

2015

Audited Financial Statements Town of Readfield, Maine June 30, 2015

Readfield, Me.

Follow this and additional works at: <https://digitalcommons.library.umaine.edu/towndocs>

This Report is brought to you for free and open access by DigitalCommons@UMaine. It has been accepted for inclusion in Maine Town Documents by an authorized administrator of DigitalCommons@UMaine. For more information, please contact um.library.technical.services@maine.edu.

Audited Financial Statements

Town of Readfield, Maine

June 30, 2015



Proven Expertise and Integrity

TOWN OF READFIELD, MAINE

CONTENTS

JUNE 30, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	15
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
NOTES TO FINANCIAL STATEMENTS	19 - 36
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	37
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS - BUDGET AND ACTUAL – GENERAL FUND	38 - 39

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	40
SCHEDULE A – SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	41 - 44
SCHEDULE B – COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	45
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	46
SPECIAL REVENUE FUNDS DESCRIPTION	47
SCHEDULE D - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	48
SCHEDULE E - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	49
PERMANENT FUNDS DESCRIPTION	50
SCHEDULE F - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	51 - 52
SCHEDULE G - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	53 - 54
GENERAL CAPITAL ASSETS DESCRIPTION	55
SCHEDULE H - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	56
SCHEDULE I - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	57
SCHEDULE J – SCHEDULE OF VALUATION, ASSESSMENT, AND COLLECTION OF TAXES	58



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Select Board
Town of Readfield
Readfield, 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 Readfield, 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.

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Readfield, 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 11 and 38 through 39 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 Readfield, Maine's basic financial statements. The combining and individual nonmajor 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 nonmajor 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
February 5, 2016

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

(UNAUDITED)

The following management's discussion and analysis of the Town of Readfield, 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 Readfield'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 financial statements mentioned above 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). All of the Town's basic services are reported in governmental activities, which include general government, boards and commissions, town buildings, community services, recreation, parks and activities, protection, cemeteries, roads and drainage, solid waste, education, regional assessments and 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 Readfield, 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 Readfield are categorized as 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 funds balance sheet and the governmental funds 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 Readfield presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. 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 for governmental activities decreased by \$69,386 from \$22,773,479 to \$22,704,093.

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 for the governmental activities to a balance of \$2,231,229 at the end of the fiscal year.

Table 1
Town of Readfield, Maine
Net Position
June 30,

	Governmental Activities	
	2015	2014 (Restated)
Assets		
Current Assets	\$ 2,525,170	\$ 2,438,981
Capital Assets	21,442,514	21,905,317
Total Assets	23,967,684	24,344,298
Liabilities		
Current Liabilities	290,407	321,037
Long-Term Debt Outstanding	955,769	1,235,750
Total Liabilities	1,246,176	1,556,787
Deferred Inflows of Resources		
Prepaid Taxes	17,415	14,032
Total Deferred Inflows of Resources	17,415	14,032
Net Position		
Net Investment in Capital Assets	20,241,153	20,390,016
Restricted: Permanent Funds	231,711	122,670
Unrestricted	2,231,229	2,260,793
Total Net Position	\$ 22,704,093	\$ 22,773,479

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

	Governmental Activities	
	2015	2014
Revenues		
<i>Program Revenues:</i>		
Charges for Services	\$ 190,188	\$ 172,041
Operating Grants and Contributions	58,005	60,540
<i>General Revenues:</i>		
Taxes	4,940,197	4,832,328
Grants and Contributions Not Restricted to Specific Programs	211,165	210,431
Miscellaneous	64,269	399,227
Total Revenues	<u>5,463,824</u>	<u>5,674,567</u>
Expenses		
General Government	465,200	453,253
Boards and Commissions	8,735	8,176
Town Buildings	35,810	38,747
Community Services	52,381	52,780
Recreation, Parks & Activities	20,240	34,313
Protection	171,877	175,499
Cemeteries	28,318	30,688
Roads & Drainage	932,797	968,393
Solid Waste	236,948	250,979
Education	3,163,541	3,112,703
Regional Assessments	326,706	325,234
Unclassified	24,522	47,169
Interest on Long-term Debt	43,344	38,939
Capital Outlay	22,791	59,529
Total Expenses	<u>5,533,210</u>	<u>5,596,402</u>
Change in Net Position	(69,386)	78,165
Net Position - July 1, Restated	<u>22,773,479</u>	<u>22,695,314</u>
Net Position - June 30	<u>\$ 22,704,093</u>	<u>\$ 22,773,479</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 3.71%, while total expenses decreased by 1.13%.

