

2014

# Financial Statements Town of Northport, Maine June 30, 2014

Northport, Me.

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**Financial Statements**

**Town of Northport, Maine**

**June 30, 2014**

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## Town of Northport, Maine

June 30, 2014

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## **Independent Auditors' Report**

**To the Selectboard  
Town of Northport  
Northport, Maine**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Northport, Maine, as of and for the year ended June 30, 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## 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 Northport, Maine as of June 30, 2014, and the respective changes in financial position 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 on page 3 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 Northport, Maine's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Purdy Powers & Company*  
Professional Association

Portland, Maine  
December 03, 2014



# Town of Northport

16 Beech Hill Road  
(207) 338-3819

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• (207) 338-3596 (Fax)

[www.northportmaine.org](http://www.northportmaine.org)

*A community of neighbors, a tradition of caring since 1796*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Town of Northport's financial performance provides an overview of the Town's financial activities for the year ended June 30, 2014. Please read it in conjunction with the Town's financial statements.

### Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented next. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

### Reporting the Town as a Whole

#### The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and the current year change in net position. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The Statement of Activities reports the current year change in net position. This statement includes all of the current year's revenues and expenses regardless of when cash is received or paid.

- Governmental activities - Most of the Town's basic services are reported here, including the fire protection, general administration, road maintenance, funding of education to RSU # 20, county tax payments, cemetery care, health and sanitation, and recreation. Property and excise taxes, state and federal grants, and miscellaneous reimbursements and fees finance most of these activities.

### Reporting the Town's Most Significant Funds Fund Financial Statements

Our analysis of the Town's major funds begins with the fund financial statements on page 6 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by State law. However, the Selectboard establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's funds-governmental accounting approach is as follows:

- Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation on pages 7 and 9.

### THE TOWN AS A WHOLE

For the years ended June 30, 2014 and 2013, net position changed as follows:

	2014	2013
<b>Governmental Activities</b>		
Beginning net position	\$ 4,798,490	\$ 4,798,490
Increase (decrease) in net position	<u>157,589</u>	<u>(24,884)</u>
Ending net position	<u>\$ 4,931,195</u>	<u>\$ 4,773,606</u>

That reflects an increase of 3.3% for governmental activities in 2014 and a 0.5% decrease in 2013.

Higher tax revenue and favorable budget to actual outcomes (refer to page 10) account for the slight increase in the Town's Net Position.

## Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Building permits, planning board receipts, tax interest and charges, and fines
Health and sanitation	Landfill receipts and transfer station reimbursements
Public works	Local road assistance

All other governmental revenues are reported as miscellaneous. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

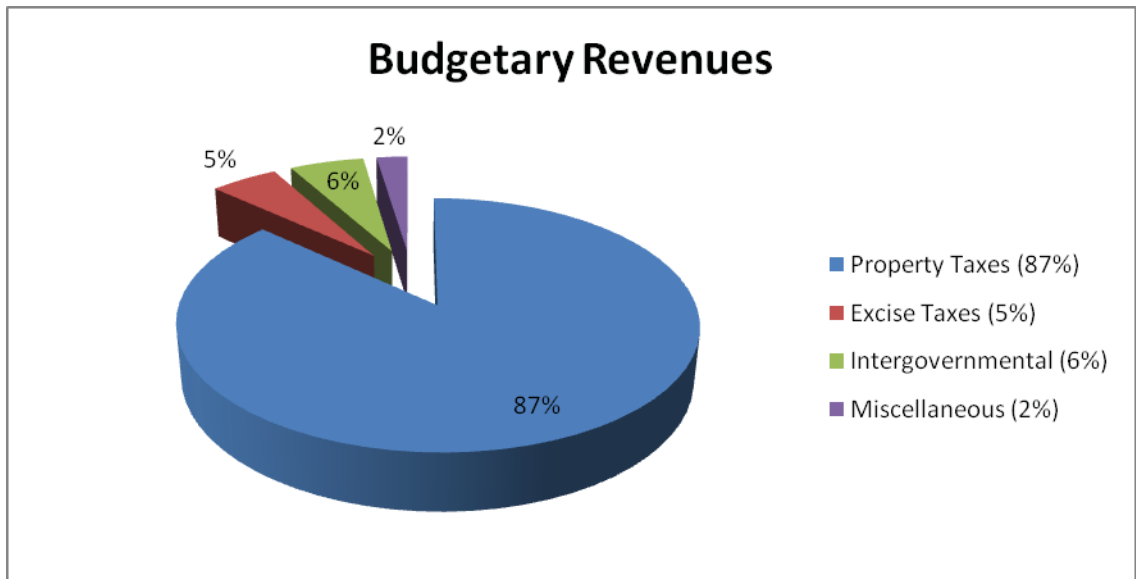
## THE TOWN'S FUNDS

The following schedule presents a summary of general fund revenues and expenditures on a budgetary basis for the fiscal years ended June 30, 2014, and 2013, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenue</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2013</u>	<u>%</u> <u>Increase</u> <u>(Decrease)</u>
Property taxes	\$ 4,155,951	\$ 3,830,930	\$ 325,021	8.5%
Excise taxes	245,260	231,179	14,081	0.6%
Intergovernmental	271,727	147,784	123,943	8.1%
Miscellaneous	113,322	128,681	(15,359)	(11.9%)
Total Revenue	<u>\$ 4,786,260</u>	<u>\$ 4,338,574</u>	<u>\$ 447,686</u>	<u>10.3%</u>



