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Town of Standish
Annual Financial Statements



As of and for the Year Ended
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Town Council and Manager
Town of Standish, Maine

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 Town of Standish, Maine as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town's 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Standish, Maine as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 15 and 41 – 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Standish, Maine's basic financial statements. The capital projects budgetary comparison schedule, comparative balance sheets, schedule of changes in fund balance, the combining nonmajor fund schedules, and the schedule of departmental operations are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital projects budgetary comparison schedule, comparative balance sheets, schedule of changes in fund balance, the combining nonmajor fund schedules, and the schedule of departmental operations are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the comparative balance sheets, schedule of changes in fund balance, the combining nonmajor fund schedules, and the schedule of departmental operations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Certified Public Accountants
January 8, 2016



Town of Standish

Management Discussion and Analysis

The Town of Standish (the Town) provides this Management Discussion and Analysis to present additional information to the readers of the Town's basic financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2015. Readers are encouraged to consider this information in conjunction with the additional information that is furnished in the Town's basic financial statements, required supplementary information, and other supplementary information.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements include three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains required supplementary information that provides budgetary comparisons with actual results. The components of the financial statements are described in the following sections.

Basic Financial Statements

The basic financial statements include two types of financial statements that present different views of the Town – the Government-wide Financial Statements and the Fund Financial Statements. The Notes to the Basic Financial Statements supplement the financial statement information and clarify line items that are part of the financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad view of the Town's operations in a manner similar to a private sector business. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic condition at the end of the fiscal year. These are prepared using the economic resources measurement focus and the accrual basis of accounting. This basically means they follow methods that are similar to those used by most businesses. They take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The Government-wide Financial Statements include two statements:

- The *Statement of Net Position* presents all of the government's assets, liabilities, and deferred inflows of resources, with the difference between total assets and the sum of total liabilities and total deferred inflows of resources reported as total net position. Over time, increases or decreases in the Town's net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the Town.

Both of the above financial statements present the net position and activities of *governmental activities*. Governmental activities are those activities that are mostly supported by taxes and intergovernmental revenues (federal and state grants), and are the only major category of activities carried on by the Town.

Town of Standish
Management Discussion and Analysis
June 30, 2015

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the Government-wide Financial Statements. The Town maintains only two categories of funds: governmental funds and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, the Governmental Fund Financial Statements focus on near term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual (i.e., measurable and available to liquidate liabilities of the current period). Expenditures are generally recorded when liabilities are incurred, except for those related to long-term liabilities, which are recorded when due and payable. These statements provide a detailed short term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long term impact of the government's near term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town presents three columns in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The Town's town major governmental funds are the General Fund and the Capital Projects Fund. All non-major governmental funds are combined in the "Other Governmental Funds" column on these statements.

Fiduciary Funds

These funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of these funds are not available to support the Town's own programs.

The Town's sole fiduciary fund is an Agency Fund that accounts for money held and administered by the Town on behalf of third parties.

Town of Standish
Management Discussion and Analysis
June 30, 2015

Current Year Financial Highlights

- The Town's property values increased in taxable valuation from \$989,448,228 to \$991,046,054, an overall increase of \$1,597,826 – an increase of less than 0.2%.
- The Town's mil-rate increased from \$12.08 in fiscal year 2014 to \$12.15 in fiscal year 2015, an increase of \$0.07 per thousand. This increase to the mil-rate can be attributed to a small increases to the municipal budget and county and MSAD #6 assessments.
- The Town's assets exceeded its liabilities and deferred inflows of resources by \$32,616,998 as of the end of the fiscal year. This year's total net position includes an unrestricted portion totaling \$3,939,318 (an increase from prior year of \$338,687), which may be used to meet the Town's ongoing obligations to employees, citizens, and creditors.
- The Town's operations for this year resulted in a decrease in net position of \$223,568. The Town's net expenses of \$14,598,685 were not completely offset by general revenues of \$14,375,117.
- Total governmental activities' expenses in fiscal year 2015 were down by \$334,756 from fiscal year 2014. Also, total governmental activities' revenues in fiscal year 2015 were down by \$138,740 from fiscal year 2014.
- In the General Fund, the Town's unassigned fund balance decreased by \$299,712 from June 30, 2014 to June 30, 2015. This is attributable to a \$166,357 decrease resulting from operations, as well as increases other fund balance categories. The increases in other fund balance categories includes a \$50,000 increase in the Town's planned use of fund balance to cover budgetary deficits and a \$58,351 increase in the amount of unexpended appropriations being carried forward into fiscal year 2016.
- During the year, the Town updated its policy for a target level of the General Fund's unassigned fund balance. The new target level is 16.67% of the approved appropriations for the municipal budget. For fiscal year 2015, approved appropriations totaled \$17,171,132 rendering the target level \$2,861,855. At year end, the unassigned fund balance of \$2,585,172 was \$276,683 or 9.7%, below this target level.
- At the close of the current fiscal year, the Town's General Fund's unassigned fund balance as a percentage of the General Fund's expenditures for the fiscal year was 16.54% – down from 18.72% in the prior year. This is due to expenditures being \$216,645 more in fiscal year 2015 than in 2014, as well as the unassigned fund balance being \$299,712 less at June 30, 2015 than at June 30, 2014.
- The Town's total bonded and other long-term debt increased by \$376,561 during the current fiscal year. Current year debt issues were \$1,088,719 while debt repayments were only \$712,158.

Town of Standish
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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position totaled \$32.6 million at the end of fiscal year 2015, compared to \$32.8 million at the end of fiscal year 2014.

Table A
Town of Standish
Condensed Statement of Net Position
As of June 30, 2015 and 2014

	2015	2014	\$ Change	% Change
Current assets	\$ 5,564,346	\$ 4,719,733	\$ 844,613	17.9%
Capital assets, net	<u>32,180,323</u>	<u>32,839,892</u>	<u>(659,569)</u>	-2.0%
Total assets	37,744,669	37,559,625	185,044	0.5%
Current liabilities	1,101,163	1,094,766	6,397	0.6%
Long-term liabilities	<u>4,021,084</u>	<u>3,622,296</u>	<u>398,788</u>	11.0%
Total liabilities	5,122,247	4,717,062	405,185	8.6%
Deferred inflows of resources	<u>5,424</u>	<u>8,445</u>	<u>(3,021)</u>	-35.8%
Net investment in capital assets	27,553,244	28,858,981	(1,305,737)	-4.5%
Restricted	1,124,436	380,954	743,482	195.2%
Unrestricted	<u>3,939,318</u>	<u>3,600,631</u>	<u>338,687</u>	9.4%
Total net position	<u>\$ 32,616,998</u>	<u>\$ 32,840,566</u>	<u>\$ (223,568)</u>	-0.7%

Significant changes occurred in current assets (mostly due to cash from new bond funds for capital projects that had not been expended by year end) and in long-term liabilities (also due to the new bonds). These changes are reflected in the net investment in capital assets and restricted components of net position. The additional debt issues contributed largely to the decrease in net investment in capital assets (along with overall book value reductions due to depreciation and asset retirements). Likewise, the unexpended portion of those new bond funds contributed to the significant increase in restricted net position because they can only be used for capital projects.

The Town's net position has decreased by \$643,152 since beginning of fiscal year 2014 (the last two fiscal periods). However, the change in net investment in capital assets, over the last two fiscal years, has been a decrease of \$1,738,866, leaving the restricted and unrestricted portions to have net increases over the timeframe of \$396,688 and 699,026, respectively. This is an indication that the Town is not replacing general capital assets as quickly as it is using them up. The current year's unexpended bond funds for capital projects skews this measurement somewhat, but even after accounting for those unspent funds, net investment in capital assets has still decreased over the last years by just over \$750,000.

Town of Standish
Management Discussion and Analysis
June 30, 2015

Table B
Town of Standish
Condensed Statement of Activities
For the Year Ended June 30, 2015 and 2014

	2015	2014	\$ Change	% Change
Charges for services	\$ 1,188,716	\$ 1,401,394	\$ (212,678)	-15.2%
Operating grants and contributions	<u>327,091</u>	<u>646,731</u>	<u>(319,640)</u>	-49.4%
Total program revenues	1,515,807	2,048,125	(532,318)	-26.0%
Taxes	13,701,104	13,521,601	179,503	1.3%
Intergovernmental	544,097	469,433	74,664	15.9%
Other	<u>129,916</u>	<u>(9,495)</u>	<u>139,411</u>	-1468.3%
Total general revenues	<u>14,375,117</u>	<u>13,981,539</u>	<u>393,578</u>	2.8%
Total revenues	15,890,924	16,029,664	(138,740)	-0.9%
General government	1,151,914	1,201,120	(49,206)	-4.1%
Public safety	1,691,165	1,605,731	85,434	5.3%
General assistance	41,756	49,866	(8,110)	-16.3%
Public works	2,584,293	3,023,106	(438,813)	-14.5%
Community service	451,484	387,518	63,966	16.5%
Benefits and insurance	666,444	676,906	(10,462)	-1.5%
Fixed charges	9,497,981	9,437,618	60,363	0.6%
Overlay and bad debt	<u>29,455</u>	<u>67,383</u>	<u>(37,928)</u>	-56.3%
Total expenses	<u>16,114,492</u>	<u>16,449,248</u>	<u>(334,756)</u>	-2.0%
Change in net position	<u>\$ (223,568)</u>	<u>\$ (419,584)</u>	<u>\$ 196,016</u>	-46.7%
Ending net position	\$ 32,616,998	\$ 32,840,566	\$ (223,568)	-0.7%

Overall, total revenues were down in fiscal year 2015 compared to fiscal year 2014 by just under 1%. Likewise, total expenses was down by 2%. This resulted in the change of net position being less of a decrease in fiscal year 2015 than it was in 2014.

Chart A on the following page shows the relative sizes of revenues based on their source. The largest source of revenues is, of course, taxes at 86%, followed by charges for services at 8%.

Chart B on the following page shows the relative sizes of expenditures based on the program. Fixed charges, which includes education, county tax, and debt interest, takes up the largest share of expenditures at 59%. Public works is second, consuming 16% of expenditures.

