

2015

Audited Financial Statements and Other Financial Information Town of Livermore, Maine June 30, 2015

Livermore, Me.

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Audited Financial Statements and
Other Financial Information

Town of Livermore, Maine

June 30, 2015



Proven Expertise and Integrity

TOWN OF LIVERMORE, MAINE

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JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Livermore
Livermore, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Livermore, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Livermore, Maine as of June 30, 2015, 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 10 and 34 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 Livermore, 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.

R.H.R. Smith & Company

Buxton, Maine
July 23, 2015

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

(UNAUDITED)

The following management's discussion and analysis of Town of Livermore, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Livermore'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, deferred outflows of resources, liabilities and deferred inflows of resources 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 been presented for the following activity:

- *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, education, recreation and culture, cemeteries, library, transfer station and other unclassified.

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 Livermore, 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 Livermore are categorized as one fund type: governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported 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 Livermore presents four 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 funds are the general fund, the cemetery fund and the memorial school 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. 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.

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 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

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 decreased by \$132,687 from \$1,897,077 to \$1,764,390.

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 - decreased to a balance of \$466,550 at the end of this year.

**Table 1
Town of Livermore, Maine
Net Position
June 30,**

	2015	2014
Assets:		
Current and Other Assets	\$ 804,831	\$ 862,095
Capital Assets	1,041,584	1,151,364
Total Assets	1,846,415	2,013,459
Liabilities:		
Current Liabilities	44,153	60,182
Long-term Debt Outstanding	30,695	55,491
Total Liabilities	74,848	115,673
Deferred Inflows of Resources:		
Prepaid Taxes	7,177	709
Total Deferred Inflows of Resources	7,177	709
Net Position:		
Net Investment in Capital Assets	992,022	1,055,401
Restricted	305,818	296,522
Unrestricted	466,550	545,154
Total Net Position	\$ 1,764,390	\$ 1,897,077

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.56%, while total expenses increased by 2.64%. Most of the Town's revenues and expenses were consistent with the previous year. The biggest increase in revenues was in property tax revenues while the largest increases in expenses were for general government, education and unclassified.

Table 2
Town of Livermore, Maine
Change in Net Position
For the Years Ended June 30,

	<u>2015</u>	<u>2014</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 52,263	\$ 47,973
Operating grants and contributions	48,780	53,188
<i>General Revenues:</i>		
Taxes	3,016,898	2,962,219
Grants and contributions not restricted to specific programs	141,896	158,047
Miscellaneous	45,316	32,908
Total Revenues	<u>3,305,153</u>	<u>3,254,335</u>
Expenses		
General government	363,259	348,912
Public safety	129,610	127,599
Recreation and culture	18,453	15,372
Public works	691,348	698,339
Education	1,837,909	1,823,548
County tax	194,253	191,902
Cemeteries	22,360	23,035
Library	8,500	8,500
Transfer station	91,909	90,668
Debt service	2,924	5,026
Outside agencies	10,161	10,023
Unclassified	67,154	6,547
Total Expenses	<u>3,437,840</u>	<u>3,349,471</u>
Change in Net Position	(132,687)	(95,136)
Net Position - July 1	<u>1,897,077</u>	<u>1,992,213</u>
Net Position - June 30	<u>\$ 1,764,390</u>	<u>\$ 1,897,077</u>

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 Livermore, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2015</u>	<u>2014</u>
Major Funds:		
General Fund:		
Nonspendable	\$ -	\$ 2,768
Assigned	-	20,473
Unassigned	<u>368,954</u>	<u>393,730</u>
Subtotal General Fund	<u>368,954</u>	<u>416,971</u>
Cemetery Fund:		
Restricted	119,989	112,882
Memorial School Fund:		
Restricted	<u>78,210</u>	<u>78,093</u>
Total Major Funds	<u>\$ 567,153</u>	<u>\$ 607,946</u>
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 4,170	\$ 4,076
Permanent Funds:		
Restricted	<u>107,619</u>	<u>105,547</u>
Total Nonmajor Funds	<u>\$ 111,789</u>	<u>\$ 109,623</u>

The general fund total fund balance decreased by \$48,017 from the prior fiscal year. The other major funds increased by \$7,224 which was due to investment income. The non-major fund balances increased by \$2,166 from the prior fiscal year.

Budgetary Highlights

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

The general fund actual revenues exceeded the budget by \$49,401. This was attributed mostly to property taxes and excise taxes.

