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## **Town of Stonington Maine Audited Financial Statements 2014**

Stonington, Me

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Audited Financial Statements And  
Other Financial Information

Town of Stonington, Maine

December 31, 2014



*Proven Expertise and Integrity*

TOWN OF STONINGTON, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2014

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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Stonington  
Stonington, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Maine, as of and for the year ended December 31, 2014, 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

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.

### Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 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.

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www.rhrsmith.com

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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Maine as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows 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 4 through 11 and 41 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stonington, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

*RHR Smith & Company*

Buxton, Maine  
February 10, 2015

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Stonington, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Stonington's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation 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 that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets and liabilities with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Stonington are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, health and sanitation, culture and recreation, special assessments, social services, and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. The town of Stonington has one business-type activity, the water department.

### **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 of Stonington, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Stonington can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Most 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 in 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 balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the 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. Expenditures are recorded when liabilities are incurred and due. 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 Town.

Because the focus of governmental funds is narrower than that of 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 governmental activities. These

reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Stonington presents two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget for. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

*Proprietary Funds:* The Town of Stonington maintains one proprietary fund, the water department. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Proprietary Fund Statement of Cash Flows.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental funds is \$9,029,315 compared to \$8,607,740 in the prior year, an increase of \$421,575.

For the business-type activities total net position is \$1,037,579 as compared to \$748,362 in the prior year, an increase of \$289,217.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$1,791,288 at the end of this year for governmental activities, an increase of \$206,295. The business-type activities unrestricted net position is \$44,274, after a \$20,753 increase.

**Table 1**  
**Town of Stonington, Maine**  
**Net Position**  
**December 31,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>				
Current and other assets	\$ 2,127,446	\$ 1,893,092	\$ 48,097	\$ 23,787
Capital Assets	7,257,922	7,135,079	1,172,088	941,485
Total Assets	<u>9,385,368</u>	<u>9,028,171</u>	<u>1,220,185</u>	<u>965,272</u>
<b>Liabilities</b>				
Current Liabilities	107,026	101,330	42,744	38,126
Long-term Debt Outstanding	248,742	316,803	139,862	178,784
Total Liabilities	<u>355,768</u>	<u>418,133</u>	<u>182,606</u>	<u>216,910</u>
<b>Deferred Inflows of Resources</b>				
Prepaid Taxes	285	2,298	-	-
Total Deferred Inflows of Resources	<u>285</u>	<u>2,298</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	6,965,895	6,774,032	993,305	724,841
Restricted	272,132	248,715	-	-
Unrestricted	1,791,288	1,584,993	44,274	23,521
Total Net Position	<u>\$ 9,029,315</u>	<u>\$ 8,607,740</u>	<u>\$ 1,037,579</u>	<u>\$ 748,362</u>

**Table 2**  
**Town of Stonington, Maine**  
**Changes in Net Position**  
**For The Years Ended December 31,**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>				
<i>Program revenues:</i>				
Charges for services	\$ 268,242	\$ 181,928	\$ 194,663	\$ 143,031
Operating grants and contributions	18,852	30,546	251,938	-
<i>General revenues:</i>				
Property taxes	3,215,278	3,010,756	-	-
Excise taxes	238,344	232,864	-	-
Grants and contributions not restricted to specific programs	91,747	110,133	-	-
Investment income, net	4,132	3,947	50	42
Other revenue	1,056,233	1,088,439	9,585	771
Total Revenues	<u>4,892,828</u>	<u>4,658,613</u>	<u>456,236</u>	<u>143,844</u>
<b>Expenses</b>				
General government	333,454	283,023	-	-
Public safety	230,061	202,898	-	-
Health and sanitation	214,164	226,644	-	-
Public works	579,313	514,557	-	-
Special assessments	2,059,171	1,899,468	-	-
Social services	14,305	15,785	-	-
Culture and recreation	18,129	17,621	-	-
Unclassified	909,838	1,015,906	162,456	191,233
Capital outlay	86,542	60,476	-	-
Depreciation	17,787	8,975	-	-
Interest on long-term debt	8,489	5,198	4,563	6,880
Total Expenses	<u>4,471,253</u>	<u>4,250,551</u>	<u>167,019</u>	<u>198,113</u>
Change in Net Position	421,575	408,062	289,217	(54,269)
Net Position - January 1	<u>8,607,740</u>	<u>8,199,678</u>	<u>748,362</u>	<u>802,631</u>
Net Position - December 31	<u>\$ 9,029,315</u>	<u>\$ 8,607,740</u>	<u>\$ 1,037,579</u>	<u>\$ 748,362</u>

## Revenues and Expenses

Revenues for the Town's governmental activities increased by \$234,215, while total expenses increased by \$220,702. The largest increase in revenues was in property taxes. Most of the Town's expenses were consistent with the previous year with minor increases or decreases. The biggest increase in expenses was in special assessments.

Revenues for the proprietary fund increased by \$312,392 from the prior year. This was mainly the result of an operating grant received for the purchase of capital assets. Expenses for the proprietary fund were mostly consistent with the prior year.

## Financial Analysis of the Town's Fund Statements

*Governmental funds:* The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be 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 year, and the net resources available for spending.

**Table 3**  
**Town of Stonington, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<u>2014</u>	<u>2013</u>
Major Funds:		
General Fund:		
Unassigned	\$ 1,129,088	\$ 1,058,688
Total Major Funds	<u>\$ 1,129,088</u>	<u>\$ 1,058,688</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 212,676	\$ 189,456
Committed	35,233	19,153
Unassigned	(38,990)	(30,938)
Capital Projects Funds:		
Nonspendable	13,415	13,110
Committed	530,437	385,089
Unassigned	-	(399)
Permanent Funds:		
Restricted	59,456	59,259
Total Nonmajor Funds	<u>\$ 812,227</u>	<u>\$ 634,730</u>

The general fund total fund balance increased by \$70,400 over the prior fiscal year. Non-major fund balances increased by \$177,497 over the prior fiscal year.

*Proprietary funds:* The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### **Budgetary Highlights**

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budget by \$157,763. All revenue categories exceeded budget with the exception of intergovernmental revenues and transfers from other funds.

The general fund actual expenditures were under the budget by \$48,987. All expenditures were under budget with the exception of public works and debt service.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of December 31, 2014, the net book value of capital assets recorded by the Town increased by \$353,446. This increase is a result of the purchase of assets of \$561,083, net disposals of \$60,751 and annual depreciation expense of \$146,886. Refer to Note 4 of Notes to Financial Statements for further details.

**Table 4**  
**Town of Stonington, Maine**  
**Capital Assets (Net of Depreciation)**  
**December 31,**

	<u>2014</u>	<u>2013</u>
Land and construction in progress	\$ 6,114,188	\$ 5,853,167
Buildings, building improvements and land improvements	703,330	716,601
Water mains, machinery and equipment furniture/fixtures, vehicles	1,382,178	1,257,242
Infrastructure	<u>230,314</u>	<u>249,554</u>
Total	<u><u>\$ 8,430,010</u></u>	<u><u>\$ 8,076,564</u></u>

## **Debt**

At December 31, 2014, the Town had \$436,625 in notes outstanding versus \$528,532 in the prior year. Refer to Note 5 of Notes to Financial Statements for additional information.