Town of Standish
Management Discussion and Analysis
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Chart A
Revenues by Source

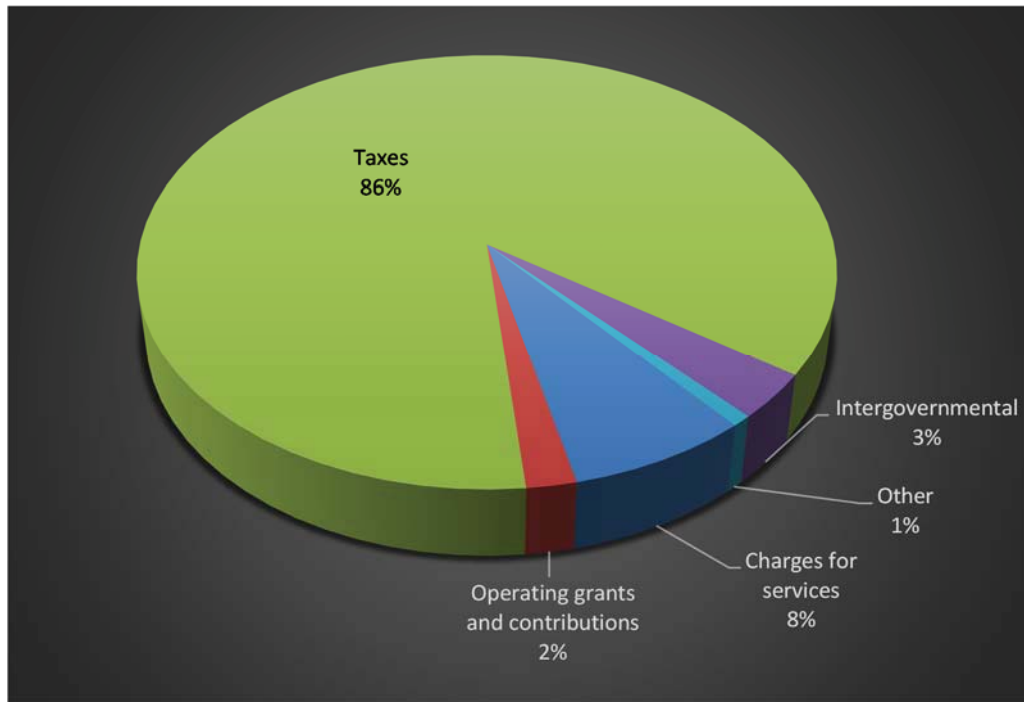
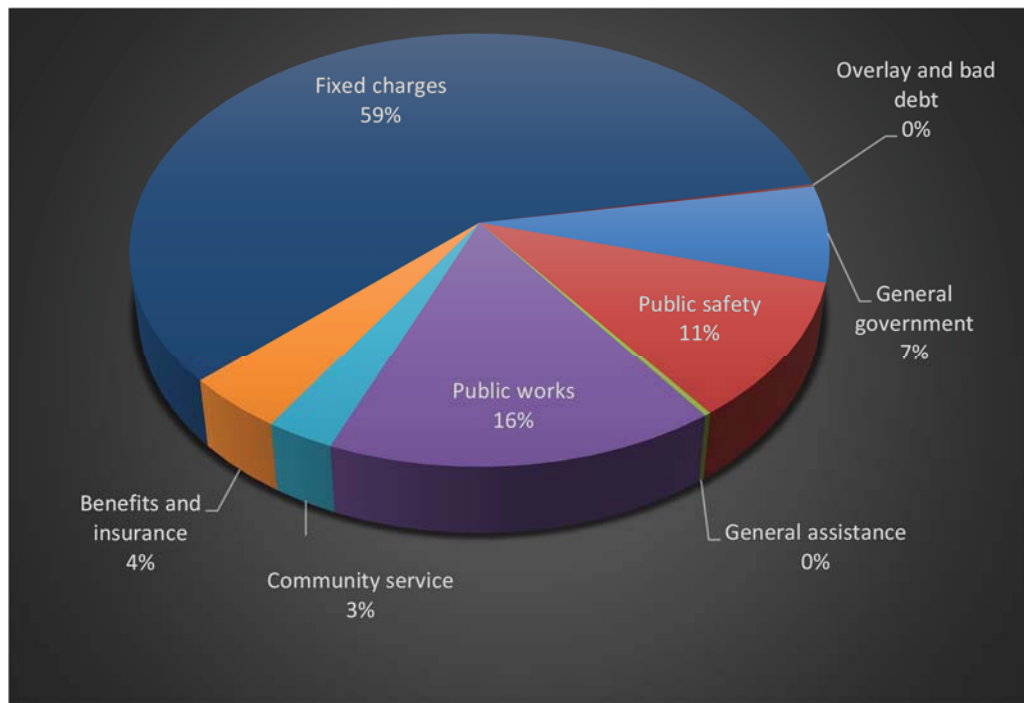


Chart B
Expenses by Program



Town of Standish
Management Discussion and Analysis
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Analysis of the Town's Governmental Funds

As noted earlier, the Town of Standish uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town's governmental funds is on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the fiscal year.

General Fund

The General Fund's net change in fund balance for the year was a decrease of \$166,357, compared to a fiscal year 2014 increase of \$199,971. Furthermore, the unassigned fund balance had a net decrease for the year of \$299,712, compared to a fiscal year 2014 increase of \$289,825. Essentially, the increase in unassigned fund balance from 2014 was used up in 2015. The reason for the current year decrease in the unassigned fund balance was a combination of results of operations (\$144,039 deficit for the unassigned component alone), allocations of funds between the unassigned fund balance and other fund balance components (\$119,351 in net allocations out of the unassigned fund balance), and transfers out to other governmental funds (\$36,322, net).

As noted in the financial highlights section, the General Fund's unassigned fund balance ended the fiscal year at \$276,683 below the target level, as determined by Town policy. This below-target balance is roughly unchanged from fiscal year 2014, which ended at \$259,145 below the target level.

Of the other components of the General Fund's fund balance, the most significant change was in the assigned fund balance. Here, the Town opted to increase the planned use of fund balance to cover budgeted deficits by \$50,000 – budgeting to use \$400,000 of fund balance in fiscal year 2016 compared to budgeting \$350,000 in 2015. Also in the assigned component, the amounts carried forward for unexpended appropriations increased by \$58,351 from the prior year.

Capital Projects Fund

The Capital Projects Fund's balance increased by \$696,235 in fiscal year 2015, a significant increase (257%) over last year's fund balance. This change is largely due to \$1,088,719 in new bond proceeds being received for fiscal year 2015's planned projects, but only \$424,691 being expended on capital projects. The majority of these projects are expected to be completed in fiscal year 2016 and the expectation is that the fund balance will drop significantly in fiscal year 2016.

Other Governmental Funds

All other governmental funds are composed of nonmajor special revenue funds and permanent funds. Total special revenue funds' balances increased by \$35,009 and total permanent funds' balances increased by \$37. The fund balances of special revenue funds simply represent unexpended grant and other specially designated funds. The fund balances of permanent funds represent nonspendable and restricted portions of funds endowed to the Town for specified uses. In fiscal year 2014, the combined change in fund balances for other governmental funds was a decrease of \$19,615, mostly due to an expenditure made out of one of the permanent funds.

Town of Standish
Management Discussion and Analysis
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General Fund Budgetary Highlights

The municipal budget approves appropriations for both the General Fund and the Capital Projects Fund. The Capital Projects Fund portion is budgeted to be funded primarily through new bond issues, but is augmented with transfers from the General Fund. The original budget, as adopted by the Town on June 14, 2014, budgeted a deficit of \$381,751 that was to be covered through the use of fund balance. Of this deficit, \$31,751 was a budgeted transfer to the Capital Projects Fund to cover approved appropriations for capital projects.

The significant variances between the original budget and the final budget were due mostly to the fact that the Town failed to approve a bond issue that would completely cover appropriations for capital projects that had already been approved at the Town meeting. This discrepancy meant that the General Fund budget would have to include the \$180,800 appropriations that were no longer being funded by bond issues and, thus, no longer accounted for in the Capital Projects Fund. The other reason for the significant variance between the original budget and the final budget was due to approved carry forwards of fiscal year 2014 unexpended appropriations in the amount of \$43,322. These carry forwards added to budgeted expenditures and were budgeted to be used from fund balance. Together, these two reasons explain the \$224,122 increase in the budgetary deficit between original and final budgets.

In analyzing comparisons between the final budget and actual results, revenues came in at \$260,971 above budget, driven mostly by \$21,019 in supplemental taxes, \$117,441 more in vehicle excise taxes than anticipated, \$57,843 more in state municipal revenue sharing than was planned, \$55,180 more in EMS revenue than was budget, and \$36,627 in unbudgeted FEMA and MEMA revenues to reimburse the Town for an unusually snowy winter of 2015. Other revenue line items were over and under budget by varying degrees and, generally, positive variances offset negative variances.

On the expenditures side, the only two departments that were over-expended were the Public Safety line by \$5,414 (a 0.4% negative variance) and the Overlay and Bad Debt line by \$3,128 (an 11.9% negative variance). With regard to Overlay and Bad Debt, these amounts are difficult to budget for because of the inherent nature of the expenditures. Overall, total expenditures came in under budget by \$418,803, a 2.6% positive variance.

As a result of revenues coming in over budget and expenditures coming in under budget, the Town experienced a surplus of \$73,901, on a budgetary basis (which differs from the GAAP basis used to measure performance in the basic financial statements, and as explained in the notes to the required supplementary information). This surplus represents a positive variance of \$679,774 between the final budget and actual performance.

Town of Standish
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Capital Assets and Long-term Debt Activity

Capital Assets

The Town's investment in capital assets for governmental activities, as of June 30, 2015, has a net book value of \$32.1 million, made up of costs totaling \$56.0 million less accumulated depreciation of \$23.9 million. This investment includes land, buildings, land improvements, machinery and equipment, and infrastructure. Infrastructure assets are items that are normally immovable and have value only to the Town, such as roads, bridges, streets, sidewalks, drainage systems, lighting systems, and similar items.

The total decrease in the Town's investment in capital assets for the current fiscal year was \$659,569. This is a combination of \$688,050 in new acquisitions and constructions, \$112,374 in asset disposals and retirements, \$1,341,274 in depreciation expense, and \$106,029 in reductions of accumulated depreciation related to asset disposals and retirements.

Table C
Capital Assets Net Book Value Comparisons
As of June 30, 2015 and 2014

	2015	2014	\$ Change	% Change
Land	\$ 797,244	\$ 694,444	\$ 102,800	14.8%
Buildings	3,351,054	3,386,258	(35,204)	-1.0%
Land improvements	1,313	2,341	(1,028)	-43.9%
Machinery and equipment	2,123,820	2,117,616	6,204	0.3%
Infrastructure	<u>25,906,892</u>	<u>26,639,233</u>	<u>(732,341)</u>	-2.7%
Totals	<u>\$ 32,180,323</u>	<u>\$ 32,839,892</u>	<u>\$ (659,569)</u>	-2.0%

Chart C on the following page shows the composition of capital assets and their each classes' relative size to others. Infrastructure is, by far, the largest class of capital assets, making up 81% of total capital assets. The next largest asset class is buildings, at 10%.

Chart D on the following page provides a graphical depiction of how much of each asset class' total cost has been expensed as depreciation, as of June 30, 2015. The entire pie represents total cost, the red portion represents net book value (or, undepreciated cost), and the blue portion represents accumulated depreciation. These charts are designed to show how much of each asset class has been "used up" through depreciation. The more accumulated depreciation relative to net book value (i.e., the more blue the pie becomes), the closer the asset class is, on average, to the end of its useful life. As capital assets age, the Town needs to replace them so that the Town can carry out its services. The pies show that both the buildings and infrastructure assets have, on average for the class, relatively young useful lives. The machinery and equipment class is over 50% accumulated depreciation, which means individual assets within that class are generally older and closer to the end of their useful lives. Land improvements, as a class, is almost completely at the end of its useful life. This analysis is useful to help assess where capital outlays will need to be made in the future.