The general fund actual expenditures were under the budget by \$60,156. All expenditure categories were under budget with the exception of general government, recreation and culture, and interest on debt service.

Capital Asset and Debt Administration
Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by \$109,780 from the prior year. The decrease is a result of capital additions of \$24,277 less current year depreciation expense of \$134,057. Refer to Note 4 of Notes to Financial Statements for more detailed information.

Table 4
Town of Livermore, Maine
Capital Assets (Net of Depreciation)
June 30,

	2015	2014
Land	\$ 330,455	\$ 330,455
Buildings	137,124	143,997
Building Improvements	19,179	21,131
Equipment	68,329	49,922
Vehicles	255,915	365,252
Infrastructure	230,582	240,607
Total	\$ 1,041,584	\$ 1,151,364

Debt

At June 30, 2015, the Town had \$49,562 in bonds payable outstanding versus \$95,963 last year. Other obligations include accrued vacation and sick time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance remains below a level sufficient to sustain government operations for a period of approximately two months. Reserve accounts for future capital and program needs are also at nominal levels. The Town is working to rebuild these balances to a sufficient level.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Treasurer's Office at 10 Crash Road, Livermore, Maine 04253.

STATEMENT A

TOWN OF LIVERMORE, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 513,266
Investments	101,242
Accounts receivable (net of allowance for uncollectibles):	
Taxes	150,038
Liens	39,966
Other	319
Total current assets	<u>804,831</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	330,455
Infrastructure, buildings and equipment, net of accumulated depreciation	711,129
Total noncurrent assets	<u>1,041,584</u>
TOTAL ASSETS	<u><u>\$ 1,846,415</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 11,031
Payroll related liabilities	2,433
Due to other governments	5,908
Current portion of long-term obligations	24,781
Total current liabilities	<u>44,153</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	24,781
Accrued compensated absences	5,914
Total noncurrent liabilities	<u>30,695</u>
TOTAL LIABILITIES	<u>74,848</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	7,177
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,177</u>
NET POSITION	
Net investment in capital assets	992,022
Restricted: Permanent Funds	305,818
Unrestricted	466,550
TOTAL NET POSITION	<u>1,764,390</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 1,846,415</u></u>

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

TOWN OF LIVERMORE, MAINE

STATEMENT B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue & Changes in Net Position
					Total Governmental Activities
Governmental activities:					
General government	\$ 363,259	\$ 24,974	\$ -	\$ -	\$ (338,285)
Public safety	129,610	2,413	-	-	(127,197)
Recreation and culture	18,453	1,981	-	-	(16,472)
Public works	691,348	15,303	48,780	-	(627,265)
Education	1,837,909	-	-	-	(1,837,909)
County tax	194,253	-	-	-	(194,253)
Cemeteries	22,360	-	-	-	(22,360)
Library	8,500	-	-	-	(8,500)
Transfer station	91,909	7,592	-	-	(84,317)
Interest on long-term debt	2,924	-	-	-	(2,924)
Outside agencies	10,161	-	-	-	(10,161)
Unclassified	67,154	-	-	-	(67,154)
Total government	<u>\$ 3,437,840</u>	<u>\$ 52,263</u>	<u>\$ 48,780</u>	<u>\$ -</u>	<u>(3,336,797)</u>

STATEMENT B (CONTINUED)
TOWN OF LIVERMORE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(3,336,797)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	2,653,898
Excise taxes	363,000
Grants and contributions not restricted to specific programs	141,896
Miscellaneous	45,316
Total general revenues	3,204,110
Change in net position	(132,687)
NET POSITION - JULY 1	1,897,077
NET POSITION - JUNE 30	\$ 1,764,390