## **Economic Factors and Next Year's Budgets and Rates**

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

## **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at P.O. Box 9, Stonington, Maine 04578.

## STATEMENT A

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	Governmental Activities	Business- type Activities	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,880,672	\$ 37,112	\$ 1,917,784
Accounts receivable (net of allowance for uncollectibles):			
Taxes	118,553	-	118,553
Liens	39,645	-	39,645
Loans	68,822	-	68,822
Other	6,339	10,985	17,324
Inventory	13,415	-	13,415
Total current assets	<u>2,127,446</u>	<u>48,097</u>	<u>2,175,543</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	5,786,500	327,688	6,114,188
Buildings and vehicles, net of accumulated depreciation	<u>1,471,422</u>	<u>844,400</u>	<u>2,315,822</u>
Total noncurrent assets	<u>7,257,922</u>	<u>1,172,088</u>	<u>8,430,010</u>
Total assets	<u>\$ 9,385,368</u>	<u>\$ 1,220,185</u>	<u>\$ 10,605,553</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 53,932	\$ 3,104	\$ 57,036
Payroll related liabilities	3,563	-	3,563
Other liabilities	1,351	719	2,070
Current portion of long-term obligations	<u>48,180</u>	<u>38,921</u>	<u>87,101</u>
Total current liabilities	<u>107,026</u>	<u>42,744</u>	<u>149,770</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Notes payable	225,136	139,862	364,998
Capital leases	18,711	-	18,711
Accrued compensated absences	<u>4,895</u>	<u>-</u>	<u>4,895</u>
Total noncurrent liabilities	<u>248,742</u>	<u>139,862</u>	<u>388,604</u>
Total liabilities	<u>355,768</u>	<u>182,606</u>	<u>538,374</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	<u>285</u>	<u>-</u>	<u>285</u>
Total deferred inflows of resources	<u>285</u>	<u>-</u>	<u>285</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,965,895	993,305	7,959,200
Restricted	272,132	-	272,132
Unrestricted	<u>1,791,288</u>	<u>44,274</u>	<u>1,835,562</u>
Total net position	<u>9,029,315</u>	<u>1,037,579</u>	<u>10,066,894</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,385,368</u>	<u>\$ 1,220,185</u>	<u>\$ 10,605,553</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business - type Activities	Totals
Governmental activities:							
General government	\$ 333,454	\$ 24,407	\$ -	\$ -	\$ (309,047)	\$ -	\$ (309,047)
Public safety	230,061	4,807	-	-	(225,254)	-	(225,254)
Health and sanitation	214,164	37,751	-	-	(176,413)	-	(176,413)
Public works	579,313	11,395	18,852	-	(549,066)	-	(549,066)
Special assessments	2,059,171	-	-	-	(2,059,171)	-	(2,059,171)
Social services	14,305	-	-	-	(14,305)	-	(14,305)
Culture and recreation	18,129	-	-	-	(18,129)	-	(18,129)
Unclassified	909,838	189,882	-	-	(719,956)	-	(719,956)
Capital outlay	86,542	-	-	-	(86,542)	-	(86,542)
Unallocated depreciation (Note 4)*	17,787	-	-	-	(17,787)	-	(17,787)
Interest on long term debt	8,489	-	-	-	(8,489)	-	(8,489)
Total governmental activities	<u>4,471,253</u>	<u>268,242</u>	<u>18,852</u>	<u>-</u>	<u>(4,184,159)</u>	<u>-</u>	<u>(4,184,159)</u>
Business-type activities:							
Water department	167,019	194,663	251,938	-	-	279,582	279,582
Total business-type activities	<u>167,019</u>	<u>194,663</u>	<u>251,938</u>	<u>-</u>	<u>-</u>	<u>279,582</u>	<u>279,582</u>
Total government	<u>\$ 4,638,272</u>	<u>\$ 462,905</u>	<u>\$ 270,790</u>	<u>\$ -</u>	<u>(4,184,159)</u>	<u>279,582</u>	<u>(3,904,577)</u>

\* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)

TOWN OF STONINGTON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Changes In net position:			
Net (expense) revenue	<u>(4,184,159)</u>	<u>279,582</u>	<u>(3,904,577)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	3,215,278	-	3,215,278
Excise taxes	238,344	-	238,344
Grants and contributions not restricted to specific programs	91,747	-	91,747
Investment income, net	4,132	50	4,182
Other income	1,056,233	9,585	1,065,818
Total general revenues	<u>4,605,734</u>	<u>9,635</u>	<u>4,615,369</u>
Change in net position	421,575	289,217	710,792
Net position - January 1	<u>8,607,740</u>	<u>748,362</u>	<u>9,356,102</u>
Net position - December 31	<u><u>\$ 9,029,315</u></u>	<u><u>\$ 1,037,579</u></u>	<u><u>\$ 10,066,894</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,152,245	\$ 728,427	\$ 1,880,672
Accounts receivable (net of allowance for uncollectibles):			
Taxes	118,553	-	118,553
Liens	39,645	-	39,645
Loans	-	68,822	68,822
Other	6,339	-	6,339
Inventory	-	13,415	13,415
Due from other funds	136,484	142,044	278,528
TOTAL ASSETS	<u>\$ 1,453,266</u>	<u>\$ 952,708</u>	<u>\$ 2,405,974</u>
LIABILITIES			
Accounts payable	\$ 49,935	\$ 3,997	\$ 53,932
Payroll related liabilities	3,563	-	3,563
Due to other funds	142,044	136,484	278,528
Due to other governments	1,351	-	1,351
TOTAL LIABILITIES	<u>196,893</u>	<u>140,481</u>	<u>337,374</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	285	-	285
Deferred revenue	127,000	-	127,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>127,285</u>	<u>-</u>	<u>127,285</u>
FUND BALANCES			
Nonspendable	-	13,415	13,415
Restricted	-	272,132	272,132
Committed	-	565,670	565,670
Assigned	-	-	-
Unassigned	1,129,088	(38,990)	1,090,098
TOTAL FUND BALANCES	<u>1,129,088</u>	<u>812,227</u>	<u>1,941,315</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,453,266</u>	<u>\$ 952,708</u>	<u>\$ 2,405,974</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,941,315
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	7,257,922
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	127,000
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(4,895)
Notes payable	(257,842)
Capital leases payable	<u>(34,185)</u>
Net position of governmental activities	<u><u>\$ 9,029,315</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property Taxes	\$ 3,233,278	\$ -	\$ 3,233,278
Excise taxes	238,344	-	238,344
Intergovernmental	60,574	50,025	110,599
Charges for services	78,360	189,882	268,242
Interest/Costs on liens	23,015	-	23,015
Investment income, net	2,644	1,488	4,132
Other income	90,670	942,548	1,033,218
TOTAL REVENUES	<u>3,726,885</u>	<u>1,183,943</u>	<u>4,910,828</u>
EXPENDITURES			
Current:			
General government	324,785	-	324,785
Public safety	200,115	-	200,115
Health and sanitation	213,864	-	213,864
Public works	518,997	-	518,997
Special assessments	2,059,171	-	2,059,171
Social services	14,305	-	14,305
Culture and recreation	18,129	-	18,129
Unclassified	92,259	1,057,255	1,149,514
Debt service	72,916	4,593	77,509
Capital outlay	-	86,542	86,542
TOTAL EXPENDITURES	<u>3,514,541</u>	<u>1,148,390</u>	<u>4,662,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>212,344</u>	<u>35,553</u>	<u>247,897</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	889	147,339	148,228
Transfers (out)	(142,833)	(5,395)	(148,228)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(141,944)</u>	<u>141,944</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	70,400	177,497	247,897
FUND BALANCES - JANUARY 1	<u>1,058,688</u>	<u>634,730</u>	<u>1,693,418</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,129,088</u>	<u>\$ 812,227</u>	<u>\$ 1,941,315</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 247,897</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets.	
Capital asset purchases capitalized	300,062
Capital asset disposals, net	(60,386)
Depreciation expense	<u>(116,833)</u>
	<u>122,843</u>
Revenues in the Statement of Activities that do not provide current financial resources as revenues in the funds:	
Taxes and liens receivable	<u>(18,000)</u>
Accrued compensated absences recorded in the Statement of Net Position not in the governmental funds	<u>(185)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position	<u>69,020</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 421,575</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2014

