



Town of Hermon

Public Safety Meeting Room

June 7, 2018

SPECIAL Town Council Meeting

7:00 PM

AGENDA

Council Meetings may be viewed live online and are archived after the meeting
has taken place – check hermon.net for link.

*****ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION*****

I. CALL TO ORDER BY CHAIRPERSON

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

**IV. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES,
And APPROVAL OF MINUTES:**

MINUTES. -APPROVE

WARRANTS. -SIGN

RESOLVES. -SIGN

V. NEWS, PRESENTATIONS AND RECOGNITIONS

Hermon Volunteer Rescue Squad- Review of Financial Statements

VI. PUBLIC ITEMS OR COMMENTS (*Items Not Already on Agenda*)

VII. PUBLIC HEARINGS

VIII. COMMITTEE REPORTS



IX. SCHEDULED AGENDA ITEMS

A. OLD BUSINESS

B. NEW BUSINESS

C. WORKSHOPS

D. OTHER ITEMS (from Table Package)

X. APPOINTMENTS

XI. MANAGER STATUS REPORT:

XII. FINAL PUBLIC ITEMS OR COMMENT (*Items Not Already on Agenda*)

XIII. COUNCIL ITEMS:

XIV. EXECUTIVE SESSION:

XV. ADJOURNMENT:

Explanatory note #1: All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

Explanatory Note #2: In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

Explanatory Note #3: A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.

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**Hermon Volunteer Rescue and
First Aid Squad, Inc.**

Financial Statements

Years Ended June 30, 2016 and 2015

Barbara E. Bagley
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Hermon Volunteer Rescue
and First Aid Squad, Inc.
Hermon, Maine

Management is responsible for the accompanying financial statements of Hermon Volunteer Rescue and First Aid Squad, Inc (a nonprofit organization) which comprise of the statements of net position-cash basis of as of June 30, 2016 and 2015, and the related statements of revenues, expenses, and net position-cash basis for the years then ended, and the related notes to the financial statements in accordance with cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have preformed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note A-Cash Basis of Accounting of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Barbara E. Bagley, CPA

Barbara E. Bagley CPA
September 1, 2016
Bangor, Maine

**HERMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
STATEMENT OF NET POSITION-CASH BASIS
JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS		
Cash	\$ 22,930	\$ 23,946
Accounts Receivable	31,798	26,201
TOTAL CURRENT ASSETS	54,728	50,147
PROPERTY, PLANT AND EQUIPMENT		
Land and Building	229,923	229,923
Equipment	59,598	59,598
Ambulances	257,900	257,900
Building Improvements	29,483	29,483
Less Accumulated Depreciation	576,904 (187,186)	576,904 (163,848)
NET PROPERTY, PLANT AND EQUIPMENT	389,718	413,056
TOTAL ASSETS	\$ 444,446	\$ 463,203
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 24,473	\$ 23,284
Deferred Revenue	31,798	26,201
TOTAL CURRENT LIABILITIES	56,271	49,485
LONG-TERM LIABILITIES		
Notes Payable - Building	235,020	247,092
Notes Payable - Billing Office	48,089	59,120
Less - Current Portion of Long-Term Debt	(24,473)	(23,284)
TOTAL LONG-TERM LIABILITIES	258,636	282,928
TOTAL LIABILITIES	314,907	332,413
NET POSITION		
Invested in Capital Assets, Net of Related Debt	106,609	106,844
Unrestricted	22,930	23,946
TOTAL NET POSITION	129,539	130,790
TOTAL LIABILITIES AND NET POSITION	\$ 444,446	\$ 463,203

See accompanying notes and accountant's compilation report.

**HERMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.**
Statements of Revenues, Expenses, and Changes in Net Position-Cash Basis
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Charges	\$ 470,829	\$ 649,889
Adjustments	(192,936)	(267,081)
Write Offs	(1,526)	(1,491)
Conversion to Cash	(276,367)	(381,317)
Service Revenue	243,014	294,828
Speedway Income	9,350	8,108
Fundraising and Donations	17,769	2,251
Clinton Billing Service	2,952	2,400
Building Rent	1,750	1,300
Other Income	1,611	828
Interest Earned	2	1
TOTAL REVENUES	<u>276,448</u>	<u>309,716</u>
EXPENSES		
Stipends and Payroll	155,645	146,033
Interest Expenses	12,794	21,210
Depreciation Expense	23,338	25,639
Insurance	26,129	24,736
Repairs and Maintenance	8,407	21,217
Back-Up Services	6,284	2,360
Building Supplies	5,254	8,422
Medical Supplies	15,783	18,224
Utilities	7,270	9,063
Gas and Oil	8,789	16,159
Office Expense	2,708	3,112
Professional Services	3,085	5,535
Licenses and Dues	1,528	2,825
Collections Expenses	685	-
TOTAL EXPENSES	<u>277,699</u>	<u>304,535</u>
NET REVENUES OVER (UNDER) EXPENSES	(1,251)	5,181
NET POSITION, JULY 1	<u>130,790</u>	<u>125,609</u>
NET POSITION, JUNE 30	<u>\$ 129,539</u>	<u>\$ 130,790</u>

See accompanying notes and accountant's compilation report.