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 Readfield, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 4,047	\$ 4,047
Committed	656,957	640,243
Unassigned	1,402,612	1,345,531
Total General Fund	<u>\$ 2,063,616</u>	<u>\$ 1,989,821</u>
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 4,767	\$ 4,767
Permanent Funds:		
Nonspendable	122,670	122,670
Restricted	109,041	101,523
Total Nonmajor Funds	<u>\$ 236,478</u>	<u>\$ 228,960</u>

The general fund total fund balance increased by \$73,795 from the prior fiscal year. The nonmajor fund balances increased by \$7,518 from the prior fiscal year.

Budgetary Highlights

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

The general fund actual revenues were over budget by \$137,397. This was primarily the result of taxes, intergovernmental revenues, and several miscellaneous revenues that were received and not budgeted for.

The general fund actual expenditures were under the budget by \$210,663. All expenditure categories were under budget with the exception of 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 \$462,803 from the prior year. This decrease is a result of current year depreciation expense of \$462,803. Refer to Note 4 of Notes to Financial Statements for more detailed information.

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

	2015	2014
Land and construction in progress	\$ 2,865,844	\$ 2,865,844
Buildings and improvements	285,165	326,936
Equipment and vehicles	124,220	180,974
Infrastructure	18,167,285	18,531,563
 Total	 \$ 21,442,514	 \$ 21,905,317

Debt

At June 30, 2015, the Town had \$1,201,361 in bonds outstanding versus \$1,480,000 last year. Other obligations include capital leases payable and accrued vacation and sick time. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has been building and has achieved a level of unassigned fund balance sufficient to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, 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 Treasurer's Office at 8 Old Kents Hill Road, Readfield, Maine 04355.

TOWN OF READFIELD, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,742,692
Investments	321,000
Accounts receivable (net of allowance for uncollectibles):	
Taxes	335,940
Liens	83,857
Other	37,634
Tax acquired property	4,047
Total current assets	<u>2,525,170</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	2,865,844
Buildings, equipment and infrastructure, net of accumulated depreciation	18,576,670
Total noncurrent assets	<u>21,442,514</u>
TOTAL ASSETS	<u><u>\$ 23,967,684</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 13,265
Accrued payroll	2,877
Other liabilities	7,745
Current portion of long-term obligations	266,520
Total current liabilities	<u>290,407</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	955,769
Total noncurrent liabilities	<u>955,769</u>
TOTAL LIABILITIES	<u>1,246,176</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	17,415
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>17,415</u>
NET POSITION	
Net investment in capital assets	20,241,153
Restricted-nonexpendable	122,670
Restricted for: various purposes	109,041
Unrestricted	2,231,229
TOTAL NET POSITION	<u>22,704,093</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 23,967,684</u></u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT B

TOWN OF READFIELD, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Totals
Governmental activities:					
General government	\$ 465,200	\$ 23,777	\$ -	\$ -	\$ (441,423)
Boards and commissions	8,735	-	-	-	(8,735)
Town buildings	35,810	-	-	-	(35,810)
Community services	52,381	-	-	-	(52,381)
Recreation, parks & activities	20,240	18,193	-	-	(2,047)
Protection	171,877	-	18,179	-	(153,698)
Cemeteries	28,318	-	-	-	(28,318)
Roads & drainage	932,797	-	39,826	-	(892,971)
Solid waste	236,948	148,218	-	-	(88,730)
Education	3,163,541	-	-	-	(3,163,541)
Regional assessments	326,706	-	-	-	(326,706)
Unclassified	24,522	-	-	-	(24,522)
Interest on long-term debt	43,344	-	-	-	(43,344)
Capital outlay	22,791	-	-	-	(22,791)
Total government	\$ 5,533,210	\$ 190,188	\$ 58,005	\$ -	(5,285,017)

TOWN OF READFIELD, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(5,285,017)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	4,466,216
Excise taxes	473,981
Grants and contributions not restricted to specific programs	211,165
Miscellaneous	<u>64,269</u>
Total general revenues	<u>5,215,631</u>
Change in net position	(69,386)
NET POSITION - JULY 1, RESTATED	<u>22,773,479</u>
NET POSITION - JUNE 30	<u><u>\$ 22,704,093</u></u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT C

