). The Executive Committee and Chief Goldman worked diligently to research all options, and ultimately settled on the purchase of a 2017 Police Interceptor SUV. The vehicle is smaller then a full-size Chevy Tahoe or other available SUV’s but is equipped very similarly and is available for responses as the previous vehicle was. The biggest, and most noticeable difference between the new vehicle and the older vehicle is that it is a fully marked vehicle. The vehicle is always available for public outreach, whether it is a touch a truck event, a parade, or any other cause. We would be happy to bring it to your meeting nights, or public events just contact Chief Goldman, or Deputy Chief Steele.

Over the past year we have participated in many outreach events and really developed our social media presence. We feel it is important that the citizens, and member communities we serve get to know our organization and can realize the value they receive. We have participated in parades, Touch A Truck events, National Night Out, NHTERT Mobile Command Post Rally, and many other events. We continue to develop our social media presence to highlight not only what we do every day, but to highlight and bring attention to our member communities, and their departments activities. We also purchased “Constant Contact” which is email platform that allows us to target our emails to specific audiences. We now have a dedicated list of email recipients who receive specific Training related emails, Rural Hitch related emails, and a health and wellness platform that has been created as well. By using Constant Contact, we can send out email blasts to those who want that specific topic, not just to everyone in a blanket email. It is working out well. As part of our outreach, the fourth quarter Rural Hitch production was brought in house and is using Constant Contact to “publish” each edition electronically. Dispatcher Lois Cilley is the “Editor in Chief” and did a fantastic job with the first edition.

During the fall of 2017 we put a significant amount of time, energy, and funds into our radio infrastructure. Although we began the initial process of seeking designs and eventually quotes for rebuilding our radio system we need to maintain what we currently have. We replaced several antennas and rebuilt the Blue Job site in Strafford from the ground up. This project occurred right at the end of the year, and involved the replacement of two antennas, feedline, and the lightning protection system. As part of our radio maintenance programs last year we also began the process of swapping out our Spectracom Ethernet/GPS clocks at many of our sites. The older clocks needed firmware upgrades, so we began swapping them out one by one. This project has been completed.

Staffing in 2017 brought many changes, Chief Hayes retired and at the very end of the year Deputy Chief John Beland resigned. John has taken on a new role with the Public Health Network and we still see him as we are an active participant in the public health network. Longtime employee Rick Heinis also retired towards the end of the year. Rick had previously been the Deputy Chief Coordinator and was working part time as our IT Manager. We owe Rick a great debt of gratitude as he was instrumental in creating and managing our network and IT systems as well as functioning as our HR person. We also said goodbye to Dispatcher Jake Poulin (pt), Dispatcher Mike Dow, Dispatcher Trevor Greene (pt), Dispatcher Benson Goodwin, Dispatcher Bonnie Canfield (pt), and Dispatcher Chris Reynolds. With their departures though, we welcomed to the full-time ranks, Dispatcher Lois Cilley, Dispatcher Esther DiCarlo, and Dispatcher Rick Fowler.

In September of 2017 many of us attended the NH Fire Service and EMS Committee of Merit ceremony where Lt. Dave Parker, and Dispatcher Bonnie Canfield were awarded a Unit Citation for their involvement on Lake Winnepesaukee the previous winter. Lt. Parker and Dispatcher Canfield dispatched multiple ice rescues the previous winter on a single day with several fatalities. They were specifically recognized for their work on an ice rescue that occurred in Alton NH. At the same ceremony, Lt. Paul Steele, Dispatcher Erin Hannafin, and Dispatcher Jake Poulin were honored for their work in a multiple patient MCI/Motor vehicle accident which involved coordinating multiple ambulances, personnel, and air craft. Lt. Steele, and Dispatcher Hannafin were also honored in October of 2017 at the APCO Atlantic Chapter as the APCO Atlantic Chapter 2017 "Team of the Year." They were recognized for their ability to function together as a high performing team

2017 brought a lot of challenges with it as we transitioned to a new Chief with new ideas, and ways of doing things. Our staff was developed and introduced to new standards within the communications industry and, we look forward to 2018 and the continued success of the Lakes Region Mutual Fire Aid Association.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jonathan M. Goldman". The signature is written in a cursive, flowing style.

Jonathan M. Goldman, RPL

Chief Coordinator

LRMFA Staff

Chief Coordinator, Jonathan M. Goldman, RPL
Deputy Coordinator, John Beland
Lieutenant, David Parker
Lieutenant, Robert Frame
Lieutenant, Kevin Nugent
Lieutenant, Paul Steele
Dispatcher, Erin Hannafin
Dispatcher, Lois Cilley
Dispatcher, Esther DiCarlo
Dispatcher, Rick Fowler

Per Diem Dispatchers

Michael Dow
Jason Griffin
John Marcel
Matt O'Neill
Jeff Sheltry
Dave Spinosa
Kayleigh Eastman
Megan Howes

IT Manager

Richard Heinis

Executive Committee

The Executive Committee performs duties as directed by the Board of Directors. The committee is made up of four members from the Board of Directors with the Association President serving as an ex officio member.

Chair, Chief Mike Sitar – Tilton-Northfield, President/Chairman
Chief, Rene Lefebvre - Andover
Chief David Bengtson – Moultonborough
Chief Michael Drake – New Hampton
Chief Paul Dexter – Sanbornton
Secretary, Dave Paquette – Ashland (Deputy Chief retired.)

Standing Committees

Training Division – Chair, Chief Steve Carrier – Gilford
EMS Committee – Chair, Deputy Chief Shawn Riley – Laconia
Haz Mat Oversight – Chief Jon Goldman – LRMFA, Chief Ken Jones – Meredith, Chief Clogston – Plymouth
Team Leader – William Weinhold/Sean Brown

Board of Directors

The Board of Directors is the governing body of the Lakes Region Mutual Fire Aid Association and is made up of one director from each member community. The Fire Chief is typically the appointed director from the community.

Alton — Chief Ryan Ridley	Ashland — Chief Steve Heath
Belmont — Chief Ken Erickson	Bristol — Chief Ben Laroche
Center Harbor — Chief Leon Manville	Barnstead — Chief Shawn Mulcahey
Franklin — Chief Kevin LaChapelle	Gilford — Chief Steve Carrier
Gilmanton — Chief Joe Hempel	Hill — Chief Deanna Ford
Holderness — Chief Eleanor Mardin	Laconia — Chief Ken Erickson
Meredith — Chief Ken Jones	Moultonborough — Chief David Bengtson
New Hampton — Chief Michael Drake	Plymouth — Chief Casino Clogston
Sanbornton — Chief Paul Dexter	Sandwich — Chief Ted Call
Tilton — Selectperson Katherine Dawson	Northfield — Selectperson Wayne Crowley
Waterville Valley — Chief Chris Hodges	Strafford — Chief Scott Whitehouse
Alexandria — Chief George Clayman	Andover — Chief Rene Lefebvre
Bridgewater — Chief Donald Atwood	Campton — Chief Daniel Defosses
Thornton — Chief Daniel Defosses	Ellsworth — Chief Daniel Defosses
Danbury — Chief Tom Austin	Hebron — Chief John Fischer
Rumney — Chief David Coursey	Groton — Chief Roger Thompson
Warren — Chief Art Heath	Wentworth — Chief Jeff Ames
Dorchester — Rachel Legg	

TRAINING DIVISION REPORT

First and foremost, I certainly would be remiss if I did not send thanks and best wishes to Retired Deputy Coordinator and Chief John Beland. On behalf of the Training Division and all LRMFA members, a simple thank you is not enough. John was the one that created the training vision for the Association. He worked tirelessly to find and secure programs that would work for us. Whether it was “Got Big Water”, “Rural Incident Command”, Firefighter 1 and 2 classes, RIT classes, Officer Series classes, or Bill Greenwood’s Leadership classes – we all benefited. He also made safety a priority. He responded to major incidents and assisted in any way possible: Incident Command support, Operational Leadership, Accountability management, and Communications. He also



assisted with and delivered Fit Testing of SCBA masks. As for the Training Division, John was the driving force. He scheduled the meetings, took minutes, made most of the suggestions, and watched over the Training Division monies. He secured all of the classes and instructors and made sure all of the courses were delivered. He sought out classes that were not only in the best interest of the students, but also, financially feasible for the Division to sponsor. Again, we thank him for all of his hard work.