	Enterprise Fund Water Department
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 37,112
Accounts receivable (net of allowance for uncollectibles)	10,985
Total current assets	<u>48,097</u>
Noncurrent assets:	
Project costs in progress	261,021
Land, buildings, mains, and other water assets	1,529,687
Vehicles and equipment	345,741
Total capital assets	2,136,449
Less: accumulated depreciation	(964,361)
Total noncurrent assets	<u>1,172,088</u>
Total assets	<u><u>\$ 1,220,185</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 3,104
Accrued expenses	719
Current portion of long-term obligations	38,921
Total current liabilities	<u>42,744</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Notes payable	139,862
Total noncurrent liabilities	<u>139,862</u>
Total liabilities	<u>182,606</u>
<b>NET POSITION</b>	
Net investment in capital assets	993,305
Unrestricted	44,274
Total net position	<u>1,037,579</u>
Total liabilities and net position	<u><u>\$ 1,220,185</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION – PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2014

	Enterprise Fund Water Department
OPERATING REVENUES	
Charges for services	\$ 194,663
Other income	9,585
TOTAL OPERATING REVENUES	<u>204,248</u>
OPERATING EXPENSES	
Payroll	40,391
Benefits/Taxes	14,452
Utilities	10,156
Chemicals	365
Contracted services	45,309
Materials and supplies	4,791
Insurance	5,879
Depreciation & amortization	29,927
Transportation	1,457
Other operating expenses	9,729
TOTAL OPERATING EXPENSES	<u>162,456</u>
OPERATING INCOME (LOSS)	<u>41,792</u>
NONOPERATING REVENUES (EXPENSES)	
Project cost contributions	251,938
Interest income	50
Interest expense	(4,563)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>247,425</u>
CHANGE IN NET POSITION	289,217
NET POSITION - JANUARY 1	<u>748,362</u>
NET POSITION - DECEMBER 31	<u><u>\$ 1,037,579</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Enterprise Fund Water Department
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 189,966
Other receipts	9,585
Payments to employees	(40,391)
Payments to suppliers	(88,581)
Net cash provided (used) by operating activities	<u>70,579</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	50
Net cash provided (used) by investing activities	<u>50</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset purchased with grants	251,938
Principal paid on capital debt	(37,861)
Purchase of capital assets (net)	(260,530)
Net cash provided (used) by capital and related financing activities	<u>(51,016)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,613
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>17,499</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 37,112</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 41,792
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization expense	29,927
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(4,697)
(Decrease) increase in accounts payable	2,873
(Decrease) increase in accrued expenses	684
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 70,579</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Stonington was incorporated under the laws of the State of Maine. The Town operates under Town selectmen-manager form of government and provides the following services: general government, public safety, public works, health and sanitation, social services and culture and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39 and No. 61.

***Government-Wide and Fund Financial Statements***

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's water department is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

The financial transactions of the Town are reported in the 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, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town of Stonington's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the basic financial statements.

1. Late in the prior fiscal year the Town prepared a budget for the year beginning January 1. The operating budget included proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town of Stonington was then called for the purpose of adopting the proposed budget after public notice of the meeting had been given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. No supplemental budgetary appropriations were necessary during the fiscal year
5. The Town did not adopt budgets for the special revenue funds.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Stonington has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The inventory on the nonmajor funds is made up of fuel and is recorded on the first in-first out basis.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as December 31, 2014.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**Compensated Absences**

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so 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 financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied July 8, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due on August 31, 2014. Interest on unpaid taxes commenced on September 1, 2014 at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up 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 \$31,701 for the year ended December 31, 2014.

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.

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

**Operating/Non-operating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At December 31, 2014, the Town's cash balance amounting to \$1,917,184 was

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

comprised of bank deposits of \$1,952,984. Of these bank deposits, \$500,000 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,453,984 was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,224,557
Savings	728,427
	<u>\$ 1,952,984</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

At December 31, 2014, the Town had \$0 of investments.

Credit risk – Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2014 consisted of the following individual fund receivables and payables.

	Receivables (Due From)	Payables (Due To)
General fund	\$ 136,484	\$ 142,044
Nonmajor special revenue funds	68,875	41,193
Nonmajor capital projects funds	73,169	94,842
Nonmajor permanent funds	-	449
Totals	<u>\$ 278,528</u>	<u>\$ 278,528</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2014:

	Balance 1/1/14	Additions	Disposals	Balance 12/31/14
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	<u>\$ 5,786,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,786,500</u>
	5,786,500	-	-	5,786,500
Depreciated assets:				
Buildings	2,058,111	-	-	2,058,111
Building improvements	101,060	-	(14,235)	86,825
Land improvements	366,402	38,946	-	405,348
Machinery & equipment	601,582	15,700	(75,428)	541,854
Vehicles	617,593	245,416	(60,000)	803,009
Infrastructure	252,422	-	-	252,422
	3,997,170	300,062	(149,663)	4,147,569
Less: accumulated depreciation	<u>(2,648,591)</u>	<u>(116,833)</u>	<u>89,277</u>	<u>(2,676,147)</u>
	1,348,579	183,229	(60,386)	1,471,422
Net capital assets	<u>\$ 7,135,079</u>	<u>\$ 183,229</u>	<u>\$ (60,386)</u>	<u>\$ 7,257,922</u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Business-type activities:

Non-depreciated assets:

Land	\$ 66,667	\$ -	\$ -	\$ 66,667
Construction in progress	-	261,021	-	261,021
	<u>66,667</u>	<u>261,021</u>	<u>-</u>	<u>327,688</u>