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2016 and 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Hermon Volunteer Rescue and First Aid Squad, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements.

Nature of Operations

The objective of the Hermon Volunteer Rescue and First Aid Squad, Inc. shall be to preserve life, reduce suffering and to render aid in case of accidents or disaster in the Hermon area or wherever duly dispatched by an authorized authority. Hermon Volunteer Rescue provides year around rescue services to Hermon, Stetson and Etna. The company also provides backup services to other surrounding towns and cities when asked.

Cash Basis of Accounting

The management of Hermon Volunteer Rescue and First Aid Squad, Inc has prepared its financial statements using the cash basis of accounting. Revenues are generally recognized when received and expenses when occurred. Because of the unsure nature of the payment for ambulance services rendered by uninsured patients and by private and governmental insurance agencies, the organization does not consider billings for services rendered as earned until received.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Property, Plant and Equipment

Property, Plant and Equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings	45
Leasehold Improvements	15 - 40
Equipment	5 - 10
Ambulances	10 - 28.5

See Accountant's Compilation Report

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2016 and 2015

NOTE B - LONG TERM DEBT

The new mortgage and ambulance loans were obtained in May 2015. The long-term debt at June 30, 2016 consists of the following:

Mortgage loan payable to Camden National Bank at 4.25% due in monthly installments of \$1,873.70, including principle and interest, maturing May 2030, collateralized by land, building, improvements, and the ambulances.	\$ 235,020
Loan with Camden National Bank at 4.25% due in 60 monthly installments of \$1,113.61, including principle and interest, maturing May 2020, collateralized by three ambulance.	<u>31,798</u>
Total Long-term debt balance	<u><u>\$ 266,818</u></u>

Annual debt service requirements of these notes payable is summarized as followed:

Year Ending:	2016	\$24,473
	2017	25,346
	2018	26,444
	2019	26,380
	2020	15,107

NOTE C - CASH DEPOSITS

All cash deposits of the organization are held in local depositories and were fully insured by federal agencies at June 30, 2016 and throughout the years ended.

NOTE D - TAX STATUS

The organization has been granted tax-exempt status under Section 501-c (4) of the Internal Revenue Code.

See Accountant's Compilation Report

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2016 and 2015

NOTE E – SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions for potential recognition or disclosure through September 1, 2016, the date which the financial statements were available to be issued.

NOTE F – UNCERTAIN TAX POSITIONS

The Company's federal income tax returns for 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

NOTE G – CONCENTRATION OF REVENUES AND RECEIVABLES

For the year ended June 30, 2016 the organization receives 47% of its service revenue from Medicare and Medicaid. Adjustments and write offs for Medicare and Medicaid were approximately 32% of billings for the year.

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**Hermon Volunteer Rescue and
First Aid Squad, Inc.**

Financial Statements

Years Ended June 30, 2017 and 2016

Barbara E. Bagley
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Hermon Volunteer Rescue
and First Aid Squad, Inc.
Hermon, Maine

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Barbara E. Bagley, CPA

Barbara E. Bagley, CPA

January 22, 2018
Bangor, Maine

**HERMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
STATEMENT OF NET POSITION-CASH BASIS
JUNE 30, 2017 AND 2016**

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 2,567	\$ 22,833
Accounts Receivable	9,586	31,788
TOTAL CURRENT ASSETS	<u>12,153</u>	<u>54,621</u>
PROPERTY, PLANT AND EQUIPMENT		
Land and Building	229,923	229,923
Equipment	75,598	89,888
Ambulances	367,900	257,900
Building Improvements	29,483	29,483
	<u>702,904</u>	<u>576,904</u>
Less Accumulated Depreciation	(215,925)	(187,188)
NET PROPERTY, PLANT AND EQUIPMENT	<u>486,979</u>	<u>389,716</u>
TOTAL ASSETS	<u>\$ 499,132</u>	<u>\$ 444,337</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Current Portion of Long-term Debt	\$ 45,892	\$ 24,473
Line of Credit-Camden National Bank	20,237	-
Deferred Revenue	9,586	31,788
TOTAL CURRENT LIABILITIES	<u>75,715</u>	<u>56,261</u>
LONG-TERM LIABILITIES		
Notes Payable - Building	222,588	235,020
Notes Payable - Billing Office	36,607	48,039
Kansas State Bank	92,215	-
Less - Current Portion of Long-Term Debt	(45,892)	(24,473)
TOTAL LONG-TERM LIABILITIES	<u>305,518</u>	<u>258,586</u>
TOTAL LIABILITIES	<u>381,233</u>	<u>314,847</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	135,569	166,609
Unrestricted Net Loss or Income	(17,670)	22,930
TOTAL NET POSITION	<u>117,899</u>	<u>129,539</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 499,132</u>	<u>\$ 444,386</u>