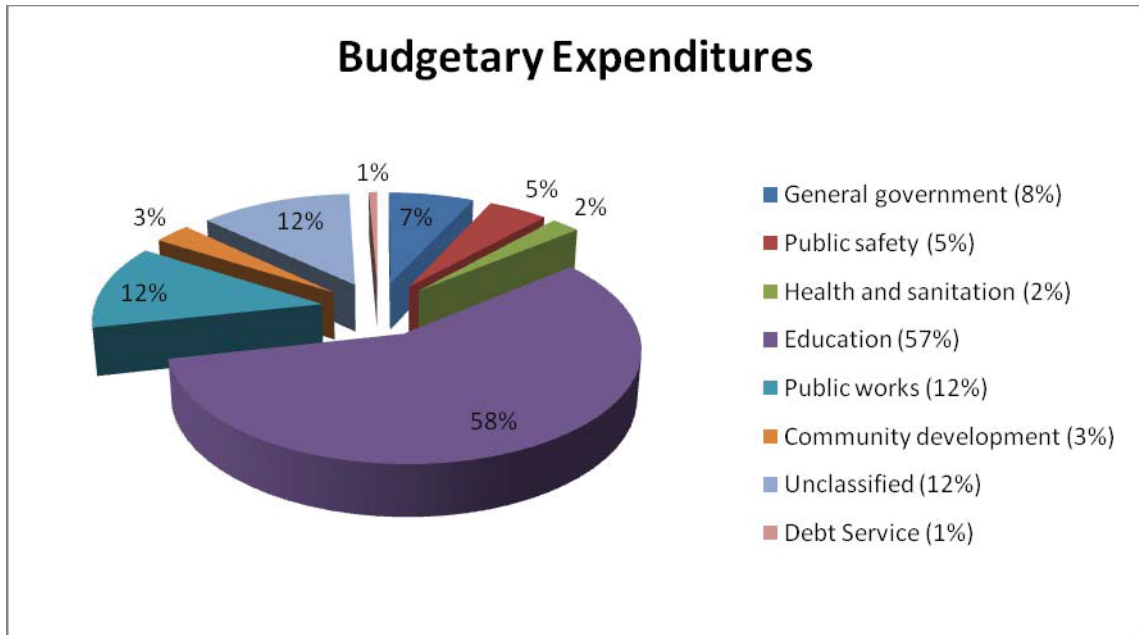
The Town's general fund operating fund revenues on a budgetary basis were as follows:



The Town saw a slight increase in Revenues with more property taxes paid. However, this also reflects a decrease in Miscellaneous Income with tax interest and charges being less than the prior year. Miscellaneous Income continues to be sluggish with less Revenue Sharing from the State. A Community Development Block Grant (CDBG) is also reflected in the Intergovernmental Fund.

<u>Expenditures</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Increase</u> <u>(Decrease)</u>
<i>General government</i>	\$ 346,216	\$ 334,250	\$ 11,966	3.6 %
<i>Public safety</i>	242,927	102,371	140,556	(18.5%)
<i>Health and sanitation</i>	117,977	94,327	23,650	(0.7%)
<i>Education</i>	2,885,679	2,679,881	205,798	16.9%
<i>Public works</i>	625,666	432,749	192,917	(33.7%)
<i>Community development</i>	150,122	- - -	150,122	100.0%
<i>Unclassified</i>	618,825	598,716	19,609	3.3%
<i>Debt Service</i>	34,056	34,056	- - -	- - -
<b>Total Expenditures</b>	<u>\$ 5,021,468</u>	<u>\$ 4,276,350</u>	<u>\$ 744,618</u>	<u>17.4%</u>

The Town's general fund operating fund expenditures on a budgetary basis were as follows:



An increase in expenditures can most notably be attributed to the major reconstruction of Hart Road in Public Works; a substantial increase in Education and the CDBG grant also showed as an expense when it was paid out.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

No budget amendments were made for the year ended June 30, 2014. The budget to actual comparison is shown on page 10.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2014, the Town had \$4 million invested in capital assets including fire trucks, equipment, buildings, and town owned roads. (See table below.)

	<b>Governmental Activities</b>	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Land	\$ 129,903	\$ 129,903
Construction in Progress	15,946	- - -
Buildings	593,448	593,448
Equipment	81,450	81,450
Vehicles	594,293	444,293
Infrastructure	<u>3,058,557</u>	<u>2,732,503</u>
Totals	<u>\$ 4,473,597</u>	<u>\$ 3,981,597</u>

Capital Assets increased with the purchase of two refurbished fire trucks; the improvements/reconstruction of Hart Road; and the start of improvements to Saturday Cove noted in the Construction in Progress account.