Depreciated assets:

Building improvements	7,469	-	-	7,469
Machinery & equipment	346,232	-	(491)	345,741
Infrastructure / mains, etc	1,455,551	-	-	1,455,551
	<u>1,809,252</u>	<u>-</u>	<u>(491)</u>	<u>1,808,761</u>

Less: accumulated depreciation	<u>(934,434)</u>	<u>(30,053)</u>	<u>126</u>	<u>(964,361)</u>
	<u>874,818</u>	<u>(30,053)</u>	<u>(365)</u>	<u>844,400</u>

Net capital assets	<u>\$ 941,485</u>	<u>\$ 230,968</u>	<u>\$ (365)</u>	<u>\$ 1,172,088</u>
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Current year depreciation:

General government	\$ 8,669
Public safety	29,887
Public works	60,316
Water department	29,927
Health and sanitation	300
Town-wide	17,787
Total depreciation expenses	<u>\$ 146,886</u>

NOTE 5 – LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2014:

	Balance 1/1/14	Additions	Reductions	Balance 12/31/14	Current Portion
Notes payable - governmental	\$ 311,888	\$ -	\$ (54,046)	\$ 257,842	\$ 32,706
Notes payable - business-type	216,644	-	(37,861)	178,783	38,921
Capital leases payable	49,159	-	(14,974)	34,185	15,474
Accrued compensated absences	4,710	185	-	4,895	-
Totals	<u>\$ 582,401</u>	<u>\$ 185</u>	<u>\$ (106,881)</u>	<u>\$ 475,705</u>	<u>\$ 87,101</u>

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding notes payable:

Notes payable - governmental activities

2010 First National Bank note of \$35,000 for school building. Interest is stated at 3.8%. Monthly payments include both principal and interest in the amount of \$352 until November 2020.	\$ 22,031
2012 Bar Harbor Bank & Trust note of \$315,000 for Moose Island Causeway. Interest is stated at 3.8%. Monthly payments include both principal and interest in the amount of \$2,625 until June 2022.	<u>235,811</u>
Total notes payable - governmental activities	<u>257,842</u>

Notes payable - business-type activities

2013 First National Bank note for water company. Interest is stated at 2.76%. Monthly payments include both principal and interest and are \$2,240.	124,839
2013 First National Bank note for water company. Interest is stated at 2.2%. Monthly payments include both principal and interest and are \$307.	7,166
2013 First National Bank note for water company. Interest is stated at 2.9%. Monthly payments include both principal and interest and are \$1,077.	<u>46,778</u>
Total notes payable - business-type funds	<u>178,783</u>
Total notes payable	<u><u>\$ 436,625</u></u>

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding note principal and interest requirements for the following fiscal years ending December 31:

Governmental Activities	Principal	Interest	Total Debt Service
2015	\$ 32,706	\$ 6,259	\$ 38,965
2016	33,536	5,430	38,966
2017	34,420	4,545	38,965
2018	35,312	3,655	38,967
2019	36,227	2,740	38,967
2020-2024	85,641	2,891	88,532
	<u>\$ 257,842</u>	<u>\$ 25,520</u>	<u>\$ 283,362</u>

  

Business-type Activities	Principal	Interest	Total Debt Service
2015	\$ 38,921	\$ 3,344	\$ 42,265
2016	39,998	2,613	42,611
2017	37,718	1,875	39,593
2018	36,322	1,215	37,537
2019	25,824	482	26,306
	<u>\$ 178,783</u>	<u>\$ 9,529</u>	<u>\$ 188,312</u>

NOTE 6 - NONSPENDABLE FUND BALANCES

At December 31, 2014, the Town has the following nonspendable fund balances:

Nonmajor capital project funds (Schedule F)	<u>\$ 13,415</u>
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NOTE 7 – RESTRICTED FUND BALANCES

At December 31, 2014, the Town has the following restricted fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 212,676
Nonmajor permanent funds (Schedule H)	59,456
	<u>\$ 272,132</u>

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 8 – COMMITTED FUND BALANCE

At December 31, 2014, the Town has the following committed fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 35,233
Nonmajor capital project funds (Schedule F)	<u>530,437</u>
	<u><u>\$ 565,670</u></u>

NOTE 9 – RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the Town carries commercial insurance. Specific insurance related to these categories includes general, police and public officials liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 10 – CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF STONINGTON, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 11 – EXPENDITURES OVER APPROPRIATIONS

The Town had the following overspent appropriations at December 31, 2014:

Code enforcement	\$ 856
Town roads	15,308
Moose Island Causeway debt service	2,894
Economic development	775
Tax discounts	1,240
Hancock County Planning	65
	<u>\$ 21,138</u>

NOTE 12 - DEFICIT FUND BALANCES

The following funds have deficit fund balances as of December 31, 2014:

Nonmajor special revenue funds:	
Colwell Ramp	\$ 4,725
Moose Island Survey	980
MMA Safety Grant	8,099
CDBG Grant	738
CDBG Grant	312
SHIP Grant	24,136
	<u>\$ 38,990</u>

NOTE 13 - OVERLAPPING DEBT

The Town's proportionate share of debt of the County of Hancock and CSD #13 has not been recorded in the financial statement of the Town of Stonington. It is not required to be recorded in order for the financial statements to conform to generally accepted accounting principles. As of December 31, 2014, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Hancock	\$ 3,415,373	2.25%	\$ 76,846
CSD No. 13	2,515,885	29.10	732,123
			<u>\$ 808,968</u>

TOWN OF STONINGTON, MAINE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

NOTE 14 - JOINT VENTURE

The Town of Stonington is a member of the Joint Venture of the Equity Charter Municipalities of Municipal Review Committee, Inc. (Joint Venture). The Joint Venture is an organization that resulted from a contractual arrangement between certain member municipalities, Penobscot Energy Recovery Company (PERC) and Bangor Hydro Electric Company. It was formed to pool resources of the Equity Charter Municipalities for the long-term goal of handling the disposal of their present and projected volumes of non-hazardous municipal solid waste. As of December 31, 2014 (most recent data available), the Town of Stonington's share of the Joint Venture's net position was \$192,453. Complete financial statements may be obtained from the Municipal Review Committee, 40 Harlow Street, Bangor, Maine 04401.