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

STATEMENT C

TOWN OF LIVERMORE, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Cemetery Fund	Memorial School Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 296,700	\$ 62,820	\$ 78,210	\$ 75,536	\$ 513,266
Investments	-	64,989	-	36,253	101,242
Accounts receivable (net of allowance for uncollectibles):					
Taxes	150,038	-	-	-	150,038
Liens	39,966	-	-	-	39,966
Other	319	-	-	-	319
Due from other funds	7,820	-	-	-	7,820
TOTAL ASSETS	\$ 494,843	\$ 127,809	\$ 78,210	\$ 111,789	\$ 812,651
LIABILITIES					
Accounts payable	\$ 11,031	\$ -	\$ -	\$ -	\$ 11,031
Payroll related liabilities	2,433	-	-	-	2,433
Due to other governments	5,908	-	-	-	5,908
Due to other funds	-	7,820	-	-	7,820
TOTAL LIABILITIES	19,372	7,820	-	-	27,192
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	7,177	-	-	-	7,177
Deferred tax revenues	99,340	-	-	-	99,340
TOTAL DEFERRED INFLOWS OF RESOURCES	106,517	-	-	-	106,517
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	119,989	78,210	107,619	305,818
Committed	-	-	-	-	-
Assigned	-	-	-	4,170	4,170
Unassigned	368,954	-	-	-	368,954
TOTAL FUND BALANCES	368,954	119,989	78,210	111,789	678,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 494,843	\$ 127,809	\$ 78,210	\$ 111,789	\$ 812,651

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

TOWN OF LIVERMORE, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

	Total Governmental Funds
Total Fund Balances	\$ 678,942
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	1,041,584
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	99,340
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(49,562)
Accrued compensated absences	(5,914)
Net position of governmental activities	\$ 1,764,390

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

TOWN OF LIVERMORE, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Cemetery Fund	Memorial School Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 2,684,594	\$ -	\$ -	\$ -	\$ 2,684,594
Excise	363,000	-	-	-	363,000
Intergovernmental revenues	190,676	-	-	-	190,676
Charges for services	52,263	-	-	-	52,263
Investment income, net of unrealized gains/(losses)	18,180	7,107	117	3,078	28,482
Miscellaneous revenues	16,734	-	-	100	16,834
TOTAL REVENUES	3,325,447	7,107	117	3,178	3,335,849
EXPENDITURES					
Current:					
General government	359,644	-	-	-	359,644
Public safety	97,811	-	-	-	97,811
Recreation and culture	18,453	-	-	-	18,453
Public works	610,944	-	-	-	610,944
Education	1,837,909	-	-	-	1,837,909
County tax	194,253	-	-	-	194,253
Cemeteries	22,360	-	-	-	22,360
Library	8,500	-	-	-	8,500
Transfer station	87,167	-	-	-	87,167
Outside agencies	10,161	-	-	-	10,161
Unclassified	76,937	-	-	1,012	77,949
Debt service					
Principal	46,401	-	-	-	46,401
Interest	2,924	-	-	-	2,924
TOTAL EXPENDITURES	3,373,464	-	-	1,012	3,374,476
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(48,017)	7,107	117	2,166	(38,627)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(48,017)	7,107	117	2,166	(38,627)
FUND BALANCES - JULY 1	416,971	112,882	78,093	109,623	717,569
FUND BALANCES - JUNE 30	\$ 368,954	\$ 119,989	\$ 78,210	\$ 111,789	\$ 678,942

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

TOWN OF LIVERMORE, 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 JUNE 30, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (38,627)</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 to allocated those expenditures over the life of the assets:	
Capital asset purchases	24,277
Depreciation expense	<u>(134,057)</u>
	<u>(109,780)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>46,401</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>15</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>(30,696)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (132,687)</u></u>

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

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Livermore was incorporated under the laws of the State of Maine. The Town operates under selectmen-treasurer form of government and provides the following services: general government services, public safety, public works, recreation and culture, education, and transfer station.

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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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 governmental. The Town categorizes all activities of the Town as governmental.

In the government-wide Statement of Net Position, the governmental 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.

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (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. Operating grants include 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.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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. 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.

The emphasis in fund financial statements is on the major funds in governmental 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.

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.

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Town'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 financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

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. 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

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 the Governmental Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2015.

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 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.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

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 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. As of June 30, 2015, the Town's liability for compensated absences is \$5,914.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt 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 its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

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.

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,

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 August 26, 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 in two installments on November 17, 2014 and April 15, 2015. Interest on unpaid taxes commenced on November 18, 2014 and April 16, 2015, 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.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$72,584 for the year ended June 30, 2015.

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.

Program Revenues

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

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.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 June 30, 2015, the Town's cash balances amounting to \$513,266 were comprised of bank deposits of \$811,747. All of these bank deposits were fully insured by federal depository insurance or collateralized with securities held by the financial institution in the Town's name or covered by Securities Investor Protection Corporation (SIPC).