### Debt

At year end, the Town had \$97,779 in general obligation debt. The Town continues to pay down the loan for the Sand and Salt Garage.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Northport residents voted in November 2014 to withdraw from RSU #20 and form our own Municipal School. Although there will be start-up costs, independent reports show that overall there will be a cost savings. Until the School Board is elected, and a school budget prepared, those costs are unknown. How these costs will affect the Municipal budget and tax mil rate are not known at this time.

## CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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.

Town of Northport  
Barbara Ashley, Administrator  
16 Beech Hill Road  
Northport, ME 04849  
Phone: (207)338-3819

## Statement of Net Position

### Town of Northport, Maine

As of June 30, 2014

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 1,382,162
Investments	8,140
Accounts receivable	8,023
Taxes receivable	213,217
Tax liens receivable	86,758
Tax acquired property	240
Capital assets, net of accumulated depreciation	<u>3,352,875</u>
<b>Total Assets</b>	<b>5,051,415</b>
<b>Liabilities</b>	
Accounts payable	18,490
Taxes paid in advance	3,951
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	31,891
Portion due or payable after one year:	
Bond payable	<u>65,888</u>
<b>Total Liabilities</b>	<b><u>120,220</u></b>
<b>Net Position</b>	
Net investment in capital assets	3,255,096
Restricted:	
Nonexpendable	12,580
Expendable	12,671
Unrestricted	<u>1,650,848</u>
<b>Net Position</b>	<b><u>\$ 4,931,195</u></b>

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

Statement of Activities

Town of Northport, Maine

For the Year Ended June 30, 2014

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Position
<b>Governmental Activities:</b>					<b>Governmental Activities</b>
General government	\$ 355,975	\$ 47,304	\$ -	\$ -	\$ (308,671)
Public safety	130,231	-	165	-	(130,066)
Health and sanitation	117,977	53,896	-	-	(64,081)
Education	2,885,679	-	-	-	(2,885,679)
Public works	364,359	-	37,280	-	(327,079)
Community development	150,122	-	150,122	-	-
Unclassified	603,525	-	1,236	-	(602,289)
Interest on long term debt	<u>2,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,961)</u>
<b>Total Governmental Activities</b>	<b><u>\$ 4,610,829</u></b>	<b><u>\$ 101,200</u></b>	<b><u>\$ 188,803</u></b>	<b><u>\$ -</u></b>	<b>(4,320,826)</b>
General revenues:					
Taxes:					
Property taxes					4,128,951
Excise taxes					245,260
Interest income					7,378
Intergovernmental					82,924
Miscellaneous					<u>13,902</u>
<b>Total General Revenues</b>					<b><u>4,478,415</u></b>
<b>Change in Net Position</b>					<b>157,589</b>
Net position at beginning of year					<u>4,773,606</u>
<b>Net Position at End of Year</b>					<b><u>\$ 4,931,195</u></b>

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

## Balance Sheet - Governmental Funds

### Town of Northport, Maine

As of June 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 1,365,051	\$ 17,111	\$ 1,382,162
Investments	-	8,140	8,140
Accounts receivable	8,023	-	8,023
Taxes receivable	213,217	-	213,217
Tax liens	86,758	-	86,758
Tax acquired property	240	-	240
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Assets</b>	<b><u>\$ 1,673,289</u></b>	<b><u>\$ 25,251</u></b>	<b><u>\$ 1,698,540</u></b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 18,490	\$ -	\$ 18,490
Taxes paid in advance	3,951	-	3,951
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Liabilities</b>	<b>22,441</b>	<b>-</b>	<b>22,441</b>
 <b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	173,000	-	173,000
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Deferred Inflows of Resources</b>	<b>173,000</b>	<b>-</b>	<b>173,000</b>
 <b>Fund Balances</b>			
Nonspendable:			
Permanent funds	-	12,580	12,580
Restricted:			
Permanent funds	-	12,671	12,671
Assigned:			
General fund	604,395	-	604,395
Unassigned:			
General fund	873,453	-	873,453
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Fund Balances</b>	<b><u>1,477,848</u></b>	<b><u>25,251</u></b>	<b><u>1,503,099</u></b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
	<b><u>\$ 1,673,289</u></b>	<b><u>\$ 25,251</u></b>	<b><u>\$ 1,698,540</u></b>

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

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Position**

**Town of Northport, Maine**

**As of June 30, 2014**

**Total Fund Balances - Governmental Funds** \$ 1,503,099

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 as assets in governmental  
funds. The cost of capital assets, net of accumulated depreciation is: 3,352,875

Property tax revenues are presented on the modified accrual basis  
of accounting in the governmental funds but in the Statement of  
Activities, property tax revenue is reported under the accrual method.  
The balance in unavailable revenue - property taxes in the  
governmental funds as a deferred inflow is: 173,000

Long-term liabilities are not due and payable in the current period  
and therefore are not reported as liabilities in the funds. Long-term  
and related liabilities at year-end consist of:  
Bond payable (97,779)