TOWN OF READFIELD, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,708,033	\$ 34,659	\$ 1,742,692
Investments	122,673	198,327	321,000
Accounts receivables (net of allowance for uncollectibles):			
Taxes	335,940	-	335,940
Liens	83,857	-	83,857
Other	37,634	-	37,634
Tax acquired property	4,047	-	4,047
Due from other funds	2,048	5,540	7,588
TOTAL ASSETS	\$ 2,294,232	\$ 238,526	\$ 2,532,758
LIABILITIES			
Accounts payable	\$ 13,265	\$ -	\$ 13,265
Accrued payroll	2,877	-	2,877
Other liabilities	7,745	-	7,745
Due to other funds	5,540	2,048	7,588
Accrued compensated absences	20,928	-	20,928
TOTAL LIABILITIES	50,355	2,048	52,403
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenues	162,846	-	162,846
Prepaid taxes	17,415	-	17,415
TOTAL DEFERRED INFLOWS OF RESOURCES	180,261	-	180,261
FUND BALANCES			
Nonspendable: Tax acquired property	4,047	-	4,047
Permanent fund principal	-	122,670	122,670
Restricted	-	109,041	109,041
Committed	656,957	-	656,957
Assigned	-	4,767	4,767
Unassigned	1,402,612	-	1,402,612
TOTAL FUND BALANCES	2,063,616	236,478	2,300,094
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,294,232	\$ 238,526	\$ 2,532,758

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 2,300,094
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	21,442,514
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	162,846
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	(1,201,361)
Net position of governmental activities	\$ 22,704,093

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

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

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 4,466,216	\$ -	\$ 4,466,216
Excise taxes	473,981	-	473,981
Intergovernmental revenues	250,991	-	250,991
Charges for services	190,188	-	190,188
Miscellaneous revenues	74,879	7,569	82,448
TOTAL REVENUES	5,456,255	7,569	5,463,824
EXPENDITURES			
Current:			
General government	442,600	-	442,600
Boards and commissions	8,735	-	8,735
Town buildings	35,810	-	35,810
Community services	52,381	-	52,381
Recreation, parks & activities	13,657	-	13,657
Protection	133,348	-	133,348
Cemeteries	28,318	-	28,318
Roads & drainage	547,113	-	547,113
Solid waste	227,541	-	227,541
Education	3,163,541	-	3,163,541
Regional assessments	326,706	-	326,706
Unclassified	24,471	51	24,522
Debt service:			
Principal	312,104	-	312,104
Interest	43,344	-	43,344
Capital outlay	22,791	-	22,791
TOTAL EXPENDITURES	5,382,460	51	5,382,511
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	73,795	7,518	81,313
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	73,795	7,518	81,313
FUND BALANCES - JULY 1, RESTATED	1,989,821	228,960	2,218,781
FUND BALANCES - JUNE 30	\$ 2,063,616	\$ 236,478	\$ 2,300,094

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, 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>\$ 81,313</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Depreciation expense	<u>(462,803)</u>
	<u>(462,803)</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>312,104</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>-</u>
Change in net position of governmental activities (Statement B)	<u>\$ (69,386)</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Readfield was incorporated under the laws of the State of Maine. The Town operates under Town selectmen-manager form of government and provides the following services: general government, protection, roads and drainage, solid waste, community services, education, recreation and unclassified.

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

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

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Town are categorized 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.

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor 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.

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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. A meeting of the Select Board 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

The Town of Readfield has a formal investment policy that follows the State of Maine Statutes.

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 Governmental and Proprietary Funds.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, capital leases payable and compensated absences.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 do 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 \$20,928.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on 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. 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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Select Board.

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

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 28, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due in two installments on September 27, 2014 and February 28, 2015. Interest on unpaid taxes commenced on September 28, 2014 and March 1, 2015, at 4% 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 \$16,791 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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's cash and cash equivalents amounting to \$1,742,692 were comprised of bank deposits of \$1,902,110. Of these deposits \$320,880 was fully covered by federal depository insurance and consequently was not exposed to custodial credit risk. \$1,470,420 was collateralized with securities held by the financial institution in the Town's name. The cash equivalents of \$34,659 were covered by the Securities Investor Protection Corporation (SIPC). The remaining deposits of \$76,151 were uncollateralized and uninsured.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 376,554
Sweep accounts	1,470,420
Savings accounts	20,477
Cash equivalents	34,659
	<u>\$ 1,902,110</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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. The Town's investment in certificates of deposit for \$122,673 was covered by federal depository insurance and not exposed to custodial credit risk. The mutual funds and fixed income securities of \$198,327 was fully covered by the Securities Investor Protection Corporation (SIPC).