Town of Standish
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Chart C
Composition of Capital Assets

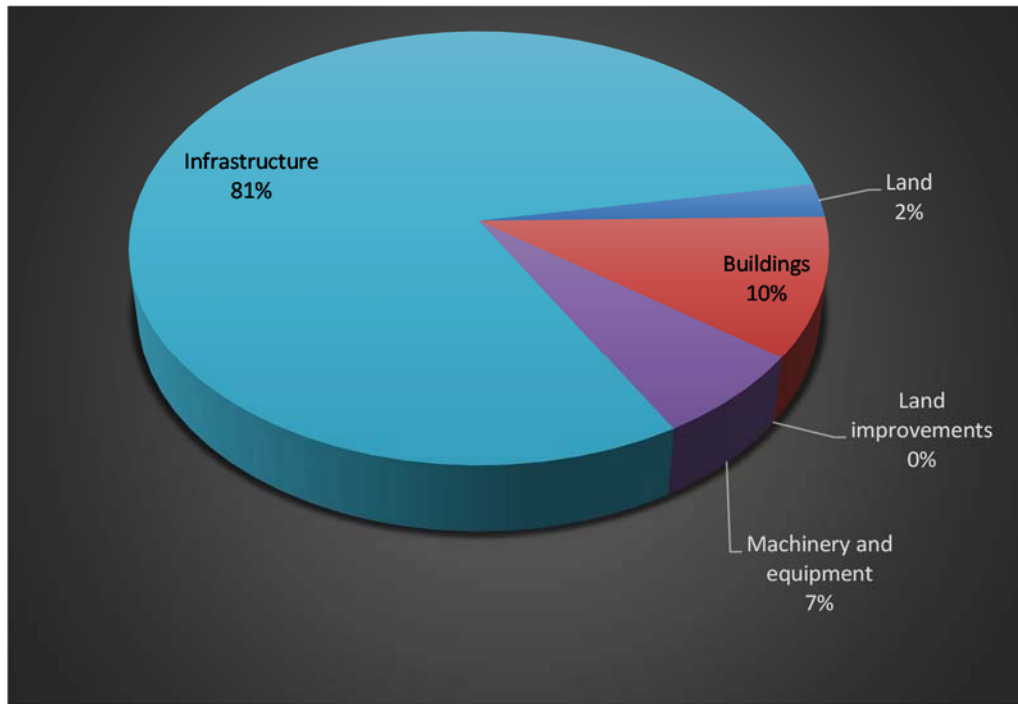
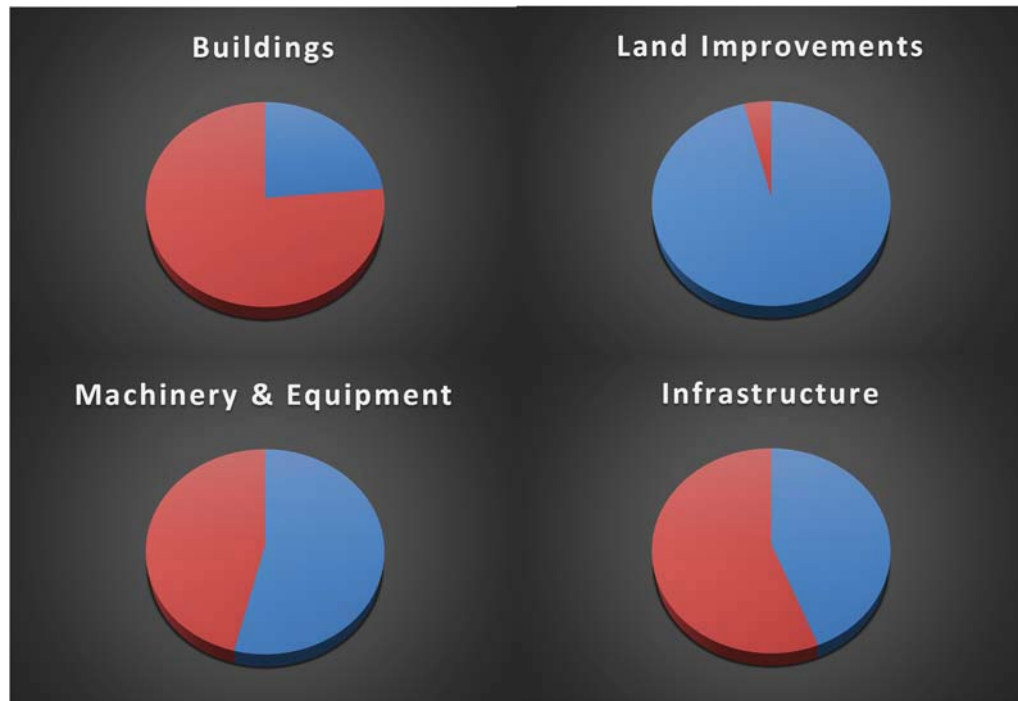


Chart D
Consumption of Capital Assets



Town of Standish
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Long-term Debt

At the end of the fiscal year, the Town had \$4.6 million in general obligation bonds and notes payable – an increase of \$0.4 million over last year. There was a bond issuance in fiscal year 2015 of \$1,088,719 to fund approved capital projects. The town paid down its debt during the year in the amount of \$712,158.

All outstanding bonded debt is to be used for capital asset expenditures. Unexpended bond funds remain accounted for in the Capital Projects Fund and will be used to complete projects that have been approved by the Town in prior years. The Town's debt load remains well below the statutory debt limit of 15% of the Town's state valuation, standing at 3.14% as of the end of fiscal year 2015. Likewise, on a per capita basis, the Town's debt was \$466.80, far below a generally acceptable amount of \$1,500 - \$2,000 per capita.

Table D
Long-term Debt Comparisons
As of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds	\$ 4,582,804	\$ 4,193,043	\$ 389,761	9.3%
Notes payable	<u>26,400</u>	<u>39,600</u>	<u>(13,200)</u>	-33.3%
Totals	<u>\$ 4,609,204</u>	<u>\$ 4,232,643</u>	<u>\$ 376,561</u>	8.9%

Currently Known Facts, Decisions, or Conditions

Budget Related

In June 2015, the Town's voters passed its fiscal year 2016 municipal budget in which they approved appropriations of \$9,320,358 for education, \$8,239,328 for municipal services, and \$644,282 for the county. The Town also approved \$5,483,426 in non-property tax revenues for fiscal year 2016. This resulted in an estimated 5.8% increase in the property tax commitment as of June 2015's town meeting and an estimated mil rate of \$12.80. The actual tax commitment subsequently computed by the Town's assessor and passed by the Council was \$12,773,765 which equated to a mil rate of \$12.79.

The differences between the original June town meeting budget and the final budget resulting from assessor's tax commitment were due to (a) an increase in the budgeted overlay by \$23,051 to account for an estimated increase in abatements based on historical experience, (b) a net increase in the amounts of homestead exemption and BETE reimbursements by \$5,276, (c) inclusion of an estimated captured assessed value of \$10,507 from the Town's new Tax Increment Financing district, and (d) an increase between estimated property valuations used in the original budget and actual valuations used in the final budget of \$3,184,604.

The final budgeted municipal appropriations for fiscal year 2016 ended up being \$18,234,475 – 6.2% higher than for fiscal year 2015. Expenditures through the date of this report are on track with budget projections. Of particular interest are expenditures for heating fuel in all relevant departments, which, due to an unusually warm October, November, and December, are all well under budget. In fact, as of the end of the first six months of the fiscal year, the highest departmental fuel expenditure is only 33% expensed, with all other departments having expensed an even smaller percentage so far.

Unassigned Fund Balance Policy

As noted previously, the Town revised its unassigned fund balance policy in 2015. The policy was originally adopted in 2005 and revised in 2012. The latest revision lowers the target level of the unassigned fund balance from 18.75% to 16.67%, or two twelfths, of the approved appropriations for the municipal budget, the Town's portion of MSAD #6 local assessment, the county assessment, and overlay. At the end of fiscal year 2015, the unassigned fund balance was 15.06% of approved appropriations and assessments – 1.61 percentage points below the policy's target level. The level of the unassigned fund balance will be addressed in the current and next fiscal years, in accordance with the policy. The target level for the unassigned fund balance at the end of fiscal year 2016, given the final approved appropriations of \$18,234,475, is \$3,039,079, or \$453,907 more than its balance at the end of fiscal year 2015.

There are three realistic avenues are open to management and the Council to arrive at this target level. First, any actual surplus of revenues over expenditures, on a GAAP basis, would help build up its balance. Second, the Town could opt not to carry forward any unexpended appropriations from fiscal year 2016 into fiscal year 2017 (or, at least, reduce the level of carry forwards). At the end of fiscal year 2015, \$101,673 in unexpended appropriations were carried forward to 2016. These carry forwards drain unassigned fund balance and reallocate those funds as *assigned* fund balance. Reducing or eliminating carry forwards at the end of fiscal year 2016 would, in effect, reallocate the funds back from the assigned portion of fund balance into the unassigned fund balance. And finally, the Town could take a similar tack with regards to "budgeted use of fund balance" when approving the fiscal year 2017 budget. Budgeting to use fund balance to cover budgetary deficits, as the Town has done for the fiscal year 2016 budget and for every year's budget in the recent past, drains the unassigned fund balance in the same manner carry forwards do, and reallocates those funds as assigned fund balance. The budgeted use of fund balance for fiscal year 2016 was \$400,000. If the Town opts to reduce or eliminate the budgeted use of fund balance in the fiscal year 2017 budget, any reduction will reallocate those funds from the assigned portion of fund balance to the unassigned portion.

Town of Standish
Management Discussion and Analysis
June 30, 2015

Other Items of Note

In October 2015, the Town issued new debt through the Maine Municipal Bond Bank in the amount of \$1,461,746. As noted before, the Town's debt limit is fairly low and this new debt issue does not substantially add to the debt burden.

In fiscal year 2016, the Town made its first contribution of \$10,507 in funds to the newly created TIF District Fund. These funds are captured assessed value from within the District. That is, they are property taxes collected on the incremental value from the base value (2015's assessed value) of property within the District. These property taxes are set aside and will be expended on projects within the District. The Town's goal is to spur business growth in this newly created district.

Requests for Information

This financial report is designed to provide a general overview of the Town of Standish's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Scott Gesualdi
Finance Director
Town of Standish
175 Northeast Road
Standish, ME 04804
scottg@standish.org

These annual financial reports are also available for download at the Town's website, www.standish.org, and by selecting Finance Department > Audited Financial Reports.

BASIC FINANCIAL STATEMENTS

Town of Standish
Statement of Net Position
As of June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 4,491,669
Accounts receivable	189,373
Taxes receivable, net	665,920
Liens receivable	141,341
Lien interest and costs receivable	12,016
Tax acquired property	21,337
Inventory and prepaid expense	42,530
Other assets	<u>160</u>
Total current assets	5,564,346
Land	797,244
Depreciable capital assets	55,256,215
Accumulated depreciation	<u>(23,873,136)</u>
Total capital assets, net of depreciation	<u>32,180,323</u>
Total Assets	37,744,669
Liabilities	
Accounts payable	201,680
Accrued wages	111,863
Unearned revenues	76,087
Accrued interest	17,875
Accrued compensated absences	105,538
Long-term debt - due within one year	693,658
Long-term debt - due beyond one year	<u>3,915,546</u>
Total Liabilities	5,122,247
Deferred Inflows of Resources	
Taxes collected in advance	<u>5,424</u>
Total Deferred Inflows of Resources	<u>5,424</u>
Net Position	
Net investment in capital assets	27,553,244
Restricted for:	
Nonexpendable permanent fund principal	19,958
Expendable permanent fund balances	4,541
Capital projects	967,552
Special revenues	47,083
Other externally imposed purposes	85,302
Unrestricted	<u>3,939,318</u>
Total Net Position	<u><u>\$ 32,616,998</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Standish
Statement of Activities
For the Year Ended June 30, 2015

				Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities				
General government	\$ 1,151,914	\$ 311,530	\$ 36,627	\$ (803,757)
Public safety	1,691,165	497,135	-	(1,194,030)
General assistance	41,756	-	16,636	(25,120)
Public works	2,584,293	159,140	270,260	(2,154,893)
Community service	451,484	220,911	3,568	(227,005)
Benefits and insurance	666,444	-	-	(666,444)
Fixed charges	9,497,981	-	-	(9,497,981)
Overlay and bad debt	29,455	-	-	(29,455)
Total Primary Government	<u>\$ 16,114,492</u>	<u>\$ 1,188,716</u>	<u>\$ 327,091</u>	(14,598,685)
General Revenues				
Taxes - property				12,062,228
Taxes - excise				1,638,876
Intergovernmental				544,097
Penalties and interest				58,926
Other revenues				77,335
Loss on disposal of assets				(6,345)
Total general revenues				<u>14,375,117</u>
Change in Net Position				(223,568)
Beginning Net Position, restated				<u>32,840,566</u>
Ending Net Position				\$ 32,616,998

The accompanying notes are an integral part of these financial statements.