**Net Position - Governmental Activities** \$ 4,931,195

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	General	Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ 4,155,951	\$ -	\$ 4,155,951
Excise taxes	245,260	-	245,260
Intergovernmental	271,727	-	271,727
Miscellaneous	121,937	543	122,480
<b>Total Revenues</b>	<u>4,794,875</u>	<u>543</u>	<u>4,795,418</u>
<b>Expenditures</b>			
Current			
General government	346,216	-	346,216
Public safety	242,927	-	242,927
Health and sanitation	117,977	-	117,977
Education	2,885,679	-	2,885,679
Public works	625,666	-	625,666
Community development	150,122	-	150,122
Unclassified	618,825	646	619,471
Debt service - principal	31,095	-	31,095
- interest	2,961	-	2,961
<b>Total Expenditures</b>	<u>5,021,468</u>	<u>646</u>	<u>5,022,114</u>
<b>Revenues Over (Under) Expenditures</b>	(226,593)	(103)	(226,696)
Fund balances at beginning of year	<u>1,704,441</u>	<u>25,354</u>	<u>1,729,795</u>
<b>Fund Balances at End of Year</b>	<u>\$ 1,477,848</u>	<u>\$ 25,251</u>	<u>\$ 1,503,099</u>

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



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

## Town of Northport, Maine

As of June 30, 2014

**Net Change in Fund Balances - Total Governmental Funds** \$ (226,696)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differed from capital asset additions in the current period:

Additions to capital assets	\$ 492,000	
Depreciation expense	<u>(111,810)</u>	
		380,190

Debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments in the current period:

Principal portion of debt service payments		31,095
--	--	--------

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in unavailable revenue - property tax revenue reported in the governmental funds and not in the Statement of Activities is:

(27,000)

**Change in Net Position of Governmental Activities** \$ 157,589

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

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>Revenues</b>				
Taxes				
Property taxes	\$ 4,128,951	\$ 4,128,951	\$ 4,155,951	\$ 27,000
Excise taxes	-	245,260	245,260	-
Intergovernmental revenues				
State revenue sharing	44,440	44,440	45,063	623
State road assistance	-	37,280	37,280	-
Homestead exemption	24,039	24,039	24,039	-
Other	2,627	154,164	165,345	11,181
Miscellaneous revenues	-	108,017	113,322	5,305
<b>Total Revenues</b>	<b>4,200,057</b>	<b>4,742,151</b>	<b>4,786,260</b>	<b>44,109</b>
<b>Expenditures</b>				
Current				
General government	348,554	378,668	346,216	32,452
Public safety	255,199	260,657	242,927	17,730
Health and sanitation	101,480	155,376	117,977	37,399
Education	2,885,679	2,885,679	2,885,679	-
Public works	691,075	971,260	625,666	345,594
Community development	-	150,122	150,122	-
Unclassified	670,821	693,140	618,825	74,315
Debt service - principal	31,095	31,095	31,095	-
- interest	2,961	2,961	2,961	-
<b>Total Expenditures</b>	<b>4,986,864</b>	<b>5,528,958</b>	<b>5,021,468</b>	<b>507,490</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(786,807)</b>	<b>(786,807)</b>	<b>(235,208)</b>	<b>551,599</b>
<b>Other Financing Sources (Uses)</b>				
Utilization of assigned fund balance	526,726	526,726	-	(526,726)
Utilization of unassigned fund balance	200,000	200,000	-	(200,000)
Operating transfers in	150,000	150,000	150,000	-
Operating transfers out	(34,787)	(34,787)	(34,787)	-
<b>Total Other Financing Sources (Uses)</b>	<b>841,939</b>	<b>841,939</b>	<b>115,213</b>	<b>(726,726)</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 55,132</b>	<b>\$ 55,132</b>	<b>(119,995)</b>	<b>\$ (175,127)</b>
Budgetary fund balance at beginning of year			1,463,042	
<b>Budgetary Fund Balance at End of Year</b>			<b>\$ 1,343,047</b>	

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

## Notes to Financial Statement

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies

The Town of Northport, Maine operates under a Selectboard form of government. The accounting policies of the Town of Northport, Maine conform to United States generally accepted accounting principles (GAAP). The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

#### **Principles Determining Scope of Reporting Entity**

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Northport has no component units.

#### **Basis of Presentation**

##### Government-wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services for support. Currently, the Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures.

##### Governmental Activities

Governmental funds are identified as either general, special revenue, or permanent funds based upon the following guidelines.

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

*Special Revenue Funds* are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

*Permanent Funds* are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

##### **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 is related to the timing of the measurements made, regardless of the measurement focus applied.

##### Accrual

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

##### Modified Accrual

Governmental funds 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 within 60 days after year-end. 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 is recognized when due.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### **Cash and Cash Equivalents**

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

##### **Investments**

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

##### **Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase.

##### **Accounts Receivable**

Accounts receivable are stated at the amount the Town expects to collect from outstanding balances. Town management closely monitors outstanding balances and records an allowance for doubtful accounts as necessary based upon historical trends of bad debts as well as a detailed review of current year receivables and their aging.

##### **Capital Assets**

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$10,000 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. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: buildings and improvements, 20 to 40 years; infrastructure, 5 to 40 years; and vehicles and equipment, 3 to 25 years.