At June 30, 2015, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Mutual funds	\$ 166,510	\$ 166,510	\$ -	\$ -
Municipal bonds	31,817	-	-	31,817
Certificates of deposit	122,673	-	122,673	-
	\$ 321,000	\$ 166,510	\$ 122,673	\$ 31,817

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

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.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

	Receivables (Due from)	Payables (Due to)
General fund	\$ 2,048	\$ 5,540
Nonmajor special revenue funds	4,767	-
Nonmajor permanent funds	773	2,048
	<u>\$ 7,588</u>	<u>\$ 7,588</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 2,865,844	\$ -	\$ -	\$ 2,865,844
	<u>2,865,844</u>	<u>-</u>	<u>-</u>	<u>2,865,844</u>
Depreciated assets:				
Buildings & improvements	807,841	-	-	807,841
Land improvements	213,952	-	-	213,952
Equipment	207,331	-	-	207,331
Vehicles	755,178	-	-	755,178
Infrastructure	24,646,676	-	-	24,646,676
	26,630,978	-	-	26,630,978
Less: accumulated depreciation	(7,591,505)	(462,803)	-	(8,054,308)
	<u>19,039,473</u>	<u>(462,803)</u>	<u>-</u>	<u>18,576,670</u>
Net capital assets	<u>\$ 21,905,317</u>	<u>\$ (462,803)</u>	<u>\$ -</u>	<u>\$ 21,442,514</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 22,600
Recreation, parks & activities	6,583
Protection	38,529
Roads & drainage	385,684
Solid waste	9,407
	<hr/>
Total depreciation expense	<u>\$ 462,803</u>

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 (Restated)	Additions	Deletions	Balance, 6/30/15	Current Year Portion
Bonds payable	\$ 1,480,000	\$ -	\$ (278,639)	\$ 1,201,361	\$ 245,592
Capital leases payable	33,465	-	(33,465)	-	-
Accrued compensated absences	31,093	-	(10,165)	20,928	20,928
Totals	<u>\$ 1,544,558</u>	<u>\$ -</u>	<u>\$ (322,269)</u>	<u>\$ 1,222,289</u>	<u>\$ 266,520</u>

The following is a summary of bonds outstanding as of June 30, 2015:

\$1,500,000, 2008 General Obligation Bond due in annual principal installments of \$150,000 through 2019. Interest is charged at a rate of 4.11% per annum.	\$ 600,000
\$700,000, 2013 General Obligation Bond due in annual principal and interest installments of \$109,167 through 2020. Interest is charged at a rate of 2.23% per annum.	<u>601,361</u>
Total Bonds Payable	<u>\$ 1,201,361</u>

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ 245,592	\$ 44,350	\$ 289,942
2017	242,591	36,053	278,644
2018	249,903	27,760	277,663
2019	252,131	19,316	271,447
2020	104,408	4,709	109,117
2021-2025	106,736	2,380	109,116
	<u>\$ 1,201,361</u>	<u>\$ 134,568</u>	<u>\$ 1,335,929</u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town. The General Fund of the Town is used to pay for all long-term debt.

NOTE 6 – NONSPENDABLE FUND BALANCES

At June 30, 2015, the Town had the following nonspendable fund balances

General fund:	
Tax acquired property	\$ 4,047
Nonmajor permanent funds (Schedule F)	<u>122,670</u>
	<u>\$ 126,717</u>

NOTE 7 – RESTRICTED FUND BALANCES

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

Nonmajor permanent funds (Schedule F)	<u>\$ 109,041</u>
---------------------------------------	-------------------