Town of Standish
Balance Sheet
Governmental Funds
As of June 30, 2015

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,218,766	\$ 264,916	\$ 7,987	\$ 4,491,669
Accounts receivable	189,373	-	-	189,373
Taxes receivable, net	665,920	-	-	665,920
Liens receivable	141,341	-	-	141,341
Lien interest and costs receivable	12,016	-	-	12,016
Tax acquired property	21,337	-	-	21,337
Inventory and prepaid expense	42,530	-	-	42,530
Other assets	160	-	-	160
Due from other funds	<u>-</u>	<u>716,676</u>	<u>73,724</u>	<u>790,400</u>
Total Assets	<u><u>\$ 5,291,443</u></u>	<u><u>\$ 981,592</u></u>	<u><u>\$ 81,711</u></u>	<u><u>\$ 6,354,746</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 187,640	\$ 14,040	\$ -	\$ 201,680
Accrued wages	111,863	-	-	111,863
Unearned revenues	76,087	-	-	76,087
Due to other funds	<u>790,400</u>	<u>-</u>	<u>-</u>	<u>790,400</u>
Total liabilities	1,165,990	14,040	-	1,180,030
Deferred Inflows of Resources				
Unavailable property taxes	604,208	-	-	604,208
Taxes collected in advance	<u>5,424</u>	<u>-</u>	<u>-</u>	<u>5,424</u>
Total deferred inflows of resources	609,632	-	-	609,632
Fund Balance				
Nonspendable	42,690	-	19,958	62,648
Restricted	85,302	967,552	51,623	1,104,477
Committed	300,984	-	10,130	311,114
Assigned	501,673	-	-	501,673
Unassigned	<u>2,585,172</u>	<u>-</u>	<u>-</u>	<u>2,585,172</u>
Total fund balance	<u><u>3,515,821</u></u>	<u><u>967,552</u></u>	<u><u>81,711</u></u>	<u><u>4,565,084</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 5,291,443</u></u>	<u><u>\$ 981,592</u></u>	<u><u>\$ 81,711</u></u>	<u><u>\$ 6,354,746</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Standish
Reconciliation of the Total Governmental Funds Balance
To the Net Position of Governmental Activities
As of June 30, 2015

Total governmental funds balance (from Statement 3)	\$ 4,565,084
<p>Capital assets are not financial resources and, therefore, are not reported in the governmental funds. They are, however, economic resources of governmental activities and are reported in the Statement of Net Position.</p>	
Net capital assets	32,180,323
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. They are, however, economic liabilities of governmental activities and are reported in the Statement of Net Position.</p>	
Accrued interest	(17,875)
Accrued compensated absences	(105,538)
Long-term debt	(4,609,204)
<p>Taxes that are not expected to be collected within 60 days of the end of the fiscal year and not considered financial resources and, therefore, are excluded from the governmental fund balances. They are, however, considered economic resources of governmental activities and, therefore, are included in the net position.</p>	
Unavailable property taxes	<u>604,208</u>
Net position of governmental activities (see Statement 1)	<u>\$ 32,616,998</u>

Town of Standish
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 13,419,088	\$ -	\$ -	\$ 13,419,088
Intergovernmental	759,884	-	111,304	871,188
Licenses and permits	282,279	-	-	282,279
Charges for services	685,525	-	-	685,525
Recreation	220,912	-	-	220,912
Penalties and interest	58,926	-	-	58,926
Other revenues	<u>72,203</u>	<u>456</u>	<u>4,676</u>	<u>77,335</u>
Total revenues	15,498,817	456	115,980	15,615,253
Expenditures				
General government	1,220,242	-	-	1,220,242
Public safety	1,504,789	85,390	1,801	1,591,980
General assistance	41,756	-	-	41,756
Public works	1,640,863	230,961	77,758	1,949,582
Community service	328,663	108,340	5,946	442,949
Capital outlay	20,879	-	-	20,879
Benefits and insurance	630,356	-	-	630,356
Fixed charges	10,211,849	-	-	10,211,849
Overlay and bad debt	<u>29,455</u>	<u>-</u>	<u>-</u>	<u>29,455</u>
Total expenditures	15,628,852	424,691	85,505	16,139,048
Revenue Surplus (Deficit)	(130,035)	(424,235)	30,475	(523,795)
Other Financing Sources (Uses)				
Bond proceeds	-	1,088,719	-	1,088,719
Transfers in (out), net	<u>(36,322)</u>	<u>31,751</u>	<u>4,571</u>	<u>-</u>
Total other financing sources (uses)	(36,322)	1,120,470	4,571	1,088,719
Net Change in Fund Balances	(166,357)	696,235	35,046	564,924
Beginning Fund Balances, restated	<u>3,682,178</u>	<u>271,317</u>	<u>46,665</u>	<u>4,000,160</u>
Ending Fund Balances	<u>\$ 3,515,821</u>	<u>\$ 967,552</u>	<u>\$ 81,711</u>	<u>\$ 4,565,084</u>

The accompanying notes are an integral part of these financial statements.

Town of Standish
Reconciliation of the Net Change in the Total Governmental Funds Balance
To the Change in Net Position of Governmental Activities
For the Year Ended June 30, 2015

Net change in the total governmental funds balance (from Statement 5)	\$ 564,924
<p>Issuance of new debt is reported as an other financing source in the governmental funds, but is not reported as revenue for governmental activities. Instead, it reported as increases in long-term debt in the Statement of Net Position.</p>	
Bond proceeds	(1,088,719)
<p>Repayment of long-term debt principal is reported as expenditures in the governmental funds, but is not reported as expenses of governmental activities. Instead, it is reported as reductions in long-term debt in the Statement of Net Position.</p>	
Bond and note payments	712,158
<p>Capital assets acquired during the year are reported as expenditures in the governmental funds, but are not reported as expenses of governmental activities. Instead, they are reported as increases in capital assets in the Statement of Net Position.</p>	
Capital asset acquisitions	688,050
<p>Taxes not collected within sixty days after year end are not considered available financial resources and, therefore, not reported as revenue in the governmental funds. However, they are reported as revenue in the Statement of Activities.</p>	
Increase in unavailable property taxes	282,016
<p>Certain expenses and expense adjustments reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Depreciation expense	(1,341,274)
Decrease in accrued interest expense	1,710
Increase in accrued compensated absences	(36,088)
Loss on disposal of capital assets	(6,345)
Change in net position of governmental activities (see Statement 2)	<u>\$ (223,568)</u>

Town of Standish
Statement of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2015

	<u>Agency Fund</u>
Assets	
Cash	\$ 626,314
Liabilities	
Due to third parties	\$ 626,314

The accompanying notes are an integral part of these financial statements.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

The Reporting Entity

The Town of Standish, Maine, incorporated in 1785, operates under a Council-Manager form of government adopted by charter in 1987. The Council consists of seven members elected by the registered voters for overlapping terms of three years. The financial statements of the Town of Standish conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may or may not be financially accountable and, as such, be includable within the Town's basic financial statements. In accordance with GASB, the Town (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Town. The Town also is financially accountable for organizations that are fiscally dependent on it and there is a financial benefit or burden relationship. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there are no other entities within the Town that should be included as part of these basic financial statements.

Basis of Presentation

The Town's basic financial statements consist of government-wide financial statements that describe the Town's overall financial position and changes in financial position, and fund financial statements that provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements, composed of the Statement of Net Position and the Statement of Activities, report information on all of the non-fiduciary activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the Town at year end. The Statement of Activities points out the extent to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function, service, program, or department. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Town currently uses two categories of funds: governmental funds and fiduciary funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Major individual governmental funds are reported as separate columns in the fund financial statements. The Town's governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes. None of the special revenue funds is considered a major fund in the current year.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital assets that are primarily financed through bond issues. The Capital Projects Fund is a major fund in the current year.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the town or its citizenry. Neither of the two permanent funds is considered a major fund in the current year.

Fiduciary funds are used to account for resources in which the Town acts as an agent or trustee. The Town currently maintains one type of fiduciary fund—an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements or results of operations. These funds are not incorporated into the government-wide statements.

Measurement Focus and Basis of Accounting

Measurement focus refers to which of the Town's resources are being measured. Basis of accounting refers to the timing of the measurements being made, regardless of the measurement focus being applied. That is, basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Government-wide financial statements and fiduciary fund financial statements are reported using the economic measurement focus and the accrual basis of accounting. All economic resources and claims on those economic resources are measured, including fixed assets, other non-current assets, and long-term liabilities. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period 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.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The current financial resources measurement focus excludes from measurement resources such as fixed assets, other non-current assets, and long-term liabilities. Under modified accrual accounting, revenues are recognized when 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. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

Interfund Transactions

During the course of normal operations, transactions occur between individual funds. Interfund transactions are classified depending on the nature of the transaction.

Interfund loans are recorded as receivables and payables and are presented as “due from other funds” and “due to other funds,” respectively, on the balance sheets of the fund financial statements. For reporting purposes, current amounts due from and due to the same funds are offset and the net amounts are shown in the respective fund balance sheets. Non-fiduciary interfund loans are eliminated in the government-wide financial statements.

Interfund services provided and used are recorded as revenues in the fund providing the goods or services and as expenditures/expenses in the fund receiving the goods or services. Any unpaid amounts are recorded as receivables and payables and presented in the same manner as interfund loans.

Interfund transfers are flows of assets from one fund to another without equivalent flows of assets in return. Interfund transfers are recorded and are presented as “transfers in” and “transfers out” in the fund financial statements. In the governmental funds, these transfers are reported as other financing sources and uses.

Interfund reimbursements are repayments from funds responsible for particular expenditures/expenses to funds that initially paid for them. Reimbursements are not displayed in the financial statements.

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. Maine statutes authorize investments in obligations of the U. S. Treasury and U. S. Agencies, and repurchase agreements.

Receivables

Receivables consist of all revenues recognized by year-end (on the applicable basis of accounting) but not yet received. Management's estimation for allowances for uncollectible accounts is based on historical collection rates or, where appropriate, collection experience with specific payers.