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

##### **Accrued Compensated Absences**

Under the terms of the personnel policies, annual vacation and sick leave is granted in varying amounts. No liability is recorded for accrued compensation absences at June 30, 2014, the inclusion of which would not be material to the financial statements.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### **Budget**

The Town of Northport'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:

- Early in the second half of the last fiscal year the Town prepared a budget for this fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the inhabitants of the Town of Northport was then called for the purpose of adopting the proposed budget after public notice of the meeting was given.
- The budget was adopted subsequent to passage by the inhabitants of the Town.

##### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Interfund Activity**

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### Deferred Inflow of Resources

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement section 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 government only has one type of item, unavailable revenue from property taxes, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

##### Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied September 23, 2013, on the assessed value listed as of April 1, 2013, for all real and personal property located in the Town. Taxes were due November 23, 2013 and March 1, 2014. Interest on unpaid taxes commenced on November 24, 2013 and March 2, 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 \$55,132 for the year ended June 30, 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.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### **Government-wide Fund Net Position**

Government-wide net position is divided into three components:

*Net investment in capital assets* - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

*Restricted net position* - consist of net assets that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

*Unrestricted* - All other net asset positions are reported in this category.

##### **Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

*Nonspendable* - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

*Restricted* - resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed through constitutional provisions or enabling legislation.

*Committed* - resources which are subject to limitations the government imposes upon itself at its highest level of design making, and that remain binding unless removed in the same manner.

*Assigned* - resources neither restricted nor committed for which a government has a stated intended use as established by the Selectboard or a body or official to which the Selectboard has designated the authority to assign amounts for specific purposes.

*Unassigned* - resources which cannot be properly classified in one of the other four categories.

##### **Use of Restricted Resources**

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

##### **New Accounting Pronouncement**

During the year ended June 30, 2014, the Town implemented Governmental Accounting Standards Board Statement (GASBS) No. 65 *Items Previously Reported as Assets and Liabilities*. Balances reported in net asset position were not changed with the implementation of the new standard.



## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note B - Cash and Investments

The Town conducts all its banking and investment transactions with its depository banks and investment firm.

#### Custodial Credit Risk

At June 30, 2014, the carrying amount of the Town's deposits was \$1,382,162, and the bank balance was \$1,397,832. The difference between the carrying amount and the bank balance relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. As of June 30, 2014, \$3,655 of the Town's bank balance of \$1,397,832 was exposed to credit risk as follows:

Uninsured and Uncollateralized \$ 3,655

#### Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks and bonds and mutual funds.

#### Interest Rate Risk

In accordance with the Town's investment policy, to the extent possible, investment maturities will be matched with anticipated cash requirements. At June 30, 2014, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Not Applicable</u>	<u>Maturity</u>		
			<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Corporate stocks	<u>\$ 8,140</u>	<u>\$ 8,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy on custodial credit risk. As of June 30, 2014, the Town had no investments subject to custodial credit risk.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is minimized by diversifying investments held. At June 30, 2014, the Town had no investments subject to credit risk.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note B - Cash and Investments - Continued

##### Concentration of Credit Risk

The Town does not have an investment policy on concentration of credit risk. At June 30, 2014, the Town held the following common stock which represented greater than 5% of the total investments held: AT&T \$7,496.

#### Note C - Capital Assets

A summary of capital asset activity for the year ended June 30, 2014 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 129,903	\$ ---	\$ ---	\$ 129,903
Construction in Process	---	15,946	---	15,946
Depreciable Assets:				
Buildings	593,448	---	---	593,448
Equipment	81,450	---	---	81,450
Vehicles	444,293	150,000	---	594,293
Infrastructure	<u>2,732,503</u>	<u>326,054</u>	---	<u>3,058,557</u>
Totals at historical cost	3,981,597	492,000	---	4,473,597
Less Accumulated Depreciation:				
Buildings	117,707	15,199	---	132,906
Equipment	81,450	---	---	81,450
Vehicles	250,558	31,189	---	281,747
Infrastructure	<u>559,197</u>	<u>65,422</u>	---	<u>624,619</u>
Total accumulated depreciation	<u>1,008,912</u>	<u>111,810</u>	---	<u>1,120,722</u>
Capital Assets, Net	<u>\$2,972,685</u>	<u>\$ 380,190</u>	<u>\$ ---</u>	<u>\$3,352,875</u>

Depreciation expense was charged to the following functions:

General government	\$ 9,759
Public safety	37,304
Public works	<u>64,747</u>
Total governmental activities depreciation expense	<u>\$ 111,810</u>

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note D - Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due within One Year</u>
<b>Governmental Activities:</b>					
General obligation debt	\$ 128,874	\$ -	\$ 31,095	\$ 97,779	\$ 31,891

#### Long-Term Debt

At June 30, 2014 long-term debt consisted of the following:

2011 General Obligation Bond with Bangor Savings Bank for the purpose of providing partial funding for a sand/salt shed. The original borrowing was \$189,000 and is due in monthly payments of \$2,838 which includes interest at 2.60% through June 2017.

