

Interest Rate Risk - Investments

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 2 months. The District's investment in MMDT is unrated.

Credit Risk - Investments

The District has not adopted a formal policy related to credit risk. The District's investment in MMDT at June 30, 2016 is unrated.

NOTE 3 – RECEIVABLES

At June 30, 2016, receivables for the individual governmental funds including the applicable allowances for uncollectible accounts are as follows:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|-----------------------------|-------------------|------------------------------------|-------------------|
| <u>Receivables:</u> | | | |
| Departmental and other..... | \$ 194,597 | - | \$ 194,597 |
| Intergovernmental..... | 141,869 | - | 141,869 |
| Total..... | <u>\$ 336,466</u> | <u>\$ -</u> | <u>\$ 336,466</u> |

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|-----------------------|-------------|----------------------|
| <u>Capital assets not being depreciated:</u> | | | | |
| Land..... | \$ 1,370,581 | \$ - | \$ - | \$ 1,370,581 |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings and improvements..... | 70,381,478 | - | - | 70,381,478 |
| Vehicles and heavy equipment..... | 469,270 | 94,409 | - | 563,679 |
| Books, equipment and computers..... | 7,479,855 | - | - | 7,479,855 |
| Total capital assets being depreciated..... | <u>78,330,603</u> | <u>94,409</u> | <u>-</u> | <u>78,425,012</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings and improvements..... | (18,716,607) | (1,857,163) | - | (20,573,770) |
| Vehicles and heavy equipment..... | (404,760) | (59,075) | - | (463,835) |
| Books, equipment and computers..... | (7,479,855) | - | - | (7,479,855) |
| Total accumulated depreciation..... | <u>(26,601,222)</u> | <u>(1,916,238)</u> | <u>-</u> | <u>(28,517,460)</u> |
| Total capital assets being depreciated, net..... | <u>51,729,381</u> | <u>(1,821,829)</u> | <u>-</u> | <u>49,907,552</u> |
| Total governmental activities capital assets, net..... | <u>\$ 53,099,962</u> | <u>\$ (1,821,829)</u> | <u>\$ -</u> | <u>\$ 51,278,133</u> |

Depreciation expense of \$1,916,238 was charged to the facilities function.

NOTE 5 – TRANSFERS

Interfund transfers for the year ended June 30, 2016, are summarized as follows:

| Operating Transfers Out: | Operating Transfers In: | | |
|----------------------------------|-------------------------|-----------------------------|-----------|
| | General Fund | Nonmajor Governmental Funds | Total |
| General Fund..... | \$ - | \$ 78,000 | \$ 78,000 |
| Nonmajor Governmental Funds..... | 2,574 | - | 2,574 |
| Total..... | \$ 2,574 | \$ 78,000 | \$ 80,574 |

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

As of June 30, 2016 the District did not have any short-term debt outstanding.

NOTE 7 – LONG-TERM DEBT

General Long-Term Debt:

State law permits the District, under the provisions of Chapter 71, Section 16, to authorize indebtedness not to exceed an amount approved by the Emergency Finance Board. Furthermore, written notice of the amount of debt authorized and general purpose of the debt must be given to the Board of Selectmen in each of the member town's comprising the District.