Inventory

Inventory is valued at cost and consists of sand, gravel, salt, and other chemicals and materials used in road maintenance.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements. Such assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated capital assets are recorded at estimated fair market value on the date of donation. The Town defines capital assets as those with an initial, individual cost of \$5,000 or more with an estimated useful life in excess of two years. Expenditures that significantly increase the service capacity or extend the useful life of existing capital assets are also capitalized. The costs of normal maintenance and repairs are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. The estimated useful lives are as follows:

Land improvements	20 - 30 years
Buildings	10 - 60 years
Machinery and equipment	5 - 25 years
Infrastructure	5 - 40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position (government-wide financial statements) and Balance Sheet (fund financial statements) will sometimes report an additional financial statement element called *deferred outflows of resources*. This element represents a consumption of resources that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the Statement of Net Position (government-wide financial statements) and Balance Sheet (fund financial statements) will sometimes report an additional financial statement element called *deferred inflows of resources*. This element represents an acquisition of resources that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the Town's deferred inflows of resources consist solely of property taxes collected in advance. In the fund financial statements, due to requirements under the modified accrual basis of accounting, deferred inflows of resources also include unavailable property taxes (property taxes not collected within 60 days after the financial statement date).

Compensated Absences

In the government-wide financial statements, liabilities that are attributable to services already rendered are accrued as employees earn the rights to the benefits and are recognized in the period incurred. In the governmental fund financial statements, compensated absences are recognized as related payments come due each period. Pursuant to the terms of the personnel policies, vacation time is granted in varying amounts according to length of service. As of June 30, 2015, the accrual for compensated absences was determined to be \$105,538.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, if material to the basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt and premiums received are reported as other financing sources. Discounts on debt issuances are reported as other financing uses.

Components of Net Position

Net position in the government-wide Statement of Net Position is required to be classified into the following three components:

Net Investment in Capital Assets is the portion of net position that consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital assets	\$ 56,053,459
Accumulated depreciation	(23,873,136)
Bonds and notes payable	(4,609,204)
Accrued interest payable	(17,875)
Net investment in capital assets	<u>\$ 27,553,244</u>

Restricted is the portion of net position that has constraints placed on its use which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted is the portion of net position that does not meet the definition of either *net investment in capital assets* or *restricted*.

Fund Balance Components

Fund balances in the governmental funds Balance Sheet is required to be classified into five components. Classifications are hierarchical and are based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The components of fund balance are:

Nonspendable is the portion of fund balance that represents amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Restricted is the portion of fund balance that has externally enforceable legal restrictions.

Committed is the portion of fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Assigned is the portion of fund balance constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The Town Council and Town Manager have the authority to assign amounts to be used for specific purposes.

Unassigned is the portion of fund balance that is available for any purpose. Only the General Fund may carry a positive unassigned fund balance.

The Town has no formal revenue spending policy for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

It is the policy of the Town to maintain unassigned fund balance in the general fund at 16.67%, or two twelfths, of the approved appropriation for the municipal budget, the Town's portion of MSAD #6 local assessment, county tax, and the overlay – the "target level." In the event that the unassigned fund balance drops below this level, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three (3) years. Any excess in the unassigned fund balance identified in the Town's audited financial statements that exceeds the target level above may be used to adjust the mil rate upon the recommendation of the Town Manager and the Town Council with the approval of the Town Meeting.

Revenue Recognition

As described previously, the government-wide financial and fiduciary fund financial statements are reported on the accrual basis of accounting. Under this method, revenue is recognized in the period earned, regardless of the timing of cash flows. Property taxes and special assessments are recognized in the fiscal year for which they are certified for levy; penalties are recognized in the period assessed; interest is recognized in the period earned. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Charges for services and other exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental fund financial statements are reported on the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes, special assessments, intergovernmental revenue, penalties, interest, and charges for services are susceptible to accrual, given the measurable and available requirement. Excise taxes, licenses, permits, fees, and miscellaneous revenue are not susceptible to accrual because they are not measurable until collected. Such revenue is recorded only when received.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance.

Unearned Revenue

Resources received in advance are recorded as unearned revenues. Unearned revenues arise when resources are received by the Town before it has a legal claim to them. In subsequent periods, when both the measurable and available criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenue is reduced and revenue is recognized.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 2 CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover the value of its deposits or investments that are in the possession of an outside party.

The Town's policy is that deposits and investment of funds can only be made in financial institutions that are insured by the FDIC or the FSLIC. Any funds deposited or invested above the \$250,000 insurance limit must be collateralized by the financial institution, or the excess funds must be placed with other financial institutions. As of June 30, 2015, \$3,808,140 of the Town's bank balance of \$4,476,116 was insured by the FDIC, and the remaining \$667,976 was insured by an irrevocable standby letter of credit.

NOTE 3 ACCOUNTS, TAXES, AND LIENS RECEIVABLE

Accounts receivable as of June 30, 2015 is \$189,373. Of this amount, approximately 83% are amounts due from the State of Maine for various grants, reimbursements, revenue sharing, and general assistance. Management believes the collectability of all remaining receivables is reasonably assured and, therefore, has not provided for an allowance for uncollectible accounts.

Taxes receivable include personal property taxes that cannot be liened and are long past due. For these amounts, management has estimated an allowance for uncollectible accounts. Taxes receivable are reported net of this allowance on the financial statements. The net amount is calculated as follows:

Taxes receivable - current year	\$ 661,004
Taxes receivable - prior years	40,930
Allowance for uncollectible accounts	<u>(36,014)</u>
Taxes receivable, net	<u><u>\$ 665,920</u></u>

Liens receivable as of June 30, 2015 is \$141,341. Management believes the collectability of these accounts is reasonably assured and, therefore, has not provided for an allowance for uncollectible accounts.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 4 PROPERTY TAX

The Town's property taxes for the July 1, 2014 to June 30, 2015 fiscal year were committed on September 12, 2014. Taxes were due semi-annually on November 17, 2014 and May 18, 2015. Unpaid taxes are charged interest of 7% per annum. The tax commitment was based on the April 1, 2014 assessed real estate and personal property values totaling \$991,046,054.

The Town is permitted by the laws of the State of Maine to levy taxes to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$26,327 for the year ended June 30, 2015.

For both government-wide financial statements and the General Fund's financial statements, property taxes levied for the fiscal year are recorded as receivables at the time the levy is made. In the General Fund's financial statements, however, outstanding taxes receivable that are estimated to be collected after sixty (60) days after the end of the fiscal year recorded as unavailable property taxes (under the *deferred inflows of resources* financial statement element) and the year-over-year changes in this account are netted with tax revenues.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. Property acquired by foreclosure for non-payment of taxes is recorded at the amount of expired tax liens plus the cost involved in foreclosure. Liens and any current taxes on the same parcel are not included as part of the tax acquired property account until expiration of statutory time limits.

The following summarizes the tax levy for fiscal year 2015:

Real estate valuation	\$ 985,738,159
Personal property valuation	<u>5,307,895</u>
Total valuation	991,046,054
 Mil rate (per \$1,000 of valuation)	 <u>12.15</u>
 Tax commitment	 <u><u>\$ 12,041,210</u></u>

Collection of fiscal year 2015 taxes levied is as follows:

Original tax commitment	\$ 12,041,210
Supplemental taxes	<u>21,019</u>
Total tax commitment	12,062,229
 Less:	
Current year taxes receivable at year end	661,004
Abatements	<u>15,913</u>
 Current year tax collections	 <u><u>\$ 11,385,312</u></u>
 Collection rate of current year taxes	 94.5%

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 5 INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Individual interfund receivable and payable balances at June 30, 2015 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ -	\$ 790,400
Capital projects fund	716,676	-
Nonmajor special revenue funds	49,226	-
Nonmajor permanent funds	24,498	-
Totals	<u>\$ 790,400</u>	<u>\$ 790,400</u>

The interfund receivables and payables represent revenues received in and expenditures made out of a centralized checking account maintained in the General Fund. The General Fund's *due to other funds* balance represents the amount in the centralized checking account that belongs to other funds and is not available for General Fund purposes.

Interfund Transfers

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 36,322
Capital projects fund	31,751	-
Nonmajor special revenue funds	4,571	-
Totals	<u>\$ 36,322</u>	<u>\$ 36,322</u>

Transfers from the General Fund to other funds consisted of \$31,751 to the Capital Projects Fund, \$2,000 to the Bottles 4 Fuel special revenue fund, \$2,500 to the Public Safety Fair special revenue fund, and \$71 to the Oak Hill Tree Canopy special revenue fund. All transfers except for the Oak Hill Tree Canopy transfer were a part of budgeted appropriations. The Oak Hill Tree Canopy transfer was made to close out the Oak Hill Tree Canopy special revenue fund.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was:

	Beginning Balance	Additions	Retirements	Ending Balance
Non-depreciable Capital Assets				
Land	\$ 694,444	\$ 102,800	\$ -	\$ 797,244
Depreciable Capital Assets				
Buildings	4,382,208	-	(953)	4,381,255
Land improvements	46,124	-	(12,928)	33,196
Machinery and equipment	4,351,083	299,705	(42,400)	4,608,388
Infrastructure	<u>46,003,924</u>	<u>285,545</u>	<u>(56,093)</u>	<u>46,233,376</u>
Total capital assets	55,477,783	688,050	(112,374)	56,053,459
Less: Accumulated Depreciation				
Buildings	995,950	34,473	(222)	1,030,201
Land improvements	43,783	87	(11,987)	31,883
Machinery and equipment	2,233,467	290,580	(39,479)	2,484,568
Infrastructure	<u>19,364,691</u>	<u>1,016,134</u>	<u>(54,341)</u>	<u>20,326,484</u>
Total accumulated depreciation	<u>22,637,891</u>	<u>1,341,274</u>	<u>(106,029)</u>	<u>23,873,136</u>
Total capital assets, net of depreciation	<u>\$ 32,839,892</u>	<u>\$ (653,224)</u>	<u>\$ (6,345)</u>	<u>\$ 32,180,323</u>

Retirement of capital assets during the current period resulted in a loss on disposal of \$6,345. This loss is an accrual basis loss and is only reported in the government-wide financial statements.

Depreciation expense, reported only in the government-wide financial statements, was charged to governmental functions as follows:

General government	\$ 34,472
Public safety	181,875
Public works	1,116,392
Community service	<u>8,535</u>
Total depreciation expense	<u>\$ 1,341,274</u>

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 7 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2014:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable	\$ 4,193,043	\$ 1,088,719	\$ (698,958)	\$ 4,582,804	\$ 680,458
Notes payable	39,600	-	(13,200)	26,400	13,200
Total long-term debt	<u>\$ 4,232,643</u>	<u>\$ 1,088,719</u>	<u>\$ (712,158)</u>	<u>\$ 4,609,204</u>	<u>\$ 693,658</u>

On the modified accrual basis, total long-term debt interest expenditure from the General Fund for the year ended June 30, 2015 was \$106,576. On the accrual basis, interest expense of governmental activities includes changes in accrued interest liabilities; total interest expense on long-term debt for the year ended June 30, 2015 was \$104,866.

The annual requirement to amortize debt outstanding as of June 30, 2013 is as follows:

	Principal	Interest	Payment
Fiscal Year 2016	\$ 693,658	\$ 101,085	\$ 794,743
Fiscal Year 2017	720,568	79,531	800,099
Fiscal Year 2018	660,501	59,252	719,753
Fiscal Year 2019	594,276	44,845	639,121
Fiscal Year 2020	473,201	35,349	508,550
Fiscal Years 2021 - 2025	1,358,128	75,507	1,433,635
Fiscal Years 2026 - 2030	<u>108,872</u>	<u>1,492</u>	<u>110,364</u>
Totals	<u>\$ 4,609,204</u>	<u>\$ 397,061</u>	<u>\$ 5,006,265</u>

In accordance with 30-A MRSA, Section 5702, as amended, no municipality shall incur debt (a) for school purposes in excess of 10% of its last full state valuation, (b) for storm or sanitary sewer purposes in excess of 7.5% of its last full state valuation, (c) for municipal airport and special district purposes in excess of 3% of its last full state valuation, and (d) for all other purposes in excess of 7.5% of its last full state valuation. Additionally, a municipality's total debt may not exceed 15% of its last full state valuation. The Town's last full state valuation, dated January 22, 2015, was \$977,050,000.