\$ 97,779

The annual requirements to amortize long-term debt are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 31,891	\$ 2,165	\$ 34,056
2016	32,730	1,326	34,056
2017	33,158	465	33,623
	<u>\$ 97,779</u>	<u>\$ 3,956</u>	<u>\$ 101,735</u>

#### Note E - Landfill Closure and Post Closure Costs

The Town stopped accepting solid waste at its landfill site. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Any amounts for future post-closure landfill costs are uncertain. There were no costs associated with post closure maintenance and monitoring for the year ended June 30, 2014.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note F - Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance or is effectively self-insured. Currently, the Town carries commercial insurance for any risks of loss to which it may be exposed.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2014.

#### Note G - Commitments

The Town has entered into separate agreements with unrelated third parties for certain services. Future required payments under the two agreements are as follows:

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>Total</u>
Transportation/Disposal of Waste	\$ 44,000	\$ 44,000	\$ ---	\$ 88,000
Landscaping - Cemeteries	8,100	6,075	---	14,175
Landscaping	2,270	1,708	---	3,978
Assessing Contract	20,200	20,200	---	40,400
Septage Removal	4,000	4,000	---	8,000
Snowplowing	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>381,000</u>
	<u>\$ 205,570</u>	<u>\$ 202,983</u>	<u>\$ 127,000</u>	<u>\$ 535,553</u>

The Town has also entered into an agreement with two contractors for improvements on the Northport Landing. The total cost of these agreements is \$216,423, of which \$15,946 was spent in the year ending June 30, 2014. The remaining portion will be spent in the year ending June 30, 2016, pending the receipt of a grant from the State of Maine Department of Transportation.

#### Note H - Contingency

There is an ongoing legal matter pending for the Town in which a property owner is challenging an assessment for property taxes. A possible abatement of approximately \$60,000 is in question; however, the outcome of the case and the effect on the Town is unknown at this time.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note I - Budget to Actual Reconciliation

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

##### **Budgetary Basis:**

Revenues and Other Sources Over (Under)	
Expenditures and Other Uses	\$ (119,995)

##### *Sources/inflows of resources - reconciling items*

The Town does not budget for revenues received in assigned fund balance accounts:

Interest income	185
Sale of fire truck	4,000
Mooring fees	4,430

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	34,787
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##### *Uses/outflows of resources - reconciling items*

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(150,000)</u>
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##### **Generally Accepted Accounting Principles Basis:**

Revenues and Other Sources Over (Under)	
Expenditures and Other Uses	<u>\$ (226,593)</u>

The difference between the general fund balance reported according to generally accepted accounting principles and the general fund balance reported according to the budgetary basis of accounting is accounted by the ending balances (shown in Note J) of the Cemetery Reserve Fund, Wyman Park, Fire Watch, Fire Truck Replacement, Town Wharf, Sand/Salt Shed, Marine Reserve Fund, and First Responders Equipment Reserve assigned fund balances.

## Notes to Financial Statement - Continued

### Town of Northport, Maine

#### Note J - Assigned Fund Balance

At June 30, 2014 the assigned general fund balance consisted of the following:

	<u>Balance at</u> <u>7/1/2013</u>	<u>Budget transfer/</u> <u>Appropriations</u>	<u>Revenues</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/2014</u>
Planning Board	\$ 1,246	\$ 1,000	\$ 975	\$ 2,463	\$ 758
Insurance	8,196	14,000	-	22,196	-
Animal Control	7,361	1,000	1,551	7,389	2,523
Roads and Bridges	386,075	125,000	278,982	437,536	352,521
Dangerous Building	-	8,100	-	-	8,100
Cemetery	5,349	3,500	396	8,300	945
Cemetery Development	7,714	2,000	-	1,800	7,914
General Assistance	10,432	-	1,236	4,020	7,648
Snowmobile Reimbursement	139	-	179	139	179
Northport Harbor Fund	28,804	-	11,058	22,381	17,481
Northport Needy Families	630	-	-	-	630
Northport Warm Neighbors Fund	3,300	-	1,100	1,217	3,183
Withdrawal Committee	-	30,000	-	2,448	27,552
Transfer Station	67,480	30,000	53,896	113,977	37,399
Cemetery Capital Reserve Fund	1,600	-	1	-	1,601
Wyman Park	3,676	-	3	-	3,679
Fire Watch	800	-	1	-	801
Fire Truck Replacement	137,593	(115,490)	4,104	-	26,207
Town Wharf	2,430	-	2	-	2,432
Sand/Salt Shed	15,809	-	9	-	15,818
Marine Reserve Fund	55,885	-	4,473	-	60,358
First Responders Equip. Reserve	23,605	277	22	-	23,904
Nature Conservancy	325	-	325	325	325
Tree Growth Reimbursement	1,223	-	1,197	1,223	1,197
Veterans Exemption Reimb.	1,035	-	1,240	1,035	1,240
	<u>\$ 770,707</u>	<u>\$ 99,387</u>	<u>\$ 360,750</u>	<u>\$ 626,449</u>	<u>\$ 604,395</u>

#### Note K - Expenditures Over Appropriations

The following appropriations were exceeded by actual expenditures:

Snow removal and sanding	\$	<u>Excess</u> 6,927
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## **Notes to Financial Statement - Continued**

### **Town of Northport, Maine**

#### **Note L - Subsequent Event**

Subsequent to year end, the Town of Northport voted to withdraw from Regional School Unit #20. The withdrawal will officially take place on July 1, 2015. The effect of the withdrawal on the Town of Northport is unknown at this time.