During this transition period, Chief Coordinator Goldman has certainly picked up the slack. Most recently, another “Got Big Water” class was held in Meredith. With Chief Jones assistance, we had a very successful class. We all know how critical it is to have the knowledge and skills to move water efficiently in our rural communities.

The Training Division has struggled without DC Beland’s coordination. We have not met in some time. We have had difficulty maintaining an active member list. I would like to use this platform to invite you to our next meeting, which will be on June 27, 1330 hrs, at the Communications Center. Please feel free to come if you are a member, you are replacing a past member, or you are interested in Lakes Region Fire or EMS training. I will also be entertaining nominations for the Chair!

We look forward to working with Deputy Coordinator Steele and will continue to work hard to provide you with meaningful, applicable, high-quality training that you can use to better serve your communities.

Respectfully Submitted,

Chief Stephen Carrier, Gilford Fire Rescue
Division Chairman

Central NH Hazardous Materials Team

Concord NH Battalion Chief Sean Brown is currently the Team Chief, with Captain Tony Manning as the Deputy Chief.

The team was called for consultation several times in 2017. The team did a call out response in the Lakes Region Mutual Fire Aid District (Tilton) last Fall to a Liquid Propane tractor trailer tanker roll over. The team provided, consultation, remote air monitoring and plume modeling to assist the Tilton Northfield Fire Department in handling this event.

The team is currently working with the federal surplus property loan program to replace SCBAs. The team will be working on securing funding to replace Area Rae remote air monitoring system. This system reaching then end life for support by Rae systems.

The major challenges for the team are ongoing regular equipment maintenance / calibration and regularly scheduled team training. The first challenge is starting to be addressed with the contribution of funds from each compact, which was voted on in 2017, for the 2018 budget. These funds will go a long way in maintaining the team. The second remains a funding challenge; currently team members receive grant funded biennial technician refresher training provided by the NH Fire Academy. The team usually exercises several times a year funded by HSEEP exercise grant funds. Outside of the refresher training and exercises, there is little to no opportunity for the team to train regularly together.

We will be looking to revitalize and make the REPC (regional emergency planning committee) stronger. With this we are looking for member communities to help us identify hazards that should have more detailed planning. Please reach out to Chief Goldman to coordinate working with us on this.

Central New Hampshire Hazmat Team
Profit & Loss Budget vs. Actual
 January through December 2017

	<u>Jan - Dec 17</u>	<u>Budget</u>
Income		
4030 · GRANTS REVENUE	1,860.74	
4038 · EXERCISE GRANTS	10,567.26	30,000.00
4040 · INVESTMENT INCOME	15.84	
4059 · 2013 + HOMELAND GRANT	8,546.03	37,000.00
4063 · HMEP Income 2016+	1,793.75	6,700.00
4071 · HAZMAT SERVICE	10,168.03	6,000.00
Total Income	<u>32,951.65</u>	<u>79,700.00</u>
Gross Profit	32,951.65	79,700.00
Expense		
5038 · EXERCISE GRANTS EXPENSE	933.53	30,000.00
5059 · HOMELAND 2013 +	8,546.03	37,000.00
5063 · HMEP EXP 2016+	1,793.75	6,700.00
5071 · Hazmat Service 5071	0.00	3,000.00
5370 · UNIFORM AND SUPPLIES	0.00	400.00
5385 · MEDICAL SCREENING	0.00	8,000.00
5612 · CELLULAR TELEPHONE	355.00	
5710 · MOTOR FUEL	33.34	200.00
5721 · MAINTENANCE - VEHICLES	0.00	300.00
5722 · MAINTENANCE - EQUIPMENT	7,244.55	500.00
5740 · OPERATING SUPPLIES	0.00	300.00
5811 · OFFICE SUPPLIES	0.00	200.00
5870 · PROFESSIONAL FEES	0.00	2,000.00
5890 · MISCELLANEOUS	0.00	300.00
Total Expense	<u>18,906.20</u>	<u>88,900.00</u>
Net Income	<u>14,045.45</u>	<u>-9,200.00</u>

TOWN NAME:	2017 Valuation		2017 Population		2017 Operating Cost Components				Total Cost	Previous Year Total Cost	Increase/Decrease	
	2015 Survey Dollar	Percent	2015 Census Number	Percent	Fixed Factor	Valuation Factor	Population Factor	CIP Factor				
Alton:	\$1,574,576,180	7.96%	5,264	4.58%	\$3,460.91	\$38,568.63	\$27,719.30	\$1,442.86	\$71,191.70	\$70,542.19	\$650	0.92%
Barnstead:	\$449,388,144	2.27%	4,604	4.00%	\$3,460.91	\$11,007.59	\$24,243.85	\$1,442.86	\$40,155.21	\$38,862.85	\$1,292	3.33%
Belmont:	\$672,484,204	3.40%	7,294	6.34%	\$3,460.91	\$16,472.24	\$38,408.92	\$1,442.86	\$59,784.92	\$56,844.90	\$2,940	5.17%
Center Harbor:	\$377,691,890	1.91%	1,078	0.94%	\$3,460.91	\$9,251.42	\$5,676.56	\$1,442.86	\$19,831.74	\$20,094.35	(\$263)	(1.31)%
Gilford:	\$1,764,699,799	8.92%	7,137	6.21%	\$3,460.91	\$43,225.64	\$37,582.18	\$1,442.86	\$85,711.59	\$81,616.13	\$4,095	5.02%
Gilmanston:	\$438,328,972	2.22%	3,737	3.25%	\$3,460.91	\$10,736.70	\$19,678.38	\$1,442.86	\$35,318.85	\$34,832.82	\$486	1.40%
Leicester:	\$1,989,355,028	10.06%	16,193	14.08%	\$3,460.91	\$48,728.48	\$85,269.48	\$1,442.86	\$138,901.73	\$135,160.89	\$3,741	2.77%
Meredith:	\$1,883,776,182	9.52%	6,291	5.47%	\$3,460.91	\$46,142.37	\$33,127.30	\$1,442.86	\$84,173.43	\$82,620.02	\$1,553	1.88%
New Hampton:	\$290,924,942	1.47%	2,212	1.92%	\$3,460.91	\$7,126.09	\$11,648.00	\$1,442.86	\$23,677.86	\$22,878.79	\$799	3.49%
Sanbornton:	\$421,306,051	2.13%	2,976	2.59%	\$3,460.91	\$10,319.73	\$15,671.09	\$1,442.86	\$30,894.59	\$30,010.37	\$884	2.95%
Tilton:	\$511,723,706	2.59%	3,624	3.15%	\$3,460.91	\$12,534.47	\$19,083.34	\$1,442.86	\$36,521.59	\$35,471.73	\$1,050	2.96%
Moultonborough:	\$2,969,129,010	15.01%	4,078	3.55%	\$3,460.91	\$72,727.66	\$21,474.03	\$1,442.86	\$99,105.46	\$93,714.83	\$5,391	5.75%
Sandwich:	\$415,826,903	2.10%	1,334	1.16%	\$3,460.91	\$10,185.52	\$7,024.61	\$1,442.86	\$22,113.89	\$21,173.02	\$941	4.44%
Alexandria:	\$187,315,179	0.95%	1,638	1.42%	\$3,460.91	\$4,588.21	\$8,625.42	\$1,442.86	\$18,117.40	\$17,422.66	\$695	3.99%
Ashland:	\$237,671,041	1.20%	2,084	1.81%	\$3,460.91	\$5,821.66	\$10,973.98	\$1,442.86	\$21,699.40	\$21,380.24	\$319	1.49%
Bridgewater:	\$377,456,627	1.91%	1,092	0.95%	\$3,460.91	\$9,245.65	\$5,750.28	\$1,442.86	\$19,899.70	\$19,179.18	\$721	3.76%
Bristol:	\$474,000,575	2.40%	3,074	2.67%	\$3,460.91	\$11,610.46	\$16,187.14	\$1,442.86	\$32,701.37	\$31,413.27	\$1,288	4.10%
Campton:	\$388,651,315	1.96%	3,351	2.91%	\$3,460.91	\$9,519.86	\$17,645.77	\$1,442.86	\$32,069.41	\$31,364.74	\$705	2.25%
Dorchester:	\$18,330,600	0.09%	110	0.10%	\$3,460.91	\$449.00	\$579.24	\$1,442.86	\$5,932.01	\$5,645.13	\$287	5.08%
Ellsworth:	\$13,508,402	0.07%	87	0.08%	\$3,460.91	\$330.88	\$458.13	\$1,442.86	\$5,692.78	\$5,411.37	\$281	5.20%
Groton:	\$125,527,937	0.63%	592	0.51%	\$3,460.91	\$3,074.76	\$3,117.37	\$1,442.86	\$11,095.89	\$10,168.57	\$927	9.12%
Hebron:	\$275,551,757	1.39%	617	0.54%	\$3,460.91	\$6,749.53	\$3,249.01	\$1,442.86	\$14,902.31	\$14,054.79	\$848	6.03%
Holderness:	\$700,586,408	3.54%	2,103	1.83%	\$3,460.91	\$17,160.59	\$11,074.03	\$1,442.86	\$33,138.39	\$33,956.85	(\$818)	(2.41)%
Plymouth:	\$452,316,293	2.29%	6,427	5.59%	\$3,460.91	\$11,079.31	\$33,843.45	\$1,442.86	\$49,826.53	\$49,713.04	\$113	0.23%
Rumney:	\$173,560,126	0.88%	1,489	1.29%	\$3,460.91	\$4,251.29	\$7,840.81	\$1,442.86	\$16,995.87	\$16,230.41	\$765	4.72%
Thornton:	\$342,149,298	1.73%	2,521	2.19%	\$3,460.91	\$8,380.81	\$13,275.14	\$1,442.86	\$26,559.72	\$25,882.19	\$678	2.62%
Warren:	\$65,472,111	0.33%	910	0.79%	\$3,460.91	\$1,603.71	\$4,791.90	\$1,442.86	\$11,299.38	\$10,904.48	\$395	3.62%
Waterville Valley:	\$353,106,662	1.79%	247	0.21%	\$3,460.91	\$8,649.21	\$1,300.66	\$1,442.86	\$14,853.64	\$15,164.72	(\$311)	(2.05)%
Wentworth:	\$90,734,733	0.46%	912	0.79%	\$3,460.91	\$2,222.51	\$4,802.43	\$1,442.86	\$11,928.71	\$11,556.45	\$372	3.22%
Andover:	\$243,038,860	1.23%	2,364	2.06%	\$3,460.91	\$5,953.14	\$12,448.41	\$1,442.86	\$23,305.32	\$22,791.14	\$514	2.26%
Danbury:	\$110,647,903	0.56%	1,170	1.02%	\$3,460.91	\$2,710.28	\$6,161.01	\$1,442.86	\$13,775.06	\$13,510.38	\$265	1.96%
Franklin:	\$550,809,411	2.78%	8,454	7.35%	\$3,460.91	\$13,491.86	\$44,517.27	\$1,442.86	\$62,912.90	\$61,396.75	\$1,516	2.47%
Hill:	\$85,634,420	0.43%	1,092	0.95%	\$3,460.91	\$2,097.58	\$5,750.28	\$1,442.86	\$12,751.63	\$12,211.78	\$540	4.42%
Northfield:	\$286,784,010	1.45%	4,815	4.19%	\$3,460.91	\$7,024.66	\$25,354.94	\$1,442.86	\$37,283.37	\$36,353.39	\$930	2.56%
Stratford:	\$468,912,822	2.37%	4,046	3.52%	\$3,460.91	\$11,485.84	\$21,305.52	\$1,442.86	\$37,695.13	\$36,248.21	\$1,447	3.99%
Total Evaluation	\$19,780,977,501	100.00%	115017	100.00%	\$121,131.85	\$484,527.38	\$605,659.23	\$50,500.00	\$1,261,818.45	\$1,225,782.63	\$36,036	2.94%