NOTE 15 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual General Fund

## TOWN OF STONINGTON, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 1,058,688	\$ 1,058,688	\$ 1,058,688	\$ -
Resources (Inflows):				
Property taxes	3,215,278	3,215,278	3,233,278	18,000
Excise taxes	200,000	200,000	238,344	38,344
Intergovernmental	62,844	62,844	60,574	(2,270)
Charges for services	71,700	71,700	78,360	6,660
Interest / costs on liens	6,000	6,000	23,015	17,015
Investment income - net	1,500	1,500	2,644	1,144
Other revenues	7,200	7,200	90,670	83,470
Transfers from other funds	4,600	5,489	889	(4,600)
Amounts Available for Appropriation	<u>4,627,810</u>	<u>4,628,699</u>	<u>4,786,462</u>	<u>157,763</u>
Charges to Appropriations (Outflows):				
General government	308,777	330,777	324,785	5,992
Public safety	210,588	206,855	200,115	6,740
Health and sanitation	239,950	239,950	213,864	26,086
Public works	512,990	512,990	518,997	(6,007)
Special assessments	2,059,171	2,059,171	2,059,171	-
Social services	16,305	16,305	14,305	2,000
Culture and recreation	19,720	20,609	18,129	2,480
Unclassified	105,071	105,071	92,259	12,812
Debt service	71,800	71,800	72,916	(1,116)
Transfers to other funds	139,100	142,833	142,833	-
Total Charges to Appropriation	<u>3,683,472</u>	<u>3,706,361</u>	<u>3,657,374</u>	<u>48,987</u>
Budgetary Fund Balance, December 31	<u>\$ 944,338</u>	<u>\$ 922,338</u>	<u>\$ 1,129,088</u>	<u>\$ 206,750</u>
Utilization of unassigned fund balance	<u>\$ 114,350</u>	<u>\$ 136,350</u>	<u>\$ -</u>	<u>\$ (136,350)</u>

See accompanying independent auditors' report and notes to financial statements.

### Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Schedule of General Fund Revenues- Budget and Actual
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Project Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of Capital Assets by Function
- Schedule of Changes in Capital Assets by Function

## TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriations	Budget Adjustments	Total Available	Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Administration	\$ 83,375	\$ 22,000	\$ 105,375	\$ 101,745	\$ 3,630
Wages, salaries and taxes	151,152	-	151,152	149,686	1,466
Employee healthcare	53,500	-	53,500	53,430	70
Town hall maintenance	18,800	-	18,800	18,302	498
Planning board	1,700	-	1,700	1,544	156
Appeals board	250	-	250	78	172
Total	308,777	22,000	330,777	324,785	5,992
<b>PUBLIC SAFETY</b>					
Animal control	9,250	-	9,250	1,992	7,258
Hydrant rental	59,000	-	59,000	59,000	-
Code enforcement	12,600	-	12,600	13,456	(856)
Health officer	250	-	250	250	-
Fire department	49,000	(3,733)	45,267	45,267	-
911-Road signs	600	-	600	600	-
Sheriff services	69,888	-	69,888	69,552	336
Street lights	10,000	-	10,000	9,998	2
Total	210,588	(3,733)	206,855	200,115	6,740
<b>HEALTH AND SANITATION</b>					
Transfer station	239,950	-	239,950	213,864	26,086
Total	239,950	-	239,950	213,864	26,086

## TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Appropriations	Budget Adjustments	Total Available	Expenditures	Variance Positive (Negative)
<b>PUBLIC WORKS</b>					
Town roads	259,690	-	259,690	274,998	(15,308)
Winter roads	193,100	-	193,100	188,530	4,570
Equipment	46,500	-	46,500	42,555	3,945
Town garage	11,700	-	11,700	10,914	786
Colwell ramp	2,000	-	2,000	2,000	-
Total	512,990	-	512,990	518,997	(6,007)
<b>SPECIAL ASSESSMENTS</b>					
School	1,943,150	-	1,943,150	1,943,150	-
County tax	116,021	-	116,021	116,021	-
Total	2,059,171	-	2,059,171	2,059,171	-
<b>SOCIAL SERVICES</b>					
General assistance	2,500	-	2,500	500	2,000
Hancock County Homecare	7,526	-	7,526	7,526	-
Eastern Area Agency on Aging	1,300	-	1,300	1,300	-
WHCA	3,729	-	3,729	3,729	-
YMCA	750	-	750	750	-
American Red Cross	500	-	500	500	-
Total	16,305	-	16,305	14,305	2,000
<b>CULTURE AND RECREATION</b>					
Stonington Library	4,000	-	4,000	4,000	-
Island Recreation Board	1,500	-	1,500	1,500	-
Athletic field	2,000	889	2,889	2,889	-
Town parks	12,220	-	12,220	9,740	2,480
Total	19,720	889	20,609	18,129	2,480

## TOWN OF STONINGTON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>	<u>Budget Adjustments</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Variance Positive (Negative)</u>
<b>DEBT SERVICE</b>					
Backhoe	16,400	-	16,400	16,370	30
Fire truck	20,656	-	20,656	18,908	1,748
Moose island causeway	34,744	-	34,744	37,638	(2,894)
Total	<u>71,800</u>	<u>-</u>	<u>71,800</u>	<u>72,916</u>	<u>(1,116)</u>
<b>UNCLASSIFIED</b>					
Downeast Transportation	800	-	800	800	-
Economic Development	15,000	-	15,000	15,775	(775)
Hancock County RCC	4,000	-	4,000	3,996	4
Fourth of July	3,000	-	3,000	3,000	-
Child & Family opportunities	1,200	-	1,200	1,200	-
Healthy Island	2,500	-	2,500	2,500	-
Hancock County Planning	1,120	-	1,120	1,185	(65)
Chamber of Commerce	600	-	600	600	-
Memorial Day	450	-	450	450	-
Hospice of Hancock County	600	-	600	600	-
Island community center	10,800	-	10,800	10,800	-
Tax discounts	21,500	-	21,500	22,740	(1,240)
Sand beach	7,300	-	7,300	5,985	1,315
Cemeteries	4,500	-	4,500	3,239	1,261
Overlay/Abatements	31,701	-	31,701	19,389	12,312
Total	<u>105,071</u>	<u>-</u>	<u>105,071</u>	<u>92,259</u>	<u>12,812</u>
Transfer to other funds	<u>139,100</u>	<u>3,733</u>	<u>142,833</u>	<u>142,833</u>	<u>-</u>
Total	<u>139,100</u>	<u>3,733</u>	<u>142,833</u>	<u>142,833</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 3,683,472</u>	<u>\$ 22,889</u>	<u>\$ 3,706,361</u>	<u>\$ 3,657,374</u>	<u>\$ 48,987</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