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 229,571
Sweep accounts	578,864
Money market accounts	3,312
	<u>\$ 811,747</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 June 30, 2015, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1-5 Years</u>
Mutual Funds	\$ 101,242	\$ 101,242	\$ -	\$ -
	<u>\$ 101,242</u>	<u>\$ 101,242</u>	<u>\$ -</u>	<u>\$ -</u>

In accordance with its investment policy, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. As such, the Town's investments of \$101,242 were fully covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk.

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of the following individual fund receivables and payables:

	Receivables <u>(Due from)</u>	Payables <u>(Due to)</u>
General fund	\$ 7,820	\$ -
Cemetery fund	-	7,820
	<u>\$ 7,820</u>	<u>\$ 7,820</u>

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2015:

	<u>Balance, 7/1/14</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, 6/30/15</u>
Governmental activities:				
Non-depreciated assets:				
Land	\$ 330,455	\$ -	\$ -	\$ 330,455
Depreciated assets:				
Buildings	418,380	-	-	418,380
Building Improvements	39,039	-	-	39,039
Equipment	257,256	24,277	(30,000)	251,533
Vehicles	1,036,461	-	-	1,036,461
Infrastructure	250,632	-	-	250,632
	<u>2,001,768</u>	<u>24,277</u>	<u>(30,000)</u>	<u>1,996,045</u>
Less: accumulated depreciation	<u>(1,180,859)</u>	<u>(134,057)</u>	<u>30,000</u>	<u>(1,284,916)</u>
	<u>820,909</u>	<u>(109,780)</u>	<u>-</u>	<u>711,129</u>
Net capital assets	<u>\$ 1,151,364</u>	<u>\$ (109,780)</u>	<u>\$ -</u>	<u>\$ 1,041,584</u>
<u>Current year depreciation:</u>				
Administration				\$ 3,630
Fire Department				31,799
Highway				93,434
Transfer Station				4,742
Town-wide				452
Total depreciation expense				<u>\$ 134,057</u>

TOWN OF LIVERMORE, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2015:

	Balance, 7/1/14	Additions	Deletions	Balance, 6/30/15	Current Portion
Bonds payable	\$ 95,963	\$ -	\$ (46,401)	\$ 49,562	\$ 24,781
Accrued compensated absences	5,929	-	(15)	5,914	-
	<u>\$ 101,892</u>	<u>\$ -</u>	<u>\$ (46,416)</u>	<u>\$ 55,476</u>	<u>\$ 24,781</u>

The following is a summary of outstanding bonds payable:

\$123,905, 2012 General Obligation note due in annual installments of principal of \$24,781 plus interest through 2017. The interest rate is 2.78% per annum.

\$ 49,562

Principal and interest requirements to maturity for the years ending June 30 are as follows:

	Principal	Interest	Total Debt Service
2016	\$ 24,781	\$ 1,378	\$ 26,159
2017	24,781	689	25,470
2018	-	-	-
2019	-	-	-
2020	-	-	-
	<u>\$ 49,562</u>	<u>\$ 2,067</u>	<u>\$ 51,629</u>

TOWN OF LIVERMORE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - RESTRICTED FUND BALANCES

At June 30, 2015, the Town had the following restricted fund balances:

Cemetery fund	\$ 119,989
Memorial School fund	78,210
Nonmajor permanent funds (Schedule F)	<u>107,619</u>
	<u>\$ 305,818</u>

NOTE 7 - ASSIGNED FUND BALANCES

At June 30, 2015, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	<u>\$ 4,170</u>
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NOTE 8 - CONTINGENCIES

The Town's proportionate share of debt of the County of Androscoggin and Regional School Unit No. 73 has not been recorded in the financial statements of the Town of Livermore. It is not required to be recorded in order for the financial statements to conform to generally accepted accounting principles. The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. As of June 30, 2015, the County of Androscoggin had no outstanding debt. The Town's share of school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU No. 73	\$ 4,805,665	13.76%	<u>\$ 661,260</u>

NOTE 9 - RISK MANAGEMENT

The Town faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protection 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 official's liability coverage, workers compensation, and automobile insurance. The Town is liable for deductibles ranging up to \$5,000 and for settlements exceeding the limits of coverage, which range from \$1,000 to \$2,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

TOWN OF LIVERMORE, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015

NOTE 10 - OVERSPENT APPROPRIATIONS

The Town had the following overspent appropriations at June 30, 2015:

Office administration	\$	3,983
Town charges		3,433
Insurance		656
FICA		1,100
Office equipment		347
Street lights		459
Recreation field		1,920
TAN interest expense		2,455
Debt service - interest		64
		64
	\$	10,434

NOTE 11 - 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.