Jonathan M. Goldman, RPL
Chief Coordinator

Lakes Region Mutual Fire Aid

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Paul D. Steele Jr.
*Deputy Chief
Coordinator*

As of May 2, 2018

The Mercier Group, pc

PO Box 344

Grantham, NH 03753-0344


We are providing this letter in connection with your audit of the financial statements of Lakes Region Mutual Fire Aid Association as of December 31, 2017 and for the fiscal years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lakes Region Mutual Fire Aid Association and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud. Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 19, 2018, the following representations made to you during your audit.

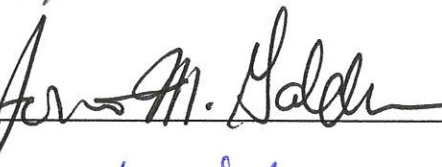
- 1) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity. We understand that as corporate officers and management we are responsible for the financial statements and overall governance of the Association. We also realize that unforeseen matters may be disclosed in the future that would be cause for restatement or adjustment of these financial statements. Thus, as part of these representations, we agree to hold harmless

- The Mercier Group, pc, its heirs and assigns any liability for any claims resulting from the use and/or distribution of these financial statements.
- 2) We have made available to you all—
 - a) Financial records and related data, including any audit or relevant monitoring reports received from funding sources.
 - b) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 - 4) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - 5) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
 - 6) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
 - 7) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
 - 8) We have timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that come to our attention or are reported to us and if any we have disclosed them to you in detail.
 - 9) We have a process to track the status of audit findings and recommendations.
 - 10) We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
 - 11) If any, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
 - 12) The Association has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
 - 13) The following, if any, have been properly recorded or disclosed in the financial statements:
 - a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Association is contingently liable.
 - c) All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
 - 14) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
 - 15) There are no—
 - a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Statement of Financial Accounting Standards No. 5, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d) Reservations or designation of fund equity that were not properly authorized and approved.
 - 16) Though, you assisted us in compiled the draft financial statements and related notes, we have designated a competent management-level individual to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes there to.

- 17) The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 18) The Association has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 19) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 20) The financial statements properly classify all funds and activities.
- 21) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 22) Net position components (net investment in capital assets, restricted; and unrestricted) and fund balance designations are properly classified and, if applicable, approved.
- 23) Provisions for uncollectible receivables have been properly identified and recorded.
- 24) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 25) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 26) If any, Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 27) If any, special and extraordinary items are appropriately classified and reported.
- 28) Deposits and investment securities are properly classified as to risk, and investments are properly valued.
- 29) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 30) If applicable, the government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 31) Required supplementary information (RSI) is measured and presented within prescribed guidelines.
- 32) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
- 33) No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.
- 34) We are in agreement with the adjusting journal entries you have recommended, and they have been recorded in the governmental unit's accounting records.

Signed:  _____ President, Board of Directors, as of May 2, 2018

Signed:  _____ Secretary/Treasurer, as of May 2, 2018

Signed:  _____ Chief Coordinator, as of May 2, 2018

Signed:  _____ Financial Manager/Accountant, as of May 2, 2018

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INDEPENDENT AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Members of the Board of Directors and Management
Lakes Region Mutual Fire Aid Association
Laconia, New Hampshire

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lakes Region Mutual Fire Aid Association for the year ended December 31, 2017, and have issued our report thereon dated April 19, 2018. Professional standards require that we provide you with the following information related to our audit.

- **Our Responsibility under U.S. Generally Accepted Auditing Standards.** As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.
- **Planned Scope and Timing of the Audit.** We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter, planning materials and other communications prior to commencement of audit fieldwork.

Significant Audit Findings

Qualitative Aspects of Accounting Practices. Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Lakes Region Mutual Fire Aid Association are described in the *Summary of Significant Accounting Policies* note to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of net pension liability, deferred inflows and outflows of resources related to the Town's proportionate share of the New Hampshire Retirement System (NHRS) is based on independently audited information supplied by NHRS.
- Management's estimate of depreciation is based on the expected number of years an asset will be used in operations and on the age and condition of capital assets at year end. We

evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were considered to be adequately explained in the notes to the financial statements.

Difficulties Encountered in Performing the Audit. We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements. Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the course of our engagement, we proposed fifteen adjustments. All entries were approved by management and recorded in the association's accounting system by accounting personnel. Proposed adjustments were mainly to make corrections and to restate accounting information for GAAP reporting purposes.

Disagreements with Management. For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations. We have requested certain representations from management that are included in the management representation letter dated April 19, 2018.

Management Consultations with Other Independent Accountants. In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues. We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management throughout the year in the normal course of our professional relationship. Over the course of our engagement, no material weaknesses were disclosed by our consideration of internal control for audit planning purposes and any matters of a bookkeeping nature were reviewed with responsible personnel.