The Town's debt types and margins below statutory limits are as follows:

	Statutory Limit %	Debt Type Limit	Outstanding Debt	Debt Margin
School purposes	10.0%	\$ 97,705,000	\$ -	\$ 97,705,000
Storm or sanitary sewer purposes	7.5%	73,278,750	-	73,278,750
Airport and special districts	3.0%	29,311,500	-	29,311,500
All other purposes	7.5%	73,278,750	4,609,204	68,669,546
Total debt	15.0%	146,557,500	4,609,204	141,948,296

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 7 LONG-TERM DEBT (Continued)

General long-term debt details and outstanding balances are as follows:

2005 General Obligation Bonds, dated October 27, 2005; annual principal payment in November of \$81,962. Semi-annual interest payable in November and May; variable interest rate from 3.000% to 5.000% per annum. Final installment due November 2015. Authorized and issued \$819,615.	\$ 81,963
2006 General Obligation Bonds, dated October 26, 2006; annual principal payment in November of \$46,867. Semi-annual interest payable in November and May; variable interest rate from 2.000% to 5.350% per annum. Final installment due November 2016. Authorized and issued \$468,665.	93,734
2007 General Obligation Bonds, dated October 25, 2007; annual principal payment in November of \$57,425. Semi-annual interest payable in November and May; variable interest rate from 2.000% to 6.000% per annum. Final installment due November 2017. Authorized and issued \$574,250.	172,275
2008 General Obligation Bonds, dated October 30, 2008; annual principal payment in November of \$121,075. Semi-annual interest payable in November and May; variable interest rate from 2.075% to 5.575% per annum. Final installment due November 2018. Authorized and issued \$1,210,750.	484,299
2010 General Obligation Bonds, dated October 28, 2010; annual principal payment in November of \$121,000 (principal payments deferred until November 2015). Semi-annual interest payable in November and May; variable interest rate from 2.124% to 3.617% per annum. Final installment due November 2020. Authorized and issued \$726,000.	726,000
2011 General Obligation Bonds, dated October 27, 2011; annual principal payment in November of \$140,275. Semi-annual interest payable in November and May; variable interest rate from 0.500% to 5.500% per annum. Final installment due November 2021. Authorized and issued \$1,402,746.	981,922
Norway Savings Public Works Dump Truck Loan, dated March 15, 2012; annual principal payment in July of \$13,200. Annual interest payable in July; fixed interest rate of 2.990% per annum. Final installment due July 2017. Authorized and issued \$66,000.	26,400
2012 General Obligation Bonds, dated October 25, 2012; annual principal payment in November of \$8,800. Semi-annual interest payable in November and May; variable interest rate from 0.331% to 2.385% per annum. Final installment due November 2017. Authorized and issued \$44,000.	26,400
2013 General Obligation Bonds, dated October 24, 2013; annual principal payment in November of \$103,055. Semi-annual interest payable in November and May; variable interest rate from 0.450% to 3.120% per annum. Final installment due November 2023. Authorized and issued \$1,030,546.	927,492
2015 General Obligation Bonds, dated May 28, 2015; annual principal payment in November of \$108,872 (principal payments deferred until November 2016). Semi-annual interest payable in November and May; variable interest rate from 0.350% to 2.740% per annum. Final installment due November 2025. Authorized and issued \$1,088,719.	<u>1,088,719</u>
Total outstanding long-term debt	<u><u>\$ 4,609,204</u></u>

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 8 SHORT-TERM DEBT OBLIGATIONS

During the year, the Town issued \$2,177,600 and \$1,334,300 in tax anticipation notes for working capital needs. Short-term debt activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Tax anticipation notes	\$ -	\$ 3,511,900	\$ (3,511,900)	\$ -

Total interest paid on short-term obligations for the year ended June 30, 2015 was \$4,548.81.

NOTE 9 OVERLAPPING DEBT

The Town's proportionate share of Cumberland County's and Maine School Administrative District No. 6's bonded debt are not reported in the Town's financial statements. Debt service is included in the annual County and School assessments to the Town. The Town's share is 2.48% (\$921,111) of Cumberland County's outstanding debt of \$37,125,000, and 38.53% (\$7,610,525) of Maine School Administrative District No. 6's outstanding bonded debt of \$19,750,489.

NOTE 10 CONTINGENT LIABILITY

Litigation

The Town is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, the Town has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the Town.

State and Federal Grants

The Town participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Maine DOT Sidewalk Grant

In fiscal year 2013, the Maine Department of Transportation (MDOT) approved the Town's application requesting funding for pedestrian and/or bicycle safety project. The MDOT's policy requires a municipality to have completed the design phase of a project before being eligible to receive construction funding. During fiscal year 2012, the Town spent \$30,132 on the design of the project, \$24,106 of which was reimbursed by the MDOT. In the event that the construction phase does not get approved by the Town's voters, the Town will have to return \$24,106 of the grant to the MDOT. A vote is currently scheduled for June 2016.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 11 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance or participates in a public entity risk pool. Currently, the Town participates in a public entity risk pool sponsored by the Maine Municipal Association.

Based on coverage provided by the pool, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015.

NOTE 12 OUTSIDE COMPENSATION FUNDS

The Town maintains a worker's compensation fund and an unemployment compensation fund as part of a pool with Maine Municipal Association (MMA). Contributions are made by the Town during the year and are invested by MMA to administer workers' compensation and unemployment benefits for the Town, if any. The Town has a positive experience, that is, contributions and income exceed payment of benefits. These plans do not allow for retroactive premium adjustment by the pool and the pool retains the risk of loss. Therefore, these amounts are not part of the Town's financial statements.

NOTE 13 RETIREMENT PLAN

The Town participates in a 401(a) money purchase retirement plan on behalf of each full-time non-union employee. This money purchase retirement plan is administered by the ICMA Retirement Corporation. The funds are invested in the ICMA Retirement Trust, a trust established by public employers for the collective investment of funds held under their retirement and deferred compensation plan. The Town contributes 6% of each qualified employees' earnings for the plan year on condition that each qualified participant contributes 2% of their earnings to the plan. For the fiscal year ending June 30, 2015, the Town's share of the retirement contributions on behalf of the qualified employees amounted to \$84,044. Participants are not fully vested until the fifth year of participation.

Assets of the plan are placed in trusts for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred, including earnings on plan assets, are not included in the Town's financial statements.

In addition, the Town participates in the Social Security Retirement and Medicare Program. The Town's contribution was \$155,623, for the year ended June 30, 2015.

NOTE 14 RELATED-PARTY TRANSACTIONS

During fiscal year 2013, the Town entered into a contract with the Cumberland County, State of Maine, to facilitate a grant to an assisted business, owned by a former Councilor who is also the spouse of a current Councilor. The grant is provided by the US Department of Housing and Urban Development to purchase business equipment and create at least 7 full-time jobs to be taken for Town residents. The grant involves matching funds to be paid by the assisted business. No expenditure is to be incurred by the Town in connection with the grant. The Town makes payments on the grant invoices and then receives reimbursement in the same amounts from the Cumberland County. No funds were disbursed by the Town during the year for this purpose.

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 15 COMPONENTS OF FUND BALANCE

The General Fund's unassigned fund balance as of June 30, 2015 is \$2,585,172. The remainder of the governmental funds' balances are classified as follows:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund				
Inventories	\$ 35,420	\$ -	\$ -	\$ -
Prepaid expenses	7,110	-	-	-
Other	160	-	-	-
Impact fees	-	80,342	-	-
G Spenser fund	-	1,410	-	-
Johnson fund	-	454	-	-
B Logan fund	-	1,401	-	-
J Mucci fund	-	1,505	-	-
C Pierce fund	-	190	-	-
Skate park	-	-	2,175	-
Community center	-	-	23,332	-
Bond levelization	-	-	225,096	-
Conservation	-	-	8,914	-
Athletic fields	-	-	13,538	-
Government access	-	-	26,914	-
Fire engine 4	-	-	316	-
Donations	-	-	699	-
Budgeted deficit	-	-	-	400,000
Carry forwards	-	-	-	101,673
Capital Projects Fund	-	967,552	-	-
Special Revenue Funds				
Homeland security	-	953	-	-
Fire prevention/education	-	225	-	-
Comprehensive plan	-	6,379	-	-
Steep Falls library	-	5,211	-	-
Standish corner	-	6,257	-	-
Oak Hill MDOT grant	-	28,058	-	-
Bottles 4 fuel	-	-	7,987	-
Public safety fair	-	-	2,143	-
Permanent Funds				
Hasty fund	14,911	143	-	-
Wescott fund	<u>5,047</u>	<u>4,397</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 62,648</u>	<u>\$ 1,104,477</u>	<u>\$ 311,114</u>	<u>\$ 501,673</u>

Town of Standish
Notes to the Basic Financial Statements
June 30, 2015

NOTE 16 PRIOR PERIOD RESTATEMENT

The General Fund's beginning fund balance and the governmental activities' net position were restated from what was previously reported by the Town. During the year, an error in classification was discovered relating to the donated funds that are now classified as a restricted portion of both fund balance and net position. In prior years, these funds had been classified as a liability. The net result of the restatement is that the General Fund's beginning fund balance and the governmental activities' net position are both increased by \$6,448 from their previously reported balances.

NOTE 17 SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through January 8, 2016 the date the financial statements were available to be issued.

In September 2015, the Town Council approved a tax anticipation note not to exceed \$1,334,300 for the working capital needs. The note was fully repaid in November 2015.

In October 2015, a new 10-year general obligation bond was issued in the amount of \$1,461,746 to fund approved capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Standish
 Budgetary Comparison Schedule
 Budget and Actual ▪ General Fund ▪ Budgetary Basis
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Property Taxes	\$ 12,055,209	\$ 12,041,210	\$ 12,062,229	\$ 21,019
Non-Property Taxes				
Vehicle excise taxes	1,440,000	1,440,000	1,617,441	177,441
Boat excise taxes	20,000	20,000	21,435	1,435
Total non-property taxes	1,460,000	1,460,000	1,638,876	178,876
Intergovernmental				
Snowmobile reimbursement	4,000	4,000	3,568	(432)
State municipal revenue sharing	284,000	284,000	341,843	57,843
Local road assistance program	167,000	167,000	158,956	(8,044)
Tree growth reimbursement	56,012	56,012	55,824	(188)
Veterans tax loss reimbursement	5,892	5,892	7,585	1,693
FEMA reimbursement	-	-	36,627	36,627
General assistance	20,919	20,919	16,636	(4,283)
BETE reimbursement	620	278	283	5
Homestead exemption reimbursement	138,638	138,447	138,561	114
Total intergovernmental	677,081	676,548	759,883	83,335
Licenses and Permits				
Dog licenses	2,300	2,300	2,002	(298)
Building permits	112,000	112,000	106,198	(5,802)
CEO consulting fees	5,000	5,000	-	(5,000)
Marriage licenses	2,200	2,200	2,680	480
Burial permits	258	258	418	160
Municipal permits	5,300	5,300	5,116	(184)
Plumbing permits	14,000	14,000	17,985	3,985
Septage disposal permits	200	200	5	(195)
Advertising fees	350	350	301	(49)
Gravel pit inspection fees	-	-	2,400	2,400
Recycling revenue	34,000	34,000	20,372	(13,628)
Transfer station user fees	42,000	42,000	37,597	(4,403)
Transfer station sticker fees	82,000	82,000	83,785	1,785
Sport licenses and RV agent fees	3,600	3,600	3,420	(180)
Total licenses and permits	303,208	303,208	282,279	(20,929)

See the accompanying Notes to the Required Supplementary Information.