SCHEDULE OF GENERAL FUND REVENUES – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 3,215,278	\$ 3,215,278	\$ 3,233,278	\$ 18,000
Excise taxes:				
Auto excise	200,000	200,000	238,344	38,344
Intergovernmental revenues:				
State revenue sharing	23,703	23,703	21,251	(2,452)
Homestead exemption	18,883	18,883	17,719	(1,164)
Local road assistance	11,400	11,400	18,852	7,452
BETE reimbursement	608	608	-	(608)
Tree growth	1,000	1,000	2,105	1,105
General assistance	3,000	3,000	-	(3,000)
Other intergovernmental	4,250	4,250	647	(3,603)
Interest/Investment income-net	1,500	1,500	2,644	1,144
Interest/Costs on liens	6,000	6,000	23,015	17,015
Charges for services:				
Municipal agent fees	8,500	8,500	9,534	1,034
Snow removal contract	12,000	12,000	11,395	(605)
Building permits	5,000	5,000	8,150	3,150
Tipping fees	25,000	25,000	23,330	(1,670)
Demo debris income	13,000	13,000	14,421	1,421
Trash fees	4,000	4,000	4,807	807
Other fees	1,700	1,700	3,966	2,266
In lieu of taxes	2,500	2,500	2,757	257
Other income:				
CATV fee	3,000	3,000	3,667	667
Sale of town owned property (net)	-	-	65,149	65,149
Miscellaneous	4,200	4,200	21,854	17,654
TOTAL REVENUES	<u>3,564,522</u>	<u>3,564,522</u>	<u>3,726,885</u>	<u>162,363</u>
OTHER FINANCING SOURCES				
Transfers in	<u>4,600</u>	<u>5,489</u>	<u>889</u>	<u>(4,600)</u>
TOTAL OTHER FINANCING SOURCES	<u>4,600</u>	<u>5,489</u>	<u>889</u>	<u>(4,600)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 3,569,122</u>	<u>\$ 3,570,011</u>	<u>\$ 3,727,774</u>	<u>\$ 157,763</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 112,415	\$ 556,107	\$ 59,905	\$ 728,427
Due from other funds	68,875	73,169	-	142,044
Inventory	-	13,415	-	13,415
Loans receivable	68,822	-	-	68,822
<b>TOTAL ASSETS</b>	<u>\$ 250,112</u>	<u>\$ 642,691</u>	<u>\$ 59,905</u>	<u>\$ 952,708</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 3,997	\$ -	\$ 3,997
Due to other funds	41,193	94,842	449	136,484
<b>TOTAL LIABILITIES</b>	<u>41,193</u>	<u>98,839</u>	<u>449</u>	<u>140,481</u>
<b>FUND BALANCES</b>				
Nonspendable	-	13,415	-	13,415
Restricted	212,676	-	59,456	272,132
Committed	35,233	530,437	-	565,670
Assigned	-	-	-	-
Unassigned	(38,990)	-	-	(38,990)
<b>TOTAL FUND BALANCES</b>	<u>208,919</u>	<u>543,852</u>	<u>59,456</u>	<u>812,227</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 250,112</u>	<u>\$ 642,691</u>	<u>\$ 59,905</u>	<u>\$ 952,708</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental income	\$ 50,025	\$ -	\$ -	\$ 50,025
Charges for services	-	189,882	-	189,882
Investment income	112	1,179	197	1,488
Other income	1,084	941,464	-	942,548
TOTAL REVENUES	<u>51,221</u>	<u>1,132,525</u>	<u>197</u>	<u>1,183,943</u>
EXPENDITURES				
Capital outlay	-	86,542	-	86,542
Debt service	-	4,593	-	4,593
Other	19,973	1,037,282	-	1,057,255
TOTAL EXPENDITURES	<u>19,973</u>	<u>1,128,417</u>	<u>-</u>	<u>1,148,390</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>31,248</u>	<u>4,108</u>	<u>197</u>	<u>35,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	145,997	1,342	147,339
Transfers (out)	-	(4,053)	(1,342)	(5,395)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>141,944</u>	<u>-</u>	<u>141,944</u>
NET CHANGE IN FUND BALANCES	31,248	146,052	197	177,497
FUND BALANCES - JANUARY 1	<u>177,671</u>	<u>397,800</u>	<u>59,259</u>	<u>634,730</u>
FUND BALANCES - DECEMBER 31	<u>\$ 208,919</u>	<u>\$ 543,852</u>	<u>\$ 59,456</u>	<u>\$ 812,227</u>

See accompanying independent auditors' report and notes to financial statements.

### Special Revenue Funds Description

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

## SCHEDULE D

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET- NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2014

	Colwell Ramp	Moose Island Survey	MMA Safety Grant	CDBG Grant	Lobster Working Group	Bayview Street Repair	Community Center Generator	Urgent Need Grant
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	27,103	543	6,737	18,222	75
Loans receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,103</u>	<u>\$ 543</u>	<u>\$ 6,737</u>	<u>\$ 18,222</u>	<u>\$ 75</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,725	980	8,099	-	-	-	-	-
TOTAL LIABILITIES	<u>4,725</u>	<u>980</u>	<u>8,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	27,103	543	-	-	75
Committed	-	-	-	-	-	6,737	18,222	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(4,725)	(980)	(8,099)	-	-	-	-	-
TOTAL FUND BALANCES	<u>(4,725)</u>	<u>(980)</u>	<u>(8,099)</u>	<u>27,103</u>	<u>543</u>	<u>6,737</u>	<u>18,222</u>	<u>75</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,103</u>	<u>\$ 543</u>	<u>\$ 6,737</u>	<u>\$ 18,222</u>	<u>\$ 75</u>

## SCHEDULE D (CONTINUED)

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET- NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2014

	Heating Fund	Genesis Study	MCF Housing	Microloan Program	CDBG Grant	CDBG Comm Enterprise Microloan	SHIP Grant	Totals
ASSETS								
Cash and cash equivalents	\$ 12,301	\$ -	\$ -	\$ 100,114	\$ -	\$ -	\$ -	\$ 112,415
Due from other funds	-	176	2,000	14,019	-	-	-	68,875
Loans receivable	-	-	-	68,822	-	-	-	68,822
TOTAL ASSETS	<u>\$ 12,301</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,112</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,203	-	-	-	738	312	24,136	41,193
TOTAL LIABILITIES	<u>2,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738</u>	<u>312</u>	<u>24,136</u>	<u>41,193</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	2,000	182,955	-	-	-	212,676
Committed	10,098	176	-	-	-	-	-	35,233
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(738)	(312)	(24,136)	(38,990)
TOTAL FUND BALANCES	<u>10,098</u>	<u>176</u>	<u>2,000</u>	<u>182,955</u>	<u>(738)</u>	<u>(312)</u>	<u>(24,136)</u>	<u>208,919</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,301</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,112</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Colwell Ramp	Moose Island Survey	MMA Safety Grant	CDBG Grant	Lobster Working Group	Bayview Street Repair	Community Center Generator	Urgent Need Grant
REVENUES								
Intergovernmental income	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 20,025	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	47	-	-	-	-	-
TOTAL REVENUES	-	-	47	30,000	-	-	20,025	-
EXPENDITURES								
Other	-	-	8,099	2,897	4,106	-	1,803	-
TOTAL EXPENDITURES	-	-	8,099	2,897	4,106	-	1,803	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(8,052)	27,103	(4,106)	-	18,222	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	(8,052)	27,103	(4,106)	-	18,222	-
FUND BALANCES - JANUARY 1	(4,725)	(980)	(47)	-	4,649	6,737	-	75
FUND BALANCES - DECEMBER 31	<u>\$ (4,725)</u>	<u>\$ (980)</u>	<u>\$ (8,099)</u>	<u>\$ 27,103</u>	<u>\$ 543</u>	<u>\$ 6,737</u>	<u>\$ 18,222</u>	<u>\$ 75</u>