This information is intended solely for the use of the Board of Directors and management of the Lakes Region Mutual Fire Aid Association and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Paul J. Mercier Jr. CPA

The Mercier Group, a professional corporation

Grantham, New Hampshire

April 19, 2018

LAKES REGION MUTUAL FIRE AID ASSOCIATION

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
With Independent Auditor's Report Thereon

DECEMBER 31, 2017

LAKES REGION MUTUAL FIRE AID ASSOCIATION

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December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Selectboard and Management
Lakes Region Mutual Fire Aid Association

Report on the Financial Statements. We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lakes Region Mutual Fire Aid Association as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Association'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 basic financial statements are free of 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 risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's 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 evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation of 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Lakes Region Mutual Fire Aid Association, as of December 31, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information. Management has not presented a *Management's Discussion and Analysis* of the financial statements. Although it is not required to be part of the basic financial statements, accounting principles generally accepted in the United States of America requires that it be presented to supplement the basic financial statements. The pension information presented in the section marked *Required Supplementary Information* is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Paul J. Mercier, Jr. cpa for

The Mercier Group, a professional corporation
Grantham, New Hampshire
April 19, 2018

Basic Financial Statements

Exhibit A1
LAKES REGION MUTUAL FIRE AID ASSOCIATION
Statement of Net Position
December 31, 2017

All numbers are expressed in USA Dollars

	Governmental Activities
ASSETS	
Cash and cash equivalents	488,662
Other receivables	2,808
Capital assets:	
Leasehold improvements	621,428
Communications equipment	1,722,441
Training equipment	3,000
Administrative equipment & furnishings	35,651
Vehicles	80,059
Construction/acquisitions in progress	12,043
Accumulated depreciation	(1,306,046)
	1,660,046
DEFERRED OUTFLOWS OF RESOURCES	
Association share of NHRS for GASB 68	113,298
	113,298
LIABILITIES	
Accounts payable and other current liabilities	10,816
Long-term obligations due beyond one year:	
Due within one year	
Note payable	19,406
Due Beyond one year:	
Note payable	14,935
Association share of NHRS net pension liability	930,187
	975,344
DEFERRED INFLOWS OF RESOURCES	
Association share of NHRS for GASB 68	113,659
	113,659
NET POSITION	
Net investment in capital assets	1,134,235
Restricted for:	
Education & training	19,637
Fit testing	925
Club activities	18,388
Unrestricted(deficit)	(488,844)
	684,341

The notes to the financial statements are an integral part of these statements.

Exhibit A2
LAKES REGION MUTUAL FIRE AID ASSOCIATION

Statement of Activities

For the Fiscal Year Ended December 31, 2017

All numbers are expressed in USA Dollars.

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary government:			
<i>Governmental activities:</i>			
Public safety	1,179,546	8,095	(1,171,451)
Interest on long-term debt	1,711		(1,711)
Depreciation-unallocated	189,867		(189,867)
	<u>1,371,124</u>	<u>8,095</u>	<u>(1,363,029)</u>
General revenues:			
Member Assessments:			
Member assessments, levied for general purposes			1,243,237
Property taxes, levied for debt services			20,569
Interest on deposits			397
Sale of equipment			10,501
Miscellaneous			1,849
			<u>1,276,553</u>
Change in net position			(86,476)
Net position - beginning			770,817
Net position - ending			<u>684,341</u>

The notes to the financial statements are an integral part of these statements.

Exhibit B1
LAKES REGION MUTUAL FIRE AID ASSOCIATION
Balance Sheet
Governmental Funds
 December 31, 2017

All numbers are expressed in USA Dollars

	Nonmajor Governmental Funds					Total Governmental Funds
	General Dispatch & Operations	Capital & Noncapital Reserves	Training & Education	Fit Testing	Club Activities	
ASSETS						
Cash and cash equivalents	8,008	441,704	19,637	925	18,388	488,662
Other receivables	2,808					2,808
	<u>10,816</u>	<u>441,704</u>	<u>19,637</u>	<u>925</u>	<u>18,388</u>	<u>491,470</u>
LIABILITIES						
Accrued Liabilities	10,816					10,816
	<u>10,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,816</u>
FUND BALANCES						
<i>Restricted for</i>						
Education & training			19,637			19,637
Fit testing				925		925
Club activities					18,388	18,388
<i>Assigned to</i>						
Insurance deductibles		2,000				2,000
Vehicle replacements		10,767				10,767
Unfunded personnel costs		20,505				20,505
Communication system improvements		355,617				355,617
Facility capital improvements		52,815				52,815
	<u>-</u>	<u>441,704</u>	<u>19,637</u>	<u>925</u>	<u>18,388</u>	<u>480,654</u>
	<u>10,816</u>	<u>441,704</u>	<u>19,637</u>	<u>925</u>	<u>18,388</u>	<u>491,470</u>

The notes to the financial statements are an integral part of these statements.

Exhibit B2
LAKES REGION MUTUAL FIRE AID ASSOCIATION
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2017

All numbers are expressed in USA Dollars

Total Fund Balance - Governmental Funds (Exhibit B1) 480,654

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. These assets consist of:

Leasehold improvements	621,428	
Communications equipment	1,722,441	
Training equipment	3,000	
Administrative equipment & furnishings	35,651	
Vehicles	80,059	
Construction/acquisitions in progress	12,043	
Accumulated depreciation	<u>(1,306,046)</u>	
		1,168,576

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Notes payable	(34,341)	
Association's share of New Hampshire Retirement System:		
Net pension liability	(930,187)	
Deferred outflows of resources	113,298	
Deferred inflows of resources	<u>(113,659)</u>	
	<u>(930,548)</u>	
		<u>(964,889)</u>

Net Position of Governmental Activities (Exhibit A1) 684,341

The notes to the financial statements are an integral part of these statements.

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended December 31, 2017

All numbers are expressed in USA Dollars

	General		Capital & Noncapital Reserves		Nonmajor Governmental Funds			Total
	Dispatch & Operations	Reserves	Training & Education	Fit Testing	Club Activities	Governmental Funds		
REVENUES								
Member assessments	1,263,806						1,263,806	
Charges for services:								
Tuition & fees			7,120				7,120	
SCBA - FIT Testing				975			975	
Miscellaneous:								
Interest on deposits	397						397	
Sale of equipment	-	10,501					10,501	
Miscellaneous	1,849						1,849	
	<u>1,266,052</u>	<u>10,501</u>	<u>7,120</u>	<u>975</u>	<u>-</u>	<u>-</u>	<u>1,284,648</u>	
EXPENDITURES								
Current:								
Public safety								
Personnel costs, incl. training	954,682		13,298				967,980	
Professional services	16,775		75	200			17,050	
Insurance	11,098						11,098	
Administrative expenses	8,648		260		420		9,328	
Automotive expense	13,139						13,139	
Communications systems maintenance	37,831						37,831	
Office equipment (nondepreciable)	1,025						1,025	
Property rental & special use permit	6,033						6,033	
Radio circuits	13,111						13,111	
Telephone	16,197						16,197	
IT Expenses/services	19,984						19,984	
CAD system maintenance	54,144						54,144	
Facility expenses	24,200						24,200	

	General	Capital & Noncapital Reserves	Nonmajor Governmental Funds			Total
	Dispatch & Operations	Noncapital Reserves	Training & Education	Fit Testing	Club Activities	Governmental Funds
Debt service						
Principal	18,858					18,858
Interest	1,711					1,711
Capital outlay	-	142,715				142,715
	1,197,436	142,715	13,633	200	420	1,354,404
Excess of revenues over(under) expenditures	68,616	(132,214)	(6,513)	775	(420)	(69,756)
OTHER FINANCING SOURCES (USES)						
Interfund transfers in(out)	-	68,616				68,616
Transfers out	(68,616)					(68,616)
	(68,616)	68,616	-	-	-	-
Net change in fund balances	-	(63,598)	(6,513)	775	(420)	(69,756)
Fund balances - beginning	-	505,302	26,150	150	18,808	550,410
Fund balances - ending	-	441,704	19,637	925	18,388	480,654

The notes to the financial statements are an integral part of these statements.

Exhibit B4
LAKES REGION MUTUAL FIRE AID ASSOCIATION
*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, 2017

All numbers are expressed in USA Dollars

Net change in fund balances - total governmental funds (Exhibit B3) (69,756)

Amounts reported for governmental activities in the statement of activities (Exhibit A2) are different because:

Governmental funds report capital outlays 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.