NOTE 12 - RELATED PARTY TRANSACTIONS

A member of the Town's board of selectmen is related to a part-time highway department employee. During the fiscal year ended June 30, 2015, payments to the part-time highway department employee totaled \$201. We understand that the board of selectmen member recused themselves in any matters concerning the related party.

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 LIVERMORE, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 416,971	\$ 416,971	\$ 416,971	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	2,649,853	2,649,853	2,684,594	34,741
Excise taxes	327,221	327,221	363,000	35,779
Intergovernmental revenues:				
State revenue sharing	78,655	78,655	82,567	3,912
Homestead exemption	52,828	52,828	40,364	(12,464)
Local road assistance	53,000	53,000	48,780	(4,220)
Other	16,073	18,073	18,965	892
Charges for services:				
General government	26,425	26,425	24,974	(1,451)
Public safety	5,400	5,400	2,413	(2,987)
Recreation	1,950	3,241	1,981	(1,260)
Transfer station	8,750	8,750	7,592	(1,158)
Public works	2,900	2,900	15,303	12,403
Interest income	15,000	15,000	18,180	3,180
Miscellaneous revenues	33,500	33,500	16,734	(16,766)
Transfers from other funds	1,200	1,200	-	(1,200)
Amounts Available for Appropriation	<u>3,689,726</u>	<u>3,693,017</u>	<u>3,742,418</u>	<u>49,401</u>
Charges to Appropriations (Outflows):				
General government	357,195	357,195	359,644	(2,449)
Public safety	98,110	100,110	97,811	2,299
Recreation and culture	15,907	17,198	18,453	(1,255)
Public works	616,555	616,555	610,944	5,611
Education	1,837,909	1,837,909	1,837,909	-
County tax	194,253	194,253	194,253	-
Cemeteries	24,850	24,850	22,360	2,490
Library	8,500	8,500	8,500	-
Transfer station	91,394	91,394	87,167	4,227
Outside agencies	10,161	10,161	10,161	-
Other	126,234	126,234	76,937	49,297
Debt service:				
Principal	46,401	46,401	46,401	-
Interest	2,860	2,860	2,924	(64)
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>3,430,329</u>	<u>3,433,620</u>	<u>3,373,464</u>	<u>60,156</u>
Budgetary Fund Balance, June 30	\$ 259,397	\$ 259,397	\$ 368,954	\$ 109,557
Utilization of unassigned fund balance	\$ 157,574	\$ 157,574	\$ -	\$ (157,574)

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
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Statement 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 Permanent Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF LIVERMORE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
Office administration	\$ 132,452	\$ -	\$ 132,452	\$ 136,435	\$ (3,983)
Town charges	44,965	-	44,965	48,398	(3,433)
Retirement	7,446	-	7,446	5,466	1,980
Maintenance	30,225	-	30,225	32,208	(1,983)
Assessing	16,200	-	16,200	16,200	-
Insurance	70,262	-	70,262	70,918	(656)
FICA	26,000	-	26,000	27,100	(1,100)
Planning board	500	-	500	10	490
Legal	5,150	-	5,150	3,230	1,920
CEO/building	13,375	-	13,375	12,534	841
Plumbing	4,565	-	4,565	3,243	1,322
Office equipment	3,555	-	3,555	3,902	(347)
Unemployment	2,500	-	2,500	-	2,500
	<u>357,195</u>	<u>-</u>	<u>357,195</u>	<u>359,644</u>	<u>(2,449)</u>
Public Safety -					
Ambulance	45,301	-	45,301	45,301	-
Fire department	46,588	2,000	48,588	45,830	2,758
Animal shelter	3,771	-	3,771	3,771	-
Street lights	2,450	-	2,450	2,909	(459)
	<u>98,110</u>	<u>2,000</u>	<u>100,110</u>	<u>97,811</u>	<u>2,299</u>
Library	<u>8,500</u>	<u>-</u>	<u>8,500</u>	<u>8,500</u>	<u>-</u>
County tax	<u>194,253</u>	<u>-</u>	<u>194,253</u>	<u>194,253</u>	<u>-</u>
Outside agencies	<u>10,161</u>	<u>-</u>	<u>10,161</u>	<u>10,161</u>	<u>-</u>

SCHEDULE A (CONTINUED)