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Heating Fund	Genesis Study	MCF Housing	Microloan Program	CDBG Grant	CDBG Comm Enterprise Microloan	SHIP Grant	Totals
REVENUES								
Intergovernmental income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,025
Investment income	61	-	-	51	-	-	-	112
Other income	865	-	-	172	-	-	-	1,084
TOTAL REVENUES	926	-	-	223	-	-	-	51,221
EXPENDITURES								
Other	3,068	-	-	-	-	-	-	19,973
TOTAL EXPENDITURES	3,068	-	-	-	-	-	-	19,973
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,142)	-	-	223	-	-	-	31,248
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(2,142)	-	-	223	-	-	-	31,248
FUND BALANCES - JANUARY 1	12,240	176	2,000	182,732	(738)	(312)	(24,136)	177,671
FUND BALANCES - DECEMBER 31	<u>\$ 10,098</u>	<u>\$ 176</u>	<u>\$ 2,000</u>	<u>\$ 182,955</u>	<u>\$ (738)</u>	<u>\$ (312)</u>	<u>\$ (24,136)</u>	<u>\$ 208,919</u>

See accompanying independent auditors' report and notes to financial statements.

## Capital Project Funds

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust fund.

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2014

	Airport	Athletic Field	Seawall Reserve	Conservation Commission	Fire Dept Capital	Fish Pier	Gym Building	Harbor
ASSETS								
Cash and cash equivalents	\$ 7,684	\$ 1,365	\$ 91,797	\$ 4,400	\$ 95,108	\$ 129,018	\$ 20,562	\$ 18,149
Due from other funds	1,384	-	-	-	3,982	-	-	66,440
Inventory	-	-	-	-	-	13,415	-	-
TOTAL ASSETS	<u>\$ 9,068</u>	<u>\$ 1,365</u>	<u>\$ 91,797</u>	<u>\$ 4,400</u>	<u>\$ 99,090</u>	<u>\$ 142,433</u>	<u>\$ 20,562</u>	<u>\$ 84,589</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,997	\$ -	\$ -
Due to other funds	1,300	889	9,335	50	-	25,320	4,807	-
TOTAL LIABILITIES	<u>1,300</u>	<u>889</u>	<u>9,335</u>	<u>50</u>	<u>-</u>	<u>29,317</u>	<u>4,807</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	13,415	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	7,768	476	82,462	4,350	99,090	99,701	15,755	84,589
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>7,768</u>	<u>476</u>	<u>82,462</u>	<u>4,350</u>	<u>99,090</u>	<u>113,116</u>	<u>15,755</u>	<u>84,589</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,068</u>	<u>\$ 1,365</u>	<u>\$ 91,797</u>	<u>\$ 4,400</u>	<u>\$ 99,090</u>	<u>\$ 142,433</u>	<u>\$ 20,562</u>	<u>\$ 84,589</u>

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2014

	Moose Island Causeway	Playground Reserve	Rainy Day Reserve	Road Equipment	Public Safety Reserve	School Building	Shellfish
ASSETS							
Cash and cash equivalents	\$ -	\$ 2,535	\$ 15,444	\$ 55,979	\$ -	\$ 27,391	\$ 19,801
Due from other funds	-	-	-	-	-	-	1,363
Inventory	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,535</u>	<u>\$ 15,444</u>	<u>\$ 55,979</u>	<u>\$ -</u>	<u>\$ 27,391</u>	<u>\$ 21,164</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,152	-	43,354	-	2,493	-
TOTAL LIABILITIES	<u>-</u>	<u>2,152</u>	<u>-</u>	<u>43,354</u>	<u>-</u>	<u>2,493</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	383	15,444	12,625	-	24,898	21,164
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>383</u>	<u>15,444</u>	<u>12,625</u>	<u>-</u>	<u>24,898</u>	<u>21,164</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,535</u>	<u>\$ 15,444</u>	<u>\$ 55,979</u>	<u>\$ -</u>	<u>\$ 27,391</u>	<u>\$ 21,164</u>

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2014

	Swimming Pool	Town Hall	Harbor Float	Transfer Station	Unemploy Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 1,815	\$ 19,908	\$ 13,688	\$ 24,300	\$ 7,163	\$ 556,107
Due from other funds	-	-	-	-	-	73,169
Inventory	-	-	-	-	-	13,415
TOTAL ASSETS	<u>\$ 1,815</u>	<u>\$ 19,908</u>	<u>\$ 13,688</u>	<u>\$ 24,300</u>	<u>\$ 7,163</u>	<u>\$ 642,691</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,997
Due to other funds	-	-	-	-	5,142	94,842
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,142</u>	<u>98,839</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	13,415
Restricted	-	-	-	-	-	-
Committed	1,815	19,908	13,688	24,300	2,021	530,437
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,815</u>	<u>19,908</u>	<u>13,688</u>	<u>24,300</u>	<u>2,021</u>	<u>543,852</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,815</u>	<u>\$ 19,908</u>	<u>\$ 13,688</u>	<u>\$ 24,300</u>	<u>\$ 7,163</u>	<u>\$ 642,691</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Airport	Athletic Field	Seawall Reserve	Conservation Commission	Fire Dept Capital	Fish Pier	Gym Building	Harbor
REVENUES								
Charges for services	\$ 769	\$ -	\$ -	\$ -	\$ -	\$ 77,166	\$ 3,000	\$ 65,974
Investment income	26	10	141	15	267	67	72	8
Other income	808	-	-	-	249	893,317	-	22,276
TOTAL REVENUES	<u>1,603</u>	<u>10</u>	<u>141</u>	<u>15</u>	<u>516</u>	<u>970,550</u>	<u>3,072</u>	<u>88,258</u>
EXPENDITURES								
Capital outlay	-	-	8,934	-	-	29,255	5,000	-
Debt service	-	-	-	-	-	-	-	-
Other	1,493	-	-	50	-	942,430	2,807	21,809
TOTAL EXPENDITURES	<u>1,493</u>	<u>-</u>	<u>8,934</u>	<u>50</u>	<u>-</u>	<u>971,685</u>	<u>7,807</u>	<u>21,809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>110</u>	<u>10</u>	<u>(8,793)</u>	<u>(35)</u>	<u>516</u>	<u>(1,135)</u>	<u>(4,735)</u>	<u>66,449</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	80,980	100	13,733	-	2,000	184
Transfers (out)	-	(889)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(889)</u>	<u>80,980</u>	<u>100</u>	<u>13,733</u>	<u>-</u>	<u>2,000</u>	<u>184</u>
NET CHANGE IN FUND BALANCES	110	(879)	72,187	65	14,249	(1,135)	(2,735)	66,633
FUND BALANCES - JANUARY 1	<u>7,658</u>	<u>1,355</u>	<u>10,275</u>	<u>4,285</u>	<u>84,841</u>	<u>114,251</u>	<u>18,490</u>	<u>17,956</u>
FUND BALANCES - DECEMBER 31	<u>\$ 7,768</u>	<u>\$ 476</u>	<u>\$ 82,462</u>	<u>\$ 4,350</u>	<u>\$ 99,090</u>	<u>\$ 113,116</u>	<u>\$ 15,755</u>	<u>\$ 84,589</u>