Reduce expenditures for capital outlays increasing capital assets	142,715
Increase expenditures for depreciation charges	(189,867)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Reduction in expenditures for principal payments on debt	18,858
--	--------

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.

Association's share of New Hampshire Retirement System:

(increase)decrease in net pension liability	49,519	
Increase(decrease) in deferred outflows of resources	(72,104)	
(Increase)decrease in deferred inflows of resources	34,159	
		11,574

Change in net position of governmental activities (Exhibit A2) (86,476)

The notes to the financial statements are an integral part of these statements.

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lakes Region Mutual Fire Aid Association is a special-purpose municipal corporation as authorized by RSA 154:30-a, which provides emergency dispatch and mutual fire aid services for 35 member communities in the Laconia, New Hampshire area. Formed by voluntary association of municipalities, it is governed by a Board of Directors consisting of the Fire Chiefs or other designee from member communities who appoint a chief coordinator to oversee operations.

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

FINANCIAL REPORTING ENTITY

The accompanying financial statements present the Association and its component units. A component unit is defined by GASB as a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the Association's operations. Based on the foregoing criteria, no other organizations are included in the Association's financial reporting entity and the Association is not a component unit of any other primary government.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the activities of the Association. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by member assessments, intergovernmental revenues and fees for services.

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 revenue* 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. Member assessments and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when they occur and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Member assessments 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 Association considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Member assessments, grants, charges for services, 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. If any, only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The *General Fund (Dispatch & Operations)* is the government's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital & Noncapital Reserves Fund* is a capital projects fund which accounts for monies set aside by vote of the Board of Directors for specific purposes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all member assessments.

When both restricted and unrestricted resources are available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

BUDGETARY ACCOUNTING

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

General Budget Policies. General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various requirements of an Association agreement which govern the Association's operations. Budgets, adopted on a cash flow basis for managerial purposes, have been restated to reflect generally accepted accounting principles in the schedules included with the financial statements. The Association Agreement requires balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In 2017, there was no unassigned fund balance available for this purpose.

ASSETS, LIABILITIES AND FUND EQUITY

Deposits and Investments. For financial reporting purposes, cash and equivalents include amounts in demand deposits and money market funds, as well as certificates of deposit and short-term investments with original maturities of 90 days or less. The Association, as a political subdivision of the State of New Hampshire, is generally authorized by State Statute to invest excess funds in obligations of the United States government, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire, in certificates of deposits of banks incorporated under the laws of the State of New Hampshire or in participation units of the public deposit investment pool established pursuant to RSA 383:22. Excess funds may be deposited in out-of-State banks if such banks pledge and deliver to the state treasurer or a Federal Reserve Bank as collateral security for such deposits in value at least equal to the amount of the deposit minus such FDIC insurance as may be available in each case. Any person who directly or indirectly receives any such funds or monies for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount such funds exceed available FDIC insurance amounts. Such collateral shall be segregated for the exclusive benefit of the Association. Only securities defined by the bank Commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

Receivables and Revenues. Revenues for the most part are recorded in the period in which they are measurable and available as explained above. These include *Member assessments*, *Interest on deposits* and *Service Charges* (training & education fees, member dues, assessments and *FIT testing fees*). Other income such as *Insurance dividends* and other such items are recorded as revenue in the period in which they are received.

Interfund Receivables and Payables. During the course of normal operations, the Town has activity between funds, including expenditures and transfers of resources to provide services and fund capital outlay. All outstanding balances between funds are reported as "due to/from other funds".

Capital Assets. The Association capitalizes assets over \$2,000 per unit based upon dollar cost and equity interest thresholds, including significant fixed assets, if any, acquired in whole or in part by grants that retain ongoing post-grant period restrictions as to further administrative and/or disposal requirements. Capital assets are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives:

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

	<u>Years</u>
Buildings and Leasehold Improvements	30
Equipment	5-10
Vehicles	3

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Deferred Outflows of Resources. Deferred outflows of resources represent the consumption of resources that are applicable to future accounting periods. In subsequent periods, when expense recognition criteria are met, deferred outflow is removed from the combined balance sheet and expense is recognized.

Long-Term Obligations. In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Any loan origination fees, are deferred and amortized over the life of the loan using the effective interest method.

In the fund financial statements, governmental fund types recognize loan origination fees in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences. Employees are entitled to certain compensated absences and accumulations thereof based on their job status, length of service and other factors. Generally, other than vacation leave, compensated absences do not vest or accumulate beyond normal budgetary allowances and therefore are recorded as expenses when they are paid.

Deferred Inflows of Resources. Deferred inflows of resources arise when potential non-exchange revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the combined balance sheet and revenue is recognized.

Fund Equity. In the governmental fund Balance Sheet, fund balances are reported using a hierarchy based primarily on the extent to which the Association is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned depending on the level of constraints. *Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. *Restricted fund balance* is the amount that is restricted to specific purposes by external requirements such as those of creditors, grantors, contributors or laws and regulations or imposed by law through constitutional provisions or legally enforceable enabling legislation. *Committed fund balance* is the amount that can only be used for specific purposes pursuant to

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

constraints imposed by formal action of the Association's highest level of decision-making authority (the Board of Directors). *Assigned fund balance* is the amount that is constrained by the Association's intent to be used for specific purposes, but is not restricted or committed. *Unassigned fund balance* is the residual classification for the general fund. Whenever multiple classifications of resources are available for use, it is the Association's policy to use spendable, restricted, committed and assigned resources in that order first, then unassigned resources as they are needed.

Accounting Estimates. Accounting estimates are an integral part of the financial statements. They are based on management's knowledge and experience about past and current events and assumptions about future events. Accordingly, actual results could differ from those estimates. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates used in the preparation of these financial statements were:

- Management's estimate of *depreciation* is based on the expected number of years an asset will be use in operations and on the age and condition of capital assets at year-end.
- Management's estimate of net pension liability, deferred inflows and outflows of resources related to the Association's proportionate share of the New Hampshire Retirement System (NHRS) is based on independently audited information supplied by NHRS.

ASSETS

CASH AND EQUIVALENTS

Deposits. All bank deposits as of December 31, 2017 and during the year then ended were fully insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the bank in the Association's name.

Concentrations of credit. Financial arrangements that potentially expose the Association to credit risk consist primarily of bank deposits. To minimize risk, the Association follows a policy of depositing monies in high quality financial institutions, by maintaining deposits within the Federal Depository Insurance Corporation limits whenever possible or to require banking institutions to collateralize deposits. The Association has not experienced any losses on its cash deposits during the fiscal year and management believes that it is not exposed to significant credit risk on those amounts.

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

ACCOUNTS RECEIVABLE

Accounts receivables as of December 31, 2017 are as follows:

Training & education fees	\$	830
FIT test fees		265
		<u>1,095</u>
Less: Allowance for uncollectibles		<u>(1,095)</u>
	\$	<u><u>-</u></u>

CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended December 31, 2017 is as follows:

	<u>Balance</u>	<u>Additions &</u>	<u>Deductions &</u>	<u>Balance</u>
	<u>January 1</u>	<u>Reclassifications</u>	<u>Reclassifications</u>	<u>December 31</u>
Leasehold Improvements	\$ 621,428	\$ -	\$ -	\$ 621,428
Communications equipment	1,629,460	92,063	-	1,721,523
Training equipment	3,000	-	-	3,000
Administrative equipment	35,651	918	-	36,569
Vehicles	66,075	49,734	35,750	80,059
Construction in Progress	12,043	-	-	12,043
	<u>2,367,657</u>	<u>142,715</u>	<u>35,750</u>	<u>2,474,622</u>
Less: Accumulated Depreciation	<u>(1,151,929)</u>	<u>(189,867)</u>	<u>(35,750)</u>	<u>(1,306,046)</u>
	<u>\$ 1,215,728</u>	<u>\$ (47,152)</u>	<u>\$ -</u>	<u>\$ 1,168,576</u>

RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. During the fiscal year, the Association was a member of the following public-entity risk pools, currently operating as a common risk management and insurance programs for member towns and school administrative units.

The *New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability* are pooled risk management programs under RSA 5-B and RSA 281-A. A coverage summary of worker's compensation and property/liability programs provided from 1/1/16 – 1/1/17 by *Primex³*, which retained \$1,000,000 of each Workers' Compensation loss, \$500,000 of each Liability loss and \$200,000 of each Property Loss is available on file at the Town Office. The Board has decided to retain the aggregate exposure and has allocated resources based on actuarial analysis for that purpose.