TOWN OF LIVERMORE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Works -					
Highway capital improvements	280,000	-	280,000	280,000	-
Highway department	336,555	-	336,555	330,944	5,611
	<u>616,555</u>	<u>-</u>	<u>616,555</u>	<u>610,944</u>	<u>5,611</u>
Recreation and Culture					
Recreation committee	179	-	179	-	179
Recreation field	5,770	-	5,770	7,690	(1,920)
Spruce mountain	5,075	-	5,075	5,075	-
Pines conservation area	1,900	-	1,900	1,414	486
Snowmobile club	-	1,291	1,291	1,291	-
AVCOG	2,983	-	2,983	2,983	-
	<u>15,907</u>	<u>1,291</u>	<u>17,198</u>	<u>18,453</u>	<u>(1,255)</u>
Other					
General assistance	6,650	-	6,650	4,704	1,946
TAN interest expenses	-	-	-	2,455	(2,455)
Loader repair	15,000	-	15,000	15,000	-
Compactor	32,000	-	32,000	32,000	-
Overlay	72,584	-	72,584	22,778	49,806
	<u>126,234</u>	<u>-</u>	<u>126,234</u>	<u>76,937</u>	<u>49,297</u>
Cemeteries					
Cemetery	24,850	-	24,850	22,360	2,490
	<u>24,850</u>	<u>-</u>	<u>24,850</u>	<u>22,360</u>	<u>2,490</u>
Transfer station	91,394	-	91,394	87,167	4,227
Debt Service					
Principal	46,401	-	46,401	46,401	-
Interest	2,860	-	2,860	2,924	(64)
	<u>49,261</u>	<u>-</u>	<u>49,261</u>	<u>49,325</u>	<u>(64)</u>
Education	1,837,909	-	1,837,909	1,837,909	-
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 3,430,329</u>	<u>\$ 3,291</u>	<u>\$ 3,433,620</u>	<u>\$ 3,373,464</u>	<u>\$ 60,156</u>

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

TOWN OF LIVERMORE, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,170	\$ 71,366	\$ 75,536
Investments	-	36,253	36,253
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 4,170</u>	<u>\$ 107,619</u>	<u>\$ 111,789</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	107,619	107,619
Committed	-	-	-
Assigned	4,170	-	4,170
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>4,170</u>	<u>107,619</u>	<u>111,789</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,170</u>	<u>\$ 107,619</u>	<u>\$ 111,789</u>

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

TOWN OF LIVERMORE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ 6	\$ 3,072	\$ 3,078
Miscellaneous income	100	-	100
TOTAL REVENUES	<u>106</u>	<u>3,072</u>	<u>3,178</u>
EXPENDITURES			
Other	12	1,000	1,012
TOTAL EXPENDITURES	<u>12</u>	<u>1,000</u>	<u>1,012</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>94</u>	<u>2,072</u>	<u>2,166</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	94	2,072	2,166
FUND BALANCES - JULY 1	<u>4,076</u>	<u>105,547</u>	<u>109,623</u>
FUND BALANCES - JUNE 30	<u>\$ 4,170</u>	<u>\$ 107,619</u>	<u>\$ 111,789</u>

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

Special Revenue Funds

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.

TOWN OF LIVERMORE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015

	<u>Fire Dept. Fundraising</u>	<u>Totals</u>
ASSETS		
Cash and cash equivalents	\$ 4,170	\$ 4,170
Due from other funds	-	-
TOTAL ASSETS	<u>\$ 4,170</u>	<u>\$ 4,170</u>
LIABILITIES		
Due to other funds	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	4,170	4,170
Unassigned	-	-
TOTAL FUND BALANCES	<u>4,170</u>	<u>4,170</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,170</u>	<u>\$ 4,170</u>

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

TOWN OF LIVERMORE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Fire Dept. Fundraising</u>	<u>Totals</u>
REVENUES		
Interest income	\$ 6	\$ 6
Miscellaneous income	100	100
TOTAL REVENUES	<u> 106</u>	<u> 106</u>
EXPENDITURES		
Other	<u> 12</u>	<u> 12</u>
TOTAL EXPENDITURES	<u> 12</u>	<u> 12</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u> 94</u>	<u> 94</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	<u> -</u>	<u> -</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u> -</u>	<u> -</u>
NET CHANGE IN FUND BALANCES	94	94
FUND BALANCES, JULY 1	<u> 4,076</u>	<u> 4,076</u>
FUND BALANCES, JUNE 30	<u><u> \$ 4,170</u></u>	<u><u> \$ 4,170</u></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 Livermore, 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 the cemeteries.