## SCHEDULE G (CONTINUED)

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Moose Island Causeway	Playground Reserve	Rainy Day Reserve	Road Equipment	Public Safety Reserve	School Building	Shellfish
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,973	\$ -
Investment income	10	8	51	189	-	39	51
Other income	-	774	-	-	-	-	24,040
TOTAL REVENUES	<u>10</u>	<u>782</u>	<u>51</u>	<u>189</u>	<u>-</u>	<u>43,012</u>	<u>24,091</u>
EXPENDITURES							
Capital outlay	-	-	-	43,353	-	-	-
Debt service	-	-	-	-	-	4,593	-
Other	-	-	-	-	-	40,873	22,678
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,353</u>	<u>-</u>	<u>45,466</u>	<u>22,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10</u>	<u>782</u>	<u>51</u>	<u>(43,164)</u>	<u>-</u>	<u>(2,454)</u>	<u>1,413</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	30,000	-	1,000	10,000
Transfers (out)	(2,980)	-	-	-	(184)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,980)</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>(184)</u>	<u>1,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	(2,970)	782	51	(13,164)	(184)	(1,454)	11,413
FUND BALANCES - JANUARY 1	<u>2,970</u>	<u>(399)</u>	<u>15,393</u>	<u>25,789</u>	<u>184</u>	<u>26,352</u>	<u>9,751</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 383</u>	<u>\$ 15,444</u>	<u>\$ 12,625</u>	<u>\$ -</u>	<u>\$ 24,898</u>	<u>\$ 21,164</u>

## SCHEDULE G (CONTINUED)

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Swimming Pool	Town Hall	Harbor Float	Transfer Station	Unemploy Fund	Totals
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,882
Investment income	6	65	48	86	20	1,179
Other income	-	-	-	-	-	941,464
TOTAL REVENUES	<u>6</u>	<u>65</u>	<u>48</u>	<u>86</u>	<u>20</u>	<u>1,132,525</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	86,542
Debt service	-	-	-	-	-	4,593
Other	-	-	-	-	5,142	1,037,282
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,142</u>	<u>1,128,417</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6</u>	<u>65</u>	<u>48</u>	<u>86</u>	<u>(5,122)</u>	<u>4,108</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		2,000	1,000	2,000	3,000	145,997
Transfers (out)	-	-	-	-	-	(4,053)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>2,000</u>	<u>1,000</u>	<u>2,000</u>	<u>3,000</u>	<u>141,944</u>
NET CHANGE IN FUND BALANCES	6	2,065	1,048	2,086	(2,122)	146,052
FUND BALANCES - JANUARY 1	<u>1,809</u>	<u>17,843</u>	<u>12,640</u>	<u>22,214</u>	<u>4,143</u>	<u>397,800</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,815</u>	<u>\$ 19,908</u>	<u>\$ 13,688</u>	<u>\$ 24,300</u>	<u>\$ 2,021</u>	<u>\$ 543,852</u>

See accompanying independent auditors' report and notes to financial statements.

### Permanent Funds

Permanent funds are used to account for assets held by the Town of Stonington, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries.

## TOWN OF STONINGTON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2014

	<u>Cemetery Fund</u>	<u>Bartlett/ McDonald</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 58,563	\$ 1,342	\$ 59,905
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 58,563</u>	<u>\$ 1,342</u>	<u>\$ 59,905</u>
LIABILITIES			
Due to other funds	\$ 449	\$ -	\$ 449
TOTAL LIABILITIES	<u>449</u>	<u>-</u>	<u>449</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	58,114	1,342	59,456
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>58,114</u>	<u>1,342</u>	<u>59,456</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 58,563</u>	<u>\$ 1,342</u>	<u>\$ 59,905</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND  
BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Cemetery Fund	Bartlett/ McDonald	Totals
REVENUES			
Investment income	\$ 197	\$ -	\$ 197
TOTAL REVENUES	<u>197</u>	<u>-</u>	<u>197</u>
EXPENDITURES			
Other	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>197</u>	<u>-</u>	<u>197</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,342	1,342
Transfers (out)	<u>(1,342)</u>	<u>-</u>	<u>(1,342)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,342)</u>	<u>1,342</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,145)	1,342	197
FUND BALANCES - JANUARY 1	<u>59,259</u>	<u>-</u>	<u>59,259</u>
FUND BALANCES - DECEMBER 31	<u>\$ 58,114</u>	<u>\$ 1,342</u>	<u>\$ 59,456</u>

See accompanying independent auditors' report and notes to financial statements.

### General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

## TOWN OF STONINGTON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2014

	Land and Construction in Progress	Buildings, Building Improvements, Land Improvements	Water Mains, Machinery & Equipment, Furniture/Fixtures, Vehicles	Infrastructure	Totals
Administration	\$ 148,800	\$ 493,911	\$ -	\$ -	\$ 642,711
Public safety	385,500	93,400	599,020	-	1,077,920
Public works	81,400	633,060	517,180	175,960	1,407,600
Water department	327,688	7,469	1,801,292	-	2,136,449
Health and sanitation	-	190,600	37,200	-	227,800
Town-wide	<u>5,170,800</u>	<u>1,139,313</u>	<u>191,463</u>	<u>76,462</u>	<u>6,578,038</u>
Total General Capital Assets	<u>6,114,188</u>	<u>2,557,753</u>	<u>3,146,155</u>	<u>252,422</u>	<u>12,070,518</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(1,854,423)</u>	<u>(1,763,977)</u>	<u>(22,108)</u>	<u>(3,640,508)</u>
Net General Capital Assets	<u><u>\$ 6,114,188</u></u>	<u><u>\$ 703,330</u></u>	<u><u>\$ 1,382,178</u></u>	<u><u>\$ 230,314</u></u>	<u><u>\$ 8,430,010</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF STONINGTON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Capital Assets 1/1/14	Additions	Deletions	General Capital Assets 12/31/14
Administration	\$ 642,711	\$ -	\$ -	\$ 642,711
Public safety	1,137,920	-	(60,000)	1,077,920
Public works	1,223,839	196,714	(12,953)	1,407,600
Water department	1,875,919	261,021	(491)	2,136,449
Health and sanitation	290,275	-	(62,475)	227,800
Town-wide	<u>6,488,925</u>	<u>103,348</u>	<u>(14,235)</u>	<u>6,578,038</u>
 Total General Capital Assets	 <u>11,659,589</u>	 <u>561,083</u>	 <u>(150,154)</u>	 <u>12,070,518</u>
 Less: Accumulated Depreciation	 <u>(3,583,025)</u>	 <u>(146,886)</u>	 <u>89,403</u>	 <u>(3,640,508)</u>
 Net General Capital Assets	 <u><u>\$ 8,076,564</u></u>	 <u><u>\$ 414,197</u></u>	 <u><u>\$ (60,751)</u></u>	 <u><u>\$ 8,430,010</u></u>

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