Total contributions and any credits or balances due as of December 31, 2017 are as follows:

Contributions billed for the coverage period:

Property/Liability	\$	11,098
Workers' Compensation	\$	16,898

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

The Workers' Compensation Section of the Self-Insurance Membership Agreement permits *Primex*³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. At this time, Town management understands that the Trust foresees no likelihood of an additional assessment for this or any prior year. Claims have not exceeded insurance coverage in any of the past three years.

LIABILITIES

OPERATING LEASES

The Organization operates from leased facilities located at 62 Communications Drive in Laconia, New Hampshire. The fifteen-year renewable lease is accounted for as an operating lease. Operating leases do not give rise to property rights and therefore the results of the lease agreements are not reflected in the Organization's financial statements as a liability. Future minimum rental payments required under the lease will be \$1,624 in FY2018 and will increase by 2% each year thereafter through December 15, 2028. Lease payments are funded by provision in the annual operating budget.

LONG-TERM DEBT

Changes in Long-Term Debt. The following is a summary of the Mutual Aid's general obligation long-term debt transactions for the fiscal year ended December 31, 2017:

	<u>Balance</u> <u>January 1,</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u>	<u>Due Within</u> <u>One Year</u>
General obligation debt:					
Communications Equipment Loan	\$ 53,199	\$ -	\$ 18,858	\$ 34,341	\$ 19,406

General Long-term Debt Payable. Long-term debt payable at December 31, 2017, is comprised of the following individual issues:

<u>Description of Issue</u>	<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Outstanding</u> <u>December 31</u>
Communications Equipment Loan	\$ 93,664	09/25/14	09/25/19	2.850%	\$ 34,341

Annual Requirements to Amortize General Obligation Debt. The annual requirements to amortize all general obligation debt outstanding as of December 31, 2017, including interest payments, are as follows:

<u>Fiscal Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u> <u>& Fees</u>	<u>Total</u>
2018	\$ 19,406	\$ 736	\$ 20,142
2019	14,935	180	15,115
	<u>\$ 34,341</u>	<u>\$ 916</u>	<u>\$ 35,257</u>

All debt is general obligation debt of the Association, which is backed by its full faith and credit.

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

DEFINED BENEFIT PENSION PLAN

Plan description, participation and funding mechanisms. Full-time employees participate in the State of New Hampshire Retirement System (NHRS), a public employee retirement system that administers one cost-sharing multiple-employer defined benefit pension plan (Pension Plan) and four separate cost-sharing multiple-employer postemployment medical subsidy healthcare plans. The Pension Plan was established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The Pension Plan is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State are eligible and required to participate in the Pension Plan. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.

NHRS is divided into two membership groups. By statute, Group I (employee and teacher) members contribute 7% of their salary to NHRS. Group II (police & fire) members contribute 11.5% and 11.8% respectively. While member rates are set by statute, employer rates are set by the NHRS Board of Trustees every two years after a biennial actuarial valuation is conducted using the *Entry Age Normal* actuarial method. Employer contributions are assessed at five different rates, one each for state employees, political subdivisions employees, teachers, police and fire. NHRS employers are required by the New Hampshire Constitution to pay 100% of the actuarial sound employer contribution rate as certified by the NHRS Board of Trustees to fully fund the pension plan and to pay down the retirement system's unfunded actuarial accrued liability over a closed amortization period. Currently, employer contribution rates for the period July 1, 2016 through June 30, 2018 are as follows:

Group I		Group II	
Employees	10.77%	Police	25.30%
Teachers	14.16%	Fire	27.74%

In fiscal year 2015, the Association implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which requires participating employers to recognize their proportionate share of collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense.

As provided in the reports above, collective amounts have been allocated based on employer contributions during the respective fiscal years. Contributions to the plan are recognized when legally due, based on statutory requirements. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at:

<https://www.nhrs.org/funding-and-investments/reports-valuations/annual-report-archive>
and <https://www.nhrs.org/employers/gasb/gasb-67-68-reports> .

LAKES REGION MUTUAL FIRE AID ASSOCIATION

Notes to Financial Statements

December 31, 2017

NET POSITON/FUND BALANCE

Restricted for Specific Purposes - Amounts restricted for specific purposes by members for as of December 31, 2017 are as follows:

Education and training	\$ 19,637
FIT testing	925
Club activities	18,388
	<u>\$ 38,950</u>

Assigned for Special Purposes - Amounts assigned by the Board of Directors for special purposes represents that portion of the unreserved fund balances which management intends to use in subsequent years as follows:

Communications Center Operations:	
Insurance deductibles	\$ 2,000
Vehicle replacement	10,767
Unfunded personnel costs	20,505
Communications system reserve	355,617
Facility capital account	52,815
	<u>\$ 441,704</u>

Deficit Net Position – Deficit net position in the government-wide *Statement of Net Position* results from the application of generally accepted accounting principles to pension obligations – GASB 68. In those statements, which are presented on the accrual basis, estimated future pension obligations representing the Association’s proportionate share of net pension liabilities, deferred inflows and outflows of the New Hampshire Retirement System are included. Of the overall deficit, \$930,548 is the net amount related to those pension obligations. As of December 31, 2017, the Association has recognized all current statutory obligations to the plan. They are contributed as a percentage of subject wages paid (see pension plan note above) and recognized in the Fund Financial Statements as they become due. This estimated future obligation (the amount that Lakes Region Mutual Fire Aid Association would become responsible for should the New Hampshire Retirement System become unable to meet its obligations to retirees), would be funded through future appropriations should additional plan contributions ever be required. This deficit in the Government-Wide Financial Statements has no effect on the fund balances reported in the Fund Financial Statements.

SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State & Federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Association expects such amounts, if any, to be immaterial.

Required Supplementary Information

SCHEDULE C1
LAKES REGION MUTUAL FIRE AID ASSOCIATION

Dispatch Center Operations

Schedule of Revenues, Expenses and Changes in Fund Balance (Budget vs Actual)

For the Fiscal Year Ended December 31, 2017

All amounts are expressed in USA Dollars.

	Operating Budget	Actual	Variance Favorable (Unfavorable)	Prior year Actual
REVENUES				
Member assessments	1,261,817	1,263,806	1,989	1,225,783
Other Income:				
Interest income	-	397	397	375
Miscellaneous	-	1,849	1,849	
	1,261,817	1,266,052	4,235	1,226,158
EXPENDITURES				
Current Operations:				
Labor	964,703	954,682	10,021	858,426
Professional services	21,600	16,775	4,825	16,930
Insurance	11,098	11,098	-	10,557
Administrative expenses	11,975	8,648	3,327	11,273
Automotive expense	10,725	13,139	(2,414)	6,173
Communications systems maintenance	30,000	37,831	(7,831)	29,773
Office equipment (nondepreciable)	500	1,025	(525)	689
Property rental & special use permit	11,492	6,033	5,459	6,579
Radio circuits	23,500	13,111	10,389	11,099
Telephone	18,800	16,197	2,603	15,034
IT Expenses/services	24,000	19,984	4,016	16,339
CAD system maintenance	57,368	54,144	3,224	58,849
Bad debts			-	499
Facility expenses	25,555	24,200	1,355	21,345
	1,211,316	1,176,867	34,449	1,063,565
Debt Service:				
Principal	-	18,858	(18,858)	18,320
Interest	-	1,711	(1,711)	2,072
	-	20,569	(20,569)	20,392
Capital Outlay:				
Capital improvement program			-	6,543
	1,211,316	1,197,436	13,880	1,090,500
Excess of revenues over(under) expenditures	50,501	68,616	18,115	135,658
OTHER FINANCING SOURCES (USES)				
Interfund transfers in(out):				
Capital & Noncapital Reserves	(50,501)	(68,616)	(18,115)	(135,658)
FIT Testing			-	
	(50,501)	(68,616)	(18,115)	(135,658)
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	-	-	-	-

LAKES REGION MUTUAL FIRE AID ASSOCIATION
Note to Required Supplementary Information – Budgetary Reporting
December 31, 2017

The budgetary comparison schedule – Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

General Budget Policies – General Budget Policies. General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various requirements of an Association agreement which govern the Association's operations. Appropriations are made on an annual basis for the General and all significant Special Revenue Funds. Project-length financial plans are adopted for all Capital Project Funds. Budgets are adopted on a basis generally consistent with the modified accrual basis of accounting. The Association Agreement requires balanced budgets, but provide for the use of beginning unassigned fund balance to achieve that end. In 2017, there was no unassigned fund balance available for this purpose.