See accompanying notes and accountant's compilation report.

**HERMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.**
Statements of Revenues, Expenses, and Changes in Net Position-Cash Basis
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>		<u>2016</u>
REVENUES			
Charges	\$ 407,597	\$	470,829
Adjustments	(157,395)		(92,935)
Write Offs	(2,600)		(1,526)
Conversion to Cash	(247,602)		(276,367)
Service Revenue	202,667		243,014
Speedway Income	7,523		9,350
Fundraising and Donations	828		17,769
Clinton Billing Service	2,724		2,952
Building Rent	1,900		1,750
Other Income	18,429		1,611
Interest Earned	1		2
TOTAL REVENUES	<u>234,072</u>		<u>276,448</u>
EXPENSES			
Stipends and Payroll	133,208		155,645
Interest Expenses	18,196		12,794
Depreciation Expense	28,739		23,338
Insurance	25,640		26,129
Repairs and Maintenance	527		8,407
Back-Up Services	2,500		6,284
Building Supplies	2,701		5,254
Medical Supplies	12,024		15,783
Utilities	7,902		7,270
Gas and Oil	7,217		8,789
Office Expense	2,798		2,708
Professional Services	2,865		3,085
Licenses and Dues	1,295		1,526
Miscellaneous Expenses	100		685
TOTAL EXPENSES	<u>245,712</u>		<u>277,699</u>
NET REVENUES OVER (UNDER) EXPENSES	(11,640)		(1,251)
NET POSITION, JULY 1	<u>129,539</u>		<u>130,790</u>
NET POSITION, JUNE 30	<u>\$ 117,899</u>	\$	<u>129,539</u>

See accompanying notes and accountant's compilation report

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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	<u>Years</u>
Buildings	45
Leasehold Improvements	15 - 40
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See Accountant's Compilation Report

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE B - LONG TERM DEBT

The long-term debt at June 30, 2017 consists of the following:

Mortgage loan payable to Camden National Bank at 4.25% due in monthly installments of \$1,873.70, including principle and interest, maturing May 2030, collateralized by land, building, improvements, and the ambulances.	\$ 222,588
Loan with Camden National Bank at 4.25% due in 60 monthly installments of \$1,113.61, including principle and interest, maturing May 2020, collateralized by three ambulance.	36,607
Ambulance purchased July 1, 2017 through Kansas State Bank with terms of 60 months, at 5.995% interest, collateralized by 2015 Chevy Cab & Chassis Remount.	<u>92,215</u>
Total Long-term debt balance	<u><u>\$ 351,410</u></u>

Annual debt service requirements of these notes payable is summarized as followed:

Year Ending:	2018	\$45,892
	2019	48,257
	2020	49,536
	2021	39,690
	2022	17,877

NOTE C—LINE OF CREDIT

The company has established a line of credit with Camden National Bank in the amount of \$30,000 with an interest rate of 5.5% and a blanket security agreement. Balance outstanding at June 30, 2017 was \$20,237.

HEMON VOLUNTEER RESCUE
AND FIRST AID SQUAD, INC.
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE D – CASH DEPOSITS

All cash deposits of the organization are held in local depositories and were fully insured by federal agencies at June 30, 2017, and throughout the years ended.

NOTE E – TAX STATUS

The organization has been granted tax-exempt status under Section 501-c (4) of the Internal Revenue Code.

NOTE F – SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions for potential recognition or disclosure through January 22, 2018, the date which the financial statements were available to be issued.

NOTE G – UNCERTAIN TAX POSITIONS

The Company's federal income tax returns for 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

NOTE H – CONCENTRATION OF REVENUES AND RECEIVABLES

For the year ended June 30, 2017 the organization receives 46% of its service revenue from Medicare and Medicaid. Adjustments and write offs for Medicare and Medicaid were approximately 28% of billings for the year.