**Combining Balance Sheet  
Permanent Funds - Trust Funds**

**Town of Northport, Maine**

**As of June 30, 2014**

	<u>Cemetery</u>	<u>Wyman Needy</u>	<u>Christmas Charity</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 9,309	\$ 5,245	\$ 2,557	\$ 17,111
Investments	<u>8,140</u>	<u>-</u>	<u>-</u>	<u>8,140</u>
<b>Total Assets</b>	<u><u>\$ 17,449</u></u>	<u><u>\$ 5,245</u></u>	<u><u>\$ 2,557</u></u>	<u><u>\$ 25,251</u></u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>Fund Balances</b>				
Nonspendable	5,080	5,000	2,500	12,580
Restricted	<u>12,369</u>	<u>245</u>	<u>57</u>	<u>12,671</u>
<b>Total Fund Balances</b>	<u><u>17,449</u></u>	<u><u>5,245</u></u>	<u><u>2,557</u></u>	<u><u>25,251</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 17,449</u></u>	<u><u>\$ 5,245</u></u>	<u><u>\$ 2,557</u></u>	<u><u>\$ 25,251</u></u>

See accompanying independent auditors' report.



**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Permanent Funds - Trust Funds**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	<u>Cemetery</u>	<u>Wyman Needy</u>	<u>Christmas Charity</u>	<u>Total</u>
<b>Revenues</b>				
Interest income	\$ 7	\$ 4	\$ 2	\$ 13
Net investment return	530	-	-	530
Contributions	-	-	-	-
<b>Net Revenues</b>	<u>537</u>	<u>4</u>	<u>2</u>	<u>543</u>
<b>Expenditures</b>				
Current	<u>396</u>	<u>250</u>	<u>-</u>	<u>646</u>
<b>Total Expenditures</b>	<u>396</u>	<u>250</u>	<u>-</u>	<u>646</u>
<b>Revenues Over (Under) Expenditures</b>	141	(246)	2	(103)
Fund balances at beginning of year	<u>17,308</u>	<u>5,491</u>	<u>2,555</u>	<u>25,354</u>
<b>Fund Balances at End of Year</b>	<u>\$ 17,449</u>	<u>\$ 5,245</u>	<u>\$ 2,557</u>	<u>\$ 25,251</u>

See accompanying independent auditors' report.

# Schedule of Valuation, Assessment and Collection of Taxes

## Town of Northport, Maine

For the Year Ended June 30, 2014

### Valuation

Real estate	\$ 289,262,640
Personal property	<u>2,536,000</u>

**Total Valuation** \$ 291,798,640

### Assessment

Valuation x Rate - \$291,798,640 x .01415	\$ 4,128,951
Supplemental taxes	<u>-</u>

**Total Assessment Charged to Tax Collector** \$ 4,128,951

### Collection and Credits

Cash collections	\$ 3,914,464
Tax abatements	<u>1,270</u>

**Total Collection and Credits** 3,915,734

**2014 Taxes Receivable - June 30, 2014** \$ 213,217

See accompanying independent auditors' report.

**Schedule of Departmental Operations (1 of 3)**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	Beginning	Appropriations	Budget	Other	Total	Expended	Balances	
	Balance		Transfer	Credits	Available		Lapsed	Carried
<b>General Government</b>								
Office operations	\$ -	\$ 30,000	\$ -	\$ 31,268	\$ 61,268	\$ 46,344	\$ 14,924	\$ -
Assessing	-	19,900	-	-	19,900	19,900	-	-
Bank fees and service charges	-	-	-	-	-	1,043	(1,043)	-
Administration	-	153,408	-	-	153,408	153,324	84	-
Payroll taxes	-	23,500	-	-	23,500	21,843	1,657	-
Employee benefits	-	24,000	-	-	24,000	17,045	6,955	-
Contingency	-	10,000	(8,100)	(1,900)	-	-	-	-
Town Hall operations	-	18,500	-	360	18,860	18,860	-	-
Legal	-	20,000	-	179	20,179	20,179	-	-
Planning Board	1,246	1,000	-	975	3,221	2,463	-	758
Code Enforcement Officer	-	22,000	-	7,332	29,332	20,215	9,117	-
Northport Village Corp.	-	25,000	-	-	25,000	25,000	-	-
	<u>1,246</u>	<u>347,308</u>	<u>(8,100)</u>	<u>38,214</u>	<u>378,668</u>	<u>346,216</u>	<u>31,694</u>	<u>758</u>
<b>Public Safety</b>								
Fire department	-	39,000	135,490	3,500	177,990	177,990	-	-
Fire department chief's salary	-	20,800	-	-	20,800	8,009	12,791	-
Emergency management	-	2,000	-	-	2,000	2,000	-	-
Ambulance	-	11,729	-	-	11,729	11,729	-	-
First response medical team	-	14,400	(277)	323	14,446	14,446	-	-
E911 signs	-	-	-	84	84	63	21	-
Insurance	8,196	14,000	-	-	22,196	19,803	2,393	-
Street lights	-	1,500	-	-	1,500	1,498	2	-
Animal control	7,361	1,000	-	1,551	9,912	7,389	-	2,523
	<u>15,557</u>	<u>104,429</u>	<u>135,213</u>	<u>5,458</u>	<u>260,657</u>	<u>242,927</u>	<u>15,207</u>	<u>2,523</u>

See accompanying independent auditors' report.