Exhibit C2
LAKES REGION MUTUAL FIRE AID ASSOCIATION
Comparative Schedule of Pension Obligations
For the Fiscal Year Ended December 31, 2017

All amounts are expressed in USA Dollars

Estimated future pension obligations - New Hampshire Retirement System (NHRS). Selected comparative information from NHRS's audited financial statements and cost-sharing schedules that is specific to the Association is as follows:

	As of and for the years ended December 31,				
	2013	2014	2015	2016	2017
Proportionate share	0.02426229%	0.02113280%	0.01839947%	0.01842386%	0.01891395%
Employer contribution	\$ 60,329	\$ 68,560	\$ 61,728	\$ 65,972	\$ 69,290
Net Pension Liability	\$ 1,044,197	\$ 793,238	\$ 728,900	\$ 979,706	\$ 930,187
Deferred outflows of resources:					
Differences between expected and actual experience	<i>base year</i>	-	-	2,723	2,109
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	-	-	61,295	-
Changes of assumptions	<i>base year</i>	-	-	120,571	93,403
Changes in proportion	<i>base year</i>	-	-	813	17,786
<i>Total deferred outflows of resources</i>	\$ -	\$ -	\$ -	\$ 185,402	\$ 113,298
Deferred inflows of resources:					
Differences between expected and actual experience	<i>base year</i>	-	15,995	12,371	11,839
Net difference between projected and actual investment earnings on pension plan investments	<i>base year</i>	101,495	19,481	-	11,846
Changes of assumptions	<i>base year</i>	-	-	-	-
Changes in proportion	<i>base year</i>	110,668	180,920	135,447	89,974
<i>Total deferred inflows of resources</i>	\$ -	\$ 212,163	\$ 216,396	\$ 147,818	\$ 113,659
Pension expense:					
Proportionate share of plan pension expense	<i>base year</i>	53,783	47,096	108,072	98,681
Net amortization of deferred amounts from changes in proportion	<i>base year</i>	(24,019)	(45,473)	(45,274)	(40,965)
<i>Total employer pension expense</i>	\$ -	\$ 29,764	\$ 1,623	\$ 62,798	\$ 57,716

Exhibit C2
LAKES REGION MUTUAL FIRE AID ASSOCIATION
Comparative Schedule of Pension Obligations
For the Fiscal Year Ended December 31, 2017

Note to the Comparative Schedule of Pension Obligations - This information should be read in conjunction with the audited actuarial reports presented by the NHRS. This information along with significant assumptions and inputs for total pension liabilities, the NHRS's fiduciary net position and current year sources of changes to net pension liabilities are available for the plan as a whole as well as audited cost-sharing schedules by individual members in the System's Comprehensive Annual Financial Report and other annual reports are available from the NHRS located at Regional Drive ~ Concord, NH 03301-8509 or on its web site at <https://www.nhrs.org/funding-and-investments/reports-valuations/annual-report-archive> and <https://www.nhrs.org/employers/gasb/gasb-67-68-reports> . As noted there in, the preparation of those reports requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of those estimates, actual results could differ, and the differences could be material. As of December 31, 2017, the Association has recognized all statutorily required contributions to the plan. Unless additional assessments are imposed by the NHRS Board due to insolvency or some other circumstances, all future obligations to the plan will become due as a percentage of qualifying wages as they are paid by the Association. At this time, management understands that that the NHRS foresees no likelihood of additional assessment beyond normal contribution rates, which are established every two years by a statutorily-governed rate-setting process. All future obligations of the Association to the NHRS will be paid by current appropriations as they become due.

Lakes Region Mutual Fire Aid
Communications Center - Operating Budget

Account #	Labor Costs	2016 Budgeted	2017 Proposed	Dollar Change	Percent Change
	Wages - Full-time	\$522,686	\$524,748	\$2,062	0.39%
	Wages - Part-time	\$50,509	\$41,473	(\$9,036)	(17.89%)
6003	Overtime	\$41,186	\$41,561	\$375	0.91%
6009	Longevity Bonus	\$1,525	\$1,700	\$175	11.48%
6010	Holiday Wages	\$20,670	\$21,090	\$420	2.03%
6011-01	Medical Insurance	\$160,166	\$174,190	\$14,024	8.76%
6011-02	Disability Insurance	\$1,519	\$1,769	\$250	16.48%
6012	State Retirement	\$87,903	\$94,458	\$6,555	7.46%
6014	Social Security	\$31,939	\$28,201	(\$3,738)	(11.70%)
6015	Medicare	\$9,450	\$9,294	(\$156)	(1.65%)
6017	Workers Compensation Insurance	\$16,899	\$16,899	\$0	0.00%
6018	Uniforms	\$3,720	\$3,720	\$0	0.00%
6019	Training & Education	\$5,100	\$5,100	\$0	0.00%
6016	Unemployment Compensation	\$500	\$500	\$0	0.00%
		-----	-----	-----	
		\$953,772	\$964,705	\$10,933	1.15%
	General Operating				
6100	Professional Services				
6100-01	Audit	\$4,200	\$6,200	\$2,000	47.62%
6100-02	Bookkeeping	\$6,600	\$6,600	\$0	0.00%
6100-03	Legal	\$2,800	\$2,800	\$0	0.00%
6100-04	Graphic Design	\$6,000	\$6,000	\$0	0.00%
6180	Insurance	\$10,805	\$11,098	\$293	2.71%
6201	Bank Finance Charges	\$2,000	\$2,000	\$0	0.00%
6202	Office/Administrative Expense	\$5,500	\$4,500	(\$1,000)	(18.18%)
6203	Postage	\$1,025	\$825	(\$200)	(19.51%)
6205	Professional Dues				
6205-01	Prof. Dues Association	\$750	\$750	\$0	0.00%
6205-02	Prof. Dues Staff	\$1,250	\$1,250	\$0	0.00%
6206	Subscriptions	\$1,200	\$1,450	\$250	20.83%
6207	Coordinator's Expense	\$500	\$500	\$0	0.00%
6208	Executive Committee's Expense	\$700	\$700	\$0	0.00%
6240	Miscellaneous				
6301	Automotive Expense				
6301-01	Automobile Expense - Other	\$225	\$225	\$0	0.00%
6301-02	Communications Trailer Expenses	\$100	\$1,000	\$900	900.00%
6301-03	Fuel Purchases	\$3,000	\$3,000	\$0	0.00%
6301-04	Mileage Reimbursements	\$1,000	\$1,000	\$0	0.00%
6301-05	Automobile Repair & Maintenance	\$5,500	\$5,500	\$0	0.00%
6401	Communications System	\$30,000	\$30,000	\$0	0.00%
6503	Office Equipment	\$500	\$500	\$0	0.00%
6608	Property Rental				
6608-01	Office Space Lease	\$1,561 #	\$1,592	\$31	1.99%
6608-02	Gilman Hill Tower Lease	\$1,200	\$3,400	\$2,200	183.33%
6608-03	Future Tower Lease	\$4,800	\$3,500	(\$1,300)	(27.08%)
6608-04	State Transmitter Fees	\$3,000	\$3,000	\$0	0.00%
6610	Radio Circuits	\$11,700	\$23,500	\$11,800	100.85%
6612	Telephone Expense				
6612-01	Cell Phone Expenses	\$6,000	\$4,800	-\$1,200	(20.00%)
6612-02	Land Line Expenses	\$11,500	\$14,000	\$2,500	21.74%
6700	IT Expense/Services				
6701	Computer Supplies	\$500	\$500	\$0	0.00%
6702	Computer Software/Programming/Support	\$14,000	\$16,500	\$2,500	17.86%
6703	Computer Hardware	\$6,500	\$6,500	\$0	0.00%
6704	Website Support & Development	\$750	\$500	(\$250)	(33.33%)
6705	CAD System Maintenance	\$58,000	\$57,368	(\$632)	(1.09%)
		-----	-----	-----	
		\$203,166	\$221,058	\$17,892	8.81%
	Facility Expense				
6615-01	Heating Oil	\$6,655	\$6,655	\$0	0.00%
6615-02	Maintenance	\$8,000	\$9,000	\$1,000	12.50%
6615-03	Electricity	\$9,000	\$9,000	\$0	0.00%
6615-04	Water	\$1,500	\$900	(\$600)	(40.00%)
		-----	-----	-----	
		\$25,155	\$25,555	\$400	1.59%
	Special Projects				
	Grant - Matching Funds	\$1	\$1	\$0	0.00%
		-----	-----	-----	
		\$1	\$1	\$0	0.00%
	SubTotal Budget	\$1,182,094	\$1,211,318	\$29,224	2.47%
	Capital Improvement Program	\$43,688	\$50,500	\$6,812	
	Total Budget	\$1,225,782	\$1,261,818	\$36,036	2.94%