Town of Standish
 Budgetary Comparison Schedule
 Budget and Actual ▪ General Fund ▪ Budgetary Basis
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Charges for Services				
Passport services	7,000	7,000	6,999	(1)
Motor vehicle agent fees	30,500	30,500	30,842	342
Vital statistics	4,100	4,100	3,562	(538)
Vital additional copies	1,000	1,000	1,183	183
Animal control fees	850	850	150	(700)
Office fees	4,000	4,000	3,415	(585)
Boat launch services	18,000	18,000	19,769	1,769
Planning board	8,000	8,000	8,851	851
Cable TV franchise fees	119,449	119,449	116,652	(2,797)
Impact fees	-	-	14,981	14,981
Appeals board	600	600	600	-
Non-EMS public safety	250	250	5	(245)
Miscellaneous services	8,000	8,000	3,308	(4,692)
EMS	367,000	367,000	422,180	55,180
EMS subscription fees	15,000	15,000	19,025	4,025
EMS dispatch services	37,747	37,747	34,004	(3,743)
Total charges for services	621,496	621,496	685,526	64,030
Recreation				
Summer program	88,700	88,700	77,016	(11,684)
Vacation week program	4,000	4,000	5,575	1,575
Soccer program	5,500	5,500	5,192	(308)
Basketball program	1,700	1,700	1,405	(295)
Special programs	15,600	15,600	5,965	(9,635)
Before/after school program	102,400	102,400	113,259	10,859
Other funding sources	5,000	5,000	4,830	(170)
Adult/senior programs	13,500	13,500	7,619	(5,881)
Community events	-	-	50	50
Total recreation	236,400	236,400	220,911	(15,489)
Penalties and Interest				
Tax and lien interest	40,000	40,000	43,235	3,235
Lien notice fees	15,000	15,000	11,116	(3,884)
Ordinance fines	5,000	5,000	4,575	(425)
Total penalties and interest	60,000	60,000	58,926	(1,074)

See the accompanying Notes to the Required Supplementary Information.

Town of Standish
 Budgetary Comparison Schedule
 Budget and Actual ▪ General Fund ▪ Budgetary Basis
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Revenues				
Investment interest	3,000	3,000	2,899	(101)
Sale of materials / property	100,000	100,000	37,985	(62,015)
Leases and rentals	18,000	18,000	16,855	(1,145)
Miscellaneous revenue	-	-	780	780
MMA workers comp refund	-	-	4,064	4,064
MMA unemployment comp refund	-	-	9,689	9,689
Cash over/short	-	-	(60)	(60)
Tax write-off - uncollectible	-	-	(9)	(9)
Total other revenues	<u>121,000</u>	<u>121,000</u>	<u>72,203</u>	<u>(48,797)</u>
Total Revenues	15,534,394	15,519,862	15,780,833	260,971
Expenditures				
General government	1,251,987	1,282,703	1,222,742	59,961
Public safety	1,499,375	1,499,375	1,504,789	(5,414)
General assistance	54,046	54,046	41,756	12,290
Public works	1,673,935	1,673,935	1,640,934	33,001
Community service	349,882	349,882	330,663	19,219
Capital outlay	10,000	203,406	20,879	182,527
Benefits and insurance	748,300	747,852	630,356	117,496
Fixed charges	10,256,458	10,256,458	10,253,607	2,851
Overlay and bad debt	40,411	26,327	29,455	(3,128)
Total Expenditures	<u>15,884,394</u>	<u>16,093,984</u>	<u>15,675,181</u>	<u>418,803</u>
Revenue Surplus (Deficit)	(350,000)	(574,122)	105,652	679,774
Other Financing Sources (Uses)				
Transfers out to capital projects	<u>(31,751)</u>	<u>(31,751)</u>	<u>(31,751)</u>	-
Budgetary Surplus (Deficit)	<u>\$ (381,751)</u>	<u>\$ (605,873)</u>	<u>\$ 73,901</u>	<u>\$ 679,774</u>
Fund Balance Components of Budgetary Deficits				
Restricted	\$ (31,751)	\$ (31,751)	\$ (31,751)	\$ -
Assigned	(350,000)	(393,322)	108,351	(501,673)
Unassigned	<u>-</u>	<u>(180,800)</u>	<u>(2,699)</u>	<u>(178,101)</u>
	<u>\$ (381,751)</u>	<u>\$ (605,873)</u>	<u>\$ 73,901</u>	<u>\$ (679,774)</u>

See the accompanying Notes to the Required Supplementary Information.

Town of Standish
Notes to the Required Supplementary Information
June 30, 2015

NOTE 1 BUDGETARY ACCOUNTING

On an annual basis, the Town adopts an appropriated budget for the General Fund. Formal budgetary integration is employed as a management control device. The budget is prepared on budgetary basis of accounting that differs from the modified accrual basis of accounting used to prepare financial statements of the General Fund.

NOTE 2 RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The following is a reconciliation between the Budgetary Comparison Schedule (Schedule 1) prepared on a budgetary basis of accounting and the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance (Statement 5) prepared on the modified accrual basis of accounting, in accordance with U.S. generally accepted accounting principles (US GAAP).

Total revenues reported in Schedule 1	\$ 15,780,833
Changes in unavailable property taxes, a deferred inflow of resources, is not budgeted for, but is required on the modified accrual basis. The changes from year to year are charged to property tax revenue.	<u>(282,016)</u>
Total revenues reported in Statement 5	<u><u>\$ 15,498,817</u></u>
 Total expenditures reported in Schedule 1	 \$ 15,675,181
From a budgetary perspective, amounts budgeted for Public Safety Fair Fund, a special revenue fund, are treated as expenditures. On a modified accrual basis, however, these are reported as other financing uses (transfers out).	(2,500)
From a budgetary perspective, amounts budgeted for Bottles 4 Fuel Fund, a special revenue fund, are treated as expenditures. On a modified accrual basis, however, these are reported as other financing uses (transfers out).	(2,000)
From a budgetary perspective, amounts budgeted for use by the Oak Hill Tree Canopy Fund, a special revenue fund, are treated as expenditures. On a modified accrual basis, however, these are reported as other financing uses (transfers out).	(71)
From a budgetary perspective, amounts budgeted to increase the Bond Levelization Fund, a committed portion of the General Fund balance, are treated as expenditures. On a modified accrual basis, however, these are reported as reclassifications between the General Fund's unassigned fund balance and its committed fund balance.	<u>(41,758)</u>
Total expenditures reported in Statement 5	<u><u>\$ 15,628,852</u></u>
 Total other financings sources (uses) reported in Schedule 1	 \$ (31,751)
From a budgetary perspective, amounts budgeted for use by special revenue funds, as noted above, are treated as expenditures. On a modified accrual basis, however, these are reported as other financing uses (transfers out).	<u>(4,571)</u>
Total other financings sources (uses) reported in Statement 5	<u><u>\$ (36,322)</u></u>

Town of Standish
Notes to the Required Supplementary Information
June 30, 2015

NOTE 3 FUND BALANCE COMPONENTS OF BUDGETARY DEFICITS

For fiscal year 2015, the Town adopted an original budget with a deficit of \$381,751. The deficit was to be funded from the General Fund's restricted and assigned fund balances for \$31,751 and \$350,000, respectively.

The final budget included additional appropriations authorized to be carried forward from the prior fiscal year in the amount of \$43,322, classified as assigned in the General Fund. The final budget also included \$180,800 in additional appropriations that were originally approved for capital projects but subsequently failed to receive approval for bond funding and, therefore, were to be funded from the General Fund's unassigned fund balance. This resulted in a final budgeted deficit of \$605,873.

During the year, actual performance on a budgetary basis resulted in a surplus of \$73,901. This was a combination of a use of restricted fund balance in the amount of \$31,751 and unassigned fund balance in the amount of \$2,699, and an increase in assigned fund balance in the amount of \$108,351.

OTHER SUPPLEMENTARY INFORMATION

Town of Standish
 Budgetary Comparison Schedule
 Budget and Actual ▪ Capital Projects Fund ▪ Budgetary Basis
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Capital Outlays				
Public safety	154,000	154,000	85,390	68,610
Parks and recreation	102,305	102,305	85,084	17,221
Public works	388,300	207,500	207,500	-
Highway - current year road funds	<u>656,665</u>	<u>656,665</u>	<u>-</u>	<u>656,665</u>
Total capital outlays	1,301,270	1,120,470	377,974	742,496
Other Financing Sources				
Transfers in from general fund	31,751	31,751	31,751	-
Proceeds from bonds	<u>1,269,519</u>	<u>1,088,719</u>	<u>1,088,719</u>	<u>-</u>
Total other financing sources	<u>1,301,270</u>	<u>1,120,470</u>	<u>1,120,470</u>	<u>-</u>
Budgetary Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,496</u>	<u>\$ 742,496</u>

See the accompanying Notes to the Other Supplementary Information.

Town of Standish
Comparative Balance Sheets
General Fund
As of June 30, 2015 and 2014

	2015	2014 (As Restated)
Assets		
Cash and cash equivalents	\$ 4,218,766	\$ 2,907,036
Accounts receivable	189,373	173,816
Taxes receivable, net	665,920	494,423
Liens receivable	141,341	141,248
Lien interest and costs receivable	12,016	12,428
Tax acquired property	21,337	36,100
Inventory and prepaid expense	42,530	41,537
Other assets	160	160
Due from other funds	-	547,908
	<u>-</u>	<u>547,908</u>
Total Assets	<u>\$ 5,291,443</u>	<u>\$ 4,354,656</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 187,640	\$ 144,975
Accrued wages	111,863	128,627
Unearned revenues	76,087	68,239
Due to other funds	790,400	-
Total liabilities	1,165,990	341,841
Deferred Inflows of Resources		
Unavailable property taxes	604,208	322,192
Taxes collected in advance	5,424	8,445
Total deferred inflows of resources	609,632	330,637
Fund Balance		
Nonspendable	42,690	41,697
Restricted	85,302	71,710
Committed	300,984	290,565
Assigned	501,673	393,322
Unassigned	2,585,172	2,884,884
Total fund balance	3,515,821	3,682,178
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,291,443</u>	<u>\$ 4,354,656</u>

Town of Standish
Summarized Schedule of Changes in Fund Balance
General Fund
For the Year Ended June 30, 2015

	Beginning Balance	Net Changes in Fund Balance	Ending Balance
Nonspendable			
Prepaid expenses, inventories, and other	\$ 41,697	\$ 993	\$ 42,690
Restricted			
Impact fees and restricted donations	71,710	13,592	85,302
Committed			
Reserves	290,565	10,419	300,984
Assigned			
Use of fund balance to fund budgeted deficits	350,000	50,000	400,000
Unexpended appropriations carried forward	43,322	58,351	101,673
Unassigned	<u>2,884,884</u>	<u>(299,712)</u>	<u>2,585,172</u>
Totals	<u>\$ 3,682,178</u>	<u>\$ (166,357)</u>	<u>\$ 3,515,821</u>