**Schedule of Departmental Operations (2 of 3)**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	Beginning	Appropriations	Budget	Other	Total	Expended	Balances	
	Balance		Transfer	Credits	Available		Lapsed	Carried
<b>Public Works</b>								
Roads and bridges	\$ 386,075	\$ 125,000	\$ -	\$ 278,982	\$ 790,057	\$ 437,536	\$ -	\$ 352,521
Snow removal and sanding	-	180,000	-	1,203	181,203	188,130	(6,927)	-
	<u>386,075</u>	<u>305,000</u>	<u>-</u>	<u>280,185</u>	<u>971,260</u>	<u>625,666</u>	<u>(6,927)</u>	<u>352,521</u>
<b>Community Development Block Grant</b>	-	-	-	150,122	150,122	150,122	-	-
<b>Unclassified</b>								
Dangerous building engineering	-	-	8,100	-	8,100	-	-	8,100
Cemetery	5,349	3,500	-	396	9,245	8,300	-	945
Cemetery development	7,714	2,000	-	-	9,714	1,800	-	7,914
Social services	-	7,000	-	-	7,000	7,000	-	-
Belfast Free Library	-	3,500	-	-	3,500	3,500	-	-
County tax	-	562,953	-	-	562,953	562,953	-	-
General assistance	10,432	-	-	1,236	11,668	4,020	-	7,648
Wyman Needy Fund	-	-	-	250	250	250	-	-
Wyman Park Maintenance Fund	-	500	-	-	500	500	-	-
Snowmobile club payment	139	-	-	179	318	139	-	179
Northport Harbor Fund	28,804	-	-	11,058	39,862	22,381	-	17,481
Northport needy families	630	-	-	-	630	-	-	630
Northport scholarship	-	5,000	-	-	5,000	3,000	2,000	-
Northport Warm Neighbors Fund	3,300	-	-	1,100	4,400	1,217	-	3,183
Withdrawal Committee	-	30,000	-	-	30,000	2,448	-	27,552
Abatements	-	-	-	-	-	1,317	(1,317)	-
	<u>56,368</u>	<u>614,453</u>	<u>8,100</u>	<u>14,219</u>	<u>693,140</u>	<u>618,825</u>	<u>683</u>	<u>73,632</u>

See accompanying independent auditors' report.

**Schedule of Departmental Operations (3 of 3)**

**Town of Northport, Maine**

**For the Year Ended June 30, 2014**

	Beginning	Appropriations	Budget	Other	Total	Expended	Balances	
	Balance		Transfer	Credits	Available		Lapsed	Carried
<b>Education</b>	\$ -	\$ 2,885,679	\$ -	\$ -	\$ 2,885,679	\$ 2,885,679	\$ -	\$ -
<b>Health &amp; Sanitation</b>								
Septage contract	-	4,000	-	-	4,000	4,000	-	-
Transfer station	67,480	30,000	-	53,896	151,376	113,977	-	37,399
	<u>67,480</u>	<u>34,000</u>	<u>-</u>	<u>53,896</u>	<u>155,376</u>	<u>117,977</u>	<u>-</u>	<u>37,399</u>
<b>Debt Service</b>	-	34,056	-	-	34,056	34,056	-	-
<b>Assigned Accounts</b>								
Cemetery Capital Reserve	1,600	-	-	1	1,601	-	-	1,601
Wyman Park	3,676	-	-	3	3,679	-	-	3,679
Fire Watch	800	-	-	1	801	-	-	801
Fire Truck Replacement	137,593	20,000	(135,490)	4,104	26,207	-	-	26,207
Town Wharf	2,430	-	-	2	2,432	-	-	2,432
Sand/Salt Shed	15,809	-	-	9	15,818	-	-	15,818
First Responders Equipment Reserve	23,605	-	277	22	23,904	-	-	23,904
Marine Reserve Fund	55,885	-	-	4,473	60,358	-	-	60,358
	<u>241,398</u>	<u>20,000</u>	<u>(135,213)</u>	<u>8,615</u>	<u>134,800</u>	<u>-</u>	<u>-</u>	<u>134,800</u>
	<u>\$ 768,124</u>	<u>\$ 4,344,925</u>	<u>\$ -</u>	<u>\$ 550,709</u>	<u>\$ 5,663,758</u>	<u>\$ 5,021,468</u>	<u>\$ 40,657</u>	<u>\$ 601,633</u>

See accompanying independent auditors' report.