Labor Costs	FY - 2015	FY - 2016	FY - 2017	Comments
6001-10 - Wages - Administration	\$505,310	\$522,686	\$ 524,748	This includes reestablishing the Coordinator position to full time beginning in April and a new pay scale for all employees.
6001-30 - Wages - Part-time Dispatch	\$54,704	\$50,509	\$ 41,473	Reduced due to insufficient roster
6003-00 - Recall/Sick/Vacation Coverage	\$40,752	\$41,186	\$ 41,561	Adjustment due to pay scale changes
6009-00 - Longevity Bonus	\$1,325	\$1,525	\$ 1,700	Adjustment due to service time
6010-00 - Holiday Wages	\$20,430	\$20,670	\$ 21,090	Adjustment due to pay scale changes
6011-01 - Medical Insurance	\$148,665	\$160,166	\$ 174,190	Change in coverage plan plus 5.3% rate increase and insurance for the full time Chief Coordinator
6011-02 - Disability Insurance	\$1,768	\$1,519	\$ 1,769	Adjustment due to pay scale changes, 2 cent decrease in rate.
6012-00 - Retirement - State	\$83,565	\$87,903	\$ 94,458	Includes the new rates that will become effective July 1, 2017
6014-00 - Social Security	\$31,765	\$31,939	\$ 28,201	Reduction due to Coordinator position becoming full-time and a NH Retirement Group II position.
6015-00 - Medicare	\$9,238	\$9,450	\$ 9,294	Adjustment due to pay increases
6017-00 - Workers Compensation Insurance	\$16,989	\$16,899	\$ 16,899	Rate increase and reduced audited payroll from 2015 balance out for zero % increase.
6018-00 - Uniforms	\$4,200	\$3,720	\$ 3,720	Uniform items for Full Time, Part-Time and Per Diem staff
6019-01 - Training	\$5,100	\$5,100	\$ 5,100	Training for Staff Personnel
Unemployment Compensation	\$500	\$500	\$ 500	

\$ 924,311 \$ 953,772 \$ 964,705

General Operating Costs	FY - 2015	FY - 2016	FY - 2017	Comments
6100-00 - Professional Services			\$ -	
6100-01 - Audit Service	\$ 4,200	\$ 4,200	\$ 6,200	Annual audit service fees, \$2000 increase for increased audit requirements set by federal government.
6100-02 - Booking Service	\$ 6,600	\$ 6,600	\$ 6,600	Contract Bookkeeping Service
6100-03 - Legal Service	\$ 3,400	\$ 2,800	\$ 2,800	
6100-04 - Graphic Design Services	\$ 5,500	\$ 6,000	\$6,000	Contract service for Rural Hitch News Letter and Members Guide updates along with other graphic needs.
6180-00 - Insurance	\$ 9,938	\$ 10,805	\$ 11,098	Property and Liability coverage provided by Primex. 2.7% increase in rate.
6201-00 - Bank Finance Charges	\$ 4,530	\$ 2,000	\$2,000	Interest charges on FSB Loan and Line of Credit if used
6202-00 - Office/Administrative Expense	\$ 6,000	\$ 5,500	\$ 4,500	General office supplies and services
6203-00 - Postage	\$ 1,025	\$ 1,025	\$ 825	General postage and shipping charges
6205-00 - Professional Dues				
6205-01 - Professional Dues Association	\$ 750	\$ 750	\$750	Dues for NH Federation of Mutual Aid Districts, National Fire Protection Association, etc.
6205-02 - Professional Dues Staff	\$ 1,500	\$ 1,250	\$1,250	Individual members dues to NHAFC, APCO, IMSA, IAFC, etc.
6206-00 - Subscriptions	\$ 1,200	\$ 1,200	\$ 1,450	Subscription to National Fire Codes, professional journals, increase in cost for National Fire Codes
6207-00 - Coordinator's Expense	\$ 700	\$ 500	\$ 500	Expenses incurred by Coordinator
6208-00 - Executive Committee Expense	\$ 1,000	\$ 700	\$ 700	Expenses incurred by Executive Committee - memorial plaques, meals, etc.
6301-00 - Automotive Expenses				
6301-01 - Automotive Expense Other	\$ 575	\$ 225	\$225	Misc. automotive related expenses
6301-02 - Communications Trailer Expense	\$ -	\$ 100	\$1,000	Expense for maintaining and enhancing Command Trailer
6301-03 - Fuel Purchases	\$ 3,500	\$ 3,000	\$3,000	Fuel expenses for Car 1 & Car 2
6301-04 - Mileage Reimbursements	\$ 500	\$ 1,000	\$1,000	Training mileage reimbursement for staff members
6301-05 - Automobile Repair & Maintenance	\$ 5,500	\$ 5,500	\$5,500	General vehicle maintenance
6401-00 - Communications System Expense	\$ 30,000	\$ 30,000	\$ 30,000	General expense related to maintenance of Communication equipment, includes remote sites as well as comm center and mobile equipment.
6503-00 - Office Equipment	\$ 1,000	\$ 500	\$ 500	
6608-00 - Property Rental Costs				
6608-01 - Office Space Lease	\$ 1,534	\$ 1,561	\$ 1,592	Annual lease payment for Communications Center
6608-02 - Gilman Hill Tower Lease	\$ 1,200	\$ 1,200	\$ 3,400	Lease payment plus electricity cost
6608-03 - Future Tower Lease	\$ 1,000	\$ 4,800	\$ 3,500	
6608-04 - State Transmitter Site Fees	\$ 3,000	\$ 3,000	\$ 3,000	Site lease for three sites on State Towers
6610-00 - Radio circuits	\$ 6,500	\$ 11,700	\$ 23,500	Expenses related to Fair Point fiber optic network buildout.
6612-00 - Telephone Expense				
6612-01 - Cell Phones Expenses	\$ 6,000	\$ 6,000	\$ 4,800	Reduce by removing Doug Aiken's phone from LRMFA plan
6612-02 - Land Line Expenses	\$ 11,125	\$ 11,500	\$ 14,000	Month costs plus service maintenance agreement for land line systems
6701-00 - IT Expense/Services				
6701-01 - Computer Supplies	\$ 500	\$ 500	\$ 500	General supplies
6701-02 - Computer Software/Support	\$ 18,000	\$ 14,000	\$ 16,500	Software licensing, network monitoring, email service, etc.
6701-03 - Computer Hardware	\$ 6,500	\$ 6,500	\$ 6,500	Hardware replacement
6701-04 - Website Support & Development	\$ 750	\$ 750	\$ 500	Website hosting expense
6701-05 - CAD System Maintenance	\$ 54,000	\$ 58,000	\$ 57,368	CAD system maintenance & upgrade

\$ 197,527 \$ 203,166 \$ 221,058

Facility Expense	FY - 2015	FY - 2016	FY - 2017	Comments
6615-01 - Fuel	\$ 6,655	\$ 6,655	\$6,655	Heating Oil Costs
6615-02 - Maintenance	\$ 8,000	\$ 8,000	\$9,000	General facility maintenance costs, supplies & services
6615-03 - Electricity	\$ 9,000	\$ 9,000	\$9,000	Electricity cost paid to Bureau of Emergency Communications
6615-04 - Bottled Water	\$ 1,500	\$ 1,500	\$900	Bottled water - reduced with change of vendor

\$ 25,155 \$ 25,155 \$25,555

Special Projects	FY - 2015	FY - 2016	FY - 2017	Comments
Grant - Matching Funds	\$ 1	\$ 1	\$1	

Reserve Accounts	FY - 2015	FY - 2016	FY - 2017	Comments
Capital Improvement Program	\$ 40,125	\$ 43,688	\$50,500	Incremental increase to capital improvements assessment

Total Budget **\$ 1,187,119 \$ 1,225,782 \$ 1,261,818**



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