Town of Standish
Detailed Schedule of Changes in Fund Balance
General Fund
For the Year Ended June 30, 2015

	Beginning Balance	Revenues	Net Additions (Deductions) and Transfers In (Transfers Out)	Expenditures	Ending Balance
Nonspendable					
Inventories	\$ 39,060	\$ -	\$ (3,640)	\$ -	\$ 35,420
Prepaid expenses	2,477	-	4,633	-	7,110
Other	160	-	-	-	160
Restricted					
Impact fees	65,262	15,080	-	-	80,342
G Spenser fund	1,405	5	-	-	1,410
Johnson fund	453	1	-	-	454
B Logan fund	1,464	2	-	(65)	1,401
J Mucci fund	1,503	2	-	-	1,505
C Pierce fund	689	1	-	(500)	190
A Riley fund	934	1	-	(935)	-
Committed					
Skate park	2,172	3	-	-	2,175
Community center	23,298	34	-	-	23,332
Bond levelization	183,092	246	41,758	-	225,096
Conservation	40,627	38	(31,751)	-	8,914
Athletic fields	13,516	22	-	-	13,538
Government access	26,874	40	-	-	26,914
Fire engine 4	287	29	-	-	316
Donations	699	325	-	(325)	699
Assigned					-
Budgeted deficit	350,000	-	50,000	-	400,000
Carry forwards	43,322	-	58,351	-	101,673
Unassigned	<u>2,884,884</u>	<u>15,482,988</u>	<u>(155,673)</u>	<u>(15,627,027)</u>	<u>2,585,172</u>
Totals	<u>\$ 3,682,178</u>	<u>\$ 15,498,817</u>	<u>\$ (36,322)</u>	<u>\$(15,628,852)</u>	<u>\$ 3,515,821</u>

Town of Standish
Combining Balance Sheet
Nonmajor Special Revenue Funds
As of June 30, 2015

	Assets			
	Cash	Accounts Receivable	Due From Other Funds	Total Assets
Restricted				
Homeland security	\$ -	\$ -	\$ 953	\$ 953
Fire prevention/education	-	-	225	225
Comprehensive plan	-	-	6,379	6,379
Steep Falls library	-	-	5,211	5,211
Standish corner	-	-	6,257	6,257
Oak Hill MDOT grant	-	-	28,058	28,058
Oak Hill tree canopy	-	-	-	-
Committed				
Bottles 4 fuel	7,987	-	-	7,987
Public safety fair	-	-	2,143	2,143
Totals	<u>\$ 7,987</u>	<u>\$ -</u>	<u>\$ 49,226</u>	<u>\$ 57,213</u>

	Liabilities and Fund Balance			
	Accounts Payable	Due To Other Funds	Fund Balance	Total Liabilities and Fund Balance
Restricted				
Homeland security	\$ -	\$ -	\$ 953	\$ 953
Fire prevention/education	-	-	225	225
Comprehensive plan	-	-	6,379	6,379
Steep Falls library	-	-	5,211	5,211
Standish corner	-	-	6,257	6,257
Oak Hill MDOT grant	-	-	28,058	28,058
Oak Hill tree canopy	-	-	-	-
Committed				
Bottles 4 fuel	-	-	7,987	7,987
Public safety fair	-	-	2,143	2,143
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,213</u>	<u>\$ 57,213</u>

Town of Standish
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	Beginning Fund Balance	Program Revenues	Transfers In (Out)	Program Expenditures	Ending Fund Balance
Restricted					
Homeland security	\$ 953	\$ -	\$ -	\$ -	\$ 953
Fire prevention/education	225	-	-	-	225
Comprehensive plan	6,379	-	-	-	6,379
Steep Falls library	5,211	-	-	-	5,211
Standish corner	6,489	-	-	232	6,257
Oak Hill MDOT grant	-	111,304	(5,720)	77,526	28,058
Oak Hill tree canopy	(5,791)	-	5,791	-	-
Committed					
Bottles 4 fuel	7,344	4,589	2,000	5,946	7,987
Public safety fair	<u>1,394</u>	<u>50</u>	<u>2,500</u>	<u>1,801</u>	<u>2,143</u>
Totals	<u>\$ 22,204</u>	<u>\$ 115,943</u>	<u>\$ 4,571</u>	<u>\$ 85,505</u>	<u>\$ 57,213</u>

Town of Standish
Combining Balance Sheet
Nonmajor Permanent Funds
As of June 30, 2015

			<u>Totals</u>	
	<u>Hasty Fund</u>	<u>Wescott Fund</u>	<u>2015</u>	<u>2014</u>
Assets				
Due from general fund	\$ <u>15,054</u>	\$ <u>9,444</u>	\$ <u>24,498</u>	\$ <u>24,461</u>
 Fund Balance				
Nonspendable - permanent	\$ 14,911	\$ 5,047	\$ 19,958	\$ 19,957
Restricted - expendable	<u>143</u>	<u>4,397</u>	<u>4,540</u>	<u>4,504</u>
	\$ <u>15,054</u>	\$ <u>9,444</u>	\$ <u>24,498</u>	\$ <u>24,461</u>

Town of Standish
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Permanent Funds
For the Year Ended June 30, 2015

			<u>Totals</u>	
	<u>Hasty Fund</u>	<u>Wescott Fund</u>	<u>2015</u>	<u>2014</u>
Revenues				
Interest	\$ 23	\$ 14	\$ 37	\$ 59
Expenditures				
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,585</u>
Surplus (Deficit) Revenues	23	14	37	(14,526)
Beginning Fund Balance	<u>15,031</u>	<u>9,430</u>	<u>24,461</u>	<u>38,987</u>
Ending Fund Balance	<u><u>\$ 15,054</u></u>	<u><u>\$ 9,444</u></u>	<u><u>\$ 24,498</u></u>	<u><u>\$ 24,461</u></u>

Town of Standish
Schedule of Departmental Operations
For the Year Ended June 30, 2015

	Amounts Carried Forward from Last Year	Current Year Appropriations	Transfers and Other Adjustments	Total Available for Expenditure	Actual Expenditures	Appropriation Balances			Amounts Carried Forward to Next Year
						Lapsed Appropriations		Amounts Unexpended	
						Amounts Overdrawn	Amounts		
General Government									
Assessing	\$ -	\$ 83,417	\$ -	\$ 83,417	\$ 82,472	\$ -	\$ 945	\$ -	-
Code enforcement	-	79,822	-	79,822	74,996	-	4,826	-	-
General administration	519	302,246	-	302,765	292,171	-	10,594	-	-
Cable television	1,237	76,239	-	77,476	70,308	-	7,168	-	-
Town council	-	50,361	-	50,361	46,668	-	3,693	-	-
Town clerk	-	181,454	-	181,454	176,617	-	4,837	-	-
Finance	1,116	176,413	-	177,529	176,148	-	1,381	-	-
Planning	27,844	104,132	-	131,976	105,627	-	403	25,946	-
Appeals board	-	587	-	587	281	-	306	-	-
Building maintenance	-	197,316	-	197,316	197,454	138	-	-	-
	30,716	1,251,987	-	1,282,703	1,222,742	138	34,153	25,946	
Public Safety									
Public safety	-	998,323	-	998,323	1,008,221	9,898	-	-	-
Law enforcement	-	501,052	-	501,052	496,568	-	4,484	-	-
	-	1,499,375	-	1,499,375	1,504,789	9,898	4,484	-	-
General Assistance									
	-	54,046	-	54,046	41,756	-	12,290	-	-

Town of Standish
Schedule of Departmental Operations
For the Year Ended June 30, 2015

	Amounts Carried Forward from Last Year	Current Year Appropriations	Transfers and Other Adjustments	Total Available for Expenditure	Actual Expenditures	Appropriation Balances			Amounts Carried Forward to Next Year
						Lapsed Appropriations	Amounts Overdrawn	Amounts Unexpended	
Public Works									
Public works	\$ -	\$ 1,130,846	\$ -	\$ 1,130,846	\$ 1,133,285	\$ -	2,439	\$ -	\$ -
Solid waste	-	543,089	-	543,089	507,649	-	-	35,440	-
	-	1,673,935	-	1,673,935	1,640,934	-	2,439	35,440	-
Community Service									
Recreation	-	309,282	-	309,282	288,670	-	-	20,612	-
Donations	-	40,600	1,825	42,425	41,993	-	-	432	-
	-	349,882	1,825	351,707	330,663	-	-	21,044	-
Capital Outlay									
Town clerk	8,000	-	-	8,000	-	-	-	-	8,000
Public safety	-	10,000	-	10,000	10,000	-	-	-	-
Public works	4,606	180,800	-	185,406	10,879	-	-	106,800	67,727
	12,606	190,800	-	203,406	20,879	-	-	106,800	75,727
Benefits & Insurance									
Employee benefits	-	673,578	-	673,578	563,882	-	-	109,696	-
Insurance	-	74,274	-	74,274	66,474	-	-	7,800	-
	-	747,852	-	747,852	630,356	-	-	117,496	-

Town of Standish
Schedule of Departmental Operations
For the Year Ended June 30, 2015

	Amounts Carried Forward from Last Year	Current Year Appropriations	Transfers and Other Adjustments	Total Available for Expenditure	Actual Expenditures	Appropriation Balances		
						Lapsed Appropriations		Amounts Carried Forward to Next Year
						Amounts Overdrawn	Amounts Unexpended	
Fixed Charges								
Debt service	\$ -	\$ 867,892	\$ -	\$ 867,892	\$ 865,041	\$ -	\$ 2,851	\$ -
County tax	-	644,055	-	644,055	644,055	-	-	-
Education	-	8,744,511	-	8,744,511	8,744,511	-	-	-
	-	10,256,458	-	10,256,458	10,253,607	-	2,851	-
Overlay and Bad Debt	-	26,327	-	26,327	29,455	3,128	-	-
Totals	\$ 43,322	\$ 16,050,662	\$ 1,825	\$ 16,095,809	\$ 15,675,181	\$ 15,603	\$ 334,558	\$ 101,673

Town of Standish
Notes to the Other Supplementary Information
June 30, 2015

NOTE 1 CAPITAL PROJECTS FUND BUDGETARY COMPARISON SCHEDULE

On an annual basis, the Town adopts an appropriated budget that contemplates operational expenditures for both the General Fund and the Capital Projects Fund. The budgetary comparison schedule for the General Fund is required supplementary information under GASB reporting standards, whereas the budgetary comparison schedule for the Capital Projects Fund is not required supplementary information. Management presents the budgetary comparison schedule for the Capital Projects Fund (Schedule 2) as other supplementary information for purposes of additional analysis.

Schedule 2 is prepared on a budgetary basis of accounting that differs from the modified accrual basis of accounting used to prepare financial statements of the Capital Projects Fund. Schedule 2 only contemplates current year project expenditures that will be funded primarily from bonds issued in the current year. On a modified accrual basis, the Capital Projects Fund includes expenditures for projects that were approved in prior years and includes funding sources that remain unexpended from prior years.

On a budgetary basis, the Capital Projects Fund ran a surplus for the year in the amount of \$727,391. Surpluses will be used in future years to complete approved capital projects.