TOWN OF LIVERMORE, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	<u>Pines Project</u>	<u>Augustus Pollard Fund</u>	<u>Elizabeth Perley Fund</u>	<u>Ministerial</u>	<u>School Trustees</u>	<u>Bicentennial</u>	<u>Totals</u>
ASSETS							
Cash and cash equivalents	\$ 4,477	\$ 16,325	\$ 43,618	\$ 2,623	\$ 2,240	\$ 2,083	\$ 71,366
Investments	-	9,113	-	15,855	11,285	-	36,253
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,477</u>	<u>\$ 25,438</u>	<u>\$ 43,618</u>	<u>\$ 18,478</u>	<u>\$ 13,525</u>	<u>\$ 2,083</u>	<u>107,619</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,477	25,438	43,618	18,478	13,525	2,083	107,619
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>4,477</u>	<u>25,438</u>	<u>43,618</u>	<u>18,478</u>	<u>13,525</u>	<u>2,083</u>	<u>107,619</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,477</u>	<u>\$ 25,438</u>	<u>\$ 43,618</u>	<u>\$ 18,478</u>	<u>\$ 13,525</u>	<u>\$ 2,083</u>	<u>\$ 107,619</u>

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

SCHEDULE G

TOWN OF LIVERMORE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Pines Project	Augustus Pollard Fund	Elizabeth Perley Fund	Ministerial	School Trustees	Bicentennial	Totals
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 6	\$ 62	\$ 65	\$ 1,714	\$ 1,221	\$ 4	\$ 3,072
TOTAL REVENUES	<u>6</u>	<u>62</u>	<u>65</u>	<u>1,714</u>	<u>1,221</u>	<u>4</u>	<u>3,072</u>
EXPENDITURES							
Other	-	1,000	-	-	-	-	1,000
TOTAL EXPENDITURES	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>6</u>	<u>(938)</u>	<u>65</u>	<u>1,714</u>	<u>1,221</u>	<u>4</u>	<u>2,072</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>6</u>	<u>(938)</u>	<u>65</u>	<u>1,714</u>	<u>1,221</u>	<u>4</u>	<u>2,072</u>
FUND BALANCES - JULY 1	<u>4,471</u>	<u>26,376</u>	<u>43,553</u>	<u>16,764</u>	<u>12,304</u>	<u>2,079</u>	<u>105,547</u>
FUND BALANCES - JUNE 30	<u>\$ 4,477</u>	<u>\$ 25,438</u>	<u>\$ 43,618</u>	<u>\$ 18,478</u>	<u>\$ 13,525</u>	<u>\$ 2,083</u>	<u>\$ 107,619</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.

SCHEDULE H

TOWN OF LIVERMORE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Administration	\$ 14,600	\$ 252,000	\$ -	\$ -	\$ 266,600
Fire Department	-	-	622,784	-	622,784
Highway Department	21,400	121,800	607,298	250,632	1,001,130
Transfer Station	25,825	74,580	39,412	-	139,817
Recreation and Culture	77,765	-	-	-	77,765
Cemetery	106,025	-	-	-	106,025
Town-wide	84,840	9,039	18,500	-	112,379
Total General Capital Assets	330,455	457,419	1,287,994	250,632	2,326,500
Less: Accumulated Depreciation	-	(301,116)	(963,750)	(20,050)	(1,284,916)
Net General Capital Assets	\$ 330,455	\$ 156,303	\$ 324,244	\$ 230,582	\$ 1,041,584

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

TOWN OF LIVERMORE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2015

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
Administration	\$ 266,600	\$ -	\$ -	\$ 266,600
Fire Department	622,784	-	-	622,784
Highway Department	1,018,100	13,030	(30,000)	1,001,130
Transfer Station	128,570	11,247	-	139,817
Recreation and Culture	77,765	-	-	77,765
Cemetery	106,025	-	-	106,025
Town-wide	112,379	-	-	112,379
Total General Capital Assets	2,332,223	24,277	(30,000)	2,326,500
Less: Accumulated Depreciation	<u>(1,180,859)</u>	<u>(134,057)</u>	<u>30,000</u>	<u>(1,284,916)</u>
Net General Capital Assets	<u>\$ 1,151,364</u>	<u>\$ (109,780)</u>	<u>\$ -</u>	<u>\$ 1,041,584</u>

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