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – COMMITTED FUND BALANCES

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

	Balance 7/1/14	Appropriation	Applied Receipts	Actual Expenditures	Counted Rev Reduction	Use of CF to reduce Budget	Use of Trust Fund	Balance 6/30/15
Admin Technology	\$ 5,508	\$ -	\$ -	\$ 1,778	\$ -	\$ -	\$ -	\$ 3,730
Backhoe	18,831	2,600	3,812	1,274	-	-	-	23,969
Ballfield	20,155	31,160	-	12,919	-	31,160	-	7,236
Beach	11,674	9,099	7,085	7,026	9,099	-	-	11,733
Cemeteries	-	31,003	-	28,086	-	-	-	2,917
Cemetery - Living Fence	2,766	-	200	232	-	-	-	2,734
Cemetery Capital	1,680	14,000	-	1,100	-	1,680	-	12,900
Dispatching	5,525	26,302	-	25,066	-	-	-	6,761
Enterprise Fund	10,750	5,000	8,466	-	5,000	-	-	19,216
FD Annual Physicals	4,667	125	-	-	-	125	-	4,667
FD Emerg Comm	2,348	-	-	-	-	-	-	2,348
Fire Dept Equip	70,321	83,815	16,179	86,058	-	5,000	-	79,257
Fire PPG Replacement	6,000	2,000	-	-	-	-	-	8,000
Fire Tower sites	-	1,500	2,000	1,279	-	-	-	2,221
Fire Station Addition	35,522	-	-	-	-	-	-	35,522
Fire Station Improvements	9,205	-	-	-	-	-	-	9,205
Forestry	697	-	-	-	-	-	-	697
Gardiner Sav Bldg	3,876	-	-	-	-	3,876	-	-
Gile Hall	21,336	3,500	-	-	-	-	-	24,836
Grant Writing	6,366	2,500	-	-	-	2,500	-	6,366
Heating Assistance	1,607	1,500	846	1,452	-	1,500	-	1,001
Heritage Days	-	5,000	12	-	-	-	-	5,012
Library Operations	6,907	26,159	3,046	27,822	2,075	-	-	6,215
Library Building Imp	12,123	-	-	-	-	11,000	-	1,123
Maranacook Dam	16,800	13,500	-	5,330	-	8,500	-	16,470
MillStream Bridge	369	-	-	-	-	-	-	369
Open Space	6,815	-	-	-	-	-	-	6,815
PW cap building	4,500	-	-	-	-	4,500	-	-
Playground	1,095	-	-	-	-	-	-	1,095
Capital Equipment	12,939	-	-	-	-	-	4,000	16,939
Recreation	21,384	9,922	7,921	6,505	9,922	-	-	22,800
Reflections	1,065	-	-	-	-	1,065	-	-
Revaluation	60,000	5,000	-	-	-	-	-	65,000
Road /Bridge Bond	5,830	-	-	-	-	-	-	5,830
Road Bond 13-14	7,767	7,500	-	7,313	-	7,500	-	454
Snowmobiling	1,232	1,231	1,437	1,231	1,231	-	-	1,438
Summer Roads/Regional	135,627	559,794	39,826	539,800	36,504	38,000	-	120,943
Conservation Land	31,913	5,760	4	3,426	-	4,695	-	29,556
Town Boundaries	260	1,000	-	-	-	-	-	1,260
TS Operations	45,335	125,292	21,345	113,133	18,800	-	-	60,039
TS Capital	25,711	2,000	-	1,665	-	-	-	26,046
Water Holes (Fund 5)	3,737	500	-	-	-	-	-	4,237
\$ 640,243	\$ 976,762	\$ 112,179	\$ 872,495	\$ 82,631	\$ 121,101	\$ 4,000	\$	\$ 656,957

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 – ASSIGNED FUND BALANCES

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

Nonmajor special revenue funds (Schedule D)	<u>\$ 4,767</u>
---	-----------------

NOTE 10 – JOINT VENTURE

The Town has entered into a joint venture with a number of other Towns. This joint venture is considered to be a separate reporting entity and has not been included within the financial statements of the Town of Readfield. A brief description of the joint venture, FirstPark, follows:

FirstPark

Kennebec Regional Development Authority (FirstPark) was formed in 1998 through an act of the Maine State Legislature. Its primary purposes, according to the act, were to strengthen the financial condition of local governments within the geographic territory of the Authority, while combining resources and sharing costs for meeting regional and economic development needs and challenges; to promote and develop infrastructure and programs for employment and economic development opportunities; and other conditions to positively affect regional development. The intent was that the members would fund the startup costs and then jointly benefit from the tax revenues generated later on. There are currently 24 local governments who are members of the Authority, including the Town of Readfield.

This statute states that the Town may be responsible for liabilities it incurs during its membership that may not have been paid for. It may withdraw its membership at any time with one year's warning to the corporation and the sale of its stake. An amount for any contingent liabilities at this time cannot be determined.

The Authority derives the bulk of its revenue from the participants, but also receives some grant revenues from the State of Maine and tenant's rental income. In fiscal year 2015, the Town of Readfield contributed \$25,844. Complete financial statements may be obtained from Kennebec Regional Development Authority/First Park at P.O. Box 246, Oakland, Maine 04963.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of certain outside agency's debt. As of June 30, 2015, the County of Kennebec did not have any 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 #38	\$ 4,509,106	27.48%	<u>\$ 1,238,940</u>

NOTE 12 – 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, participates in a public entity risk pool, or is effectively self-insured. Currently the Town participates in several public-entity and self-insured risk pools sponsored by the Maine Municipal Association.

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 – DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGEMENT ASSOCIATION –
RETIREMENT CORPORATION

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to Town employees, Town management and professional level employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries. Employees may opt to use a different plan with similar terms.

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – DEFERRED COMPENSATION PLAN (CONTINUED)

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Select Board. For professional employees that choose to participate in the 457 plan alone, the Town will contribute an amount equal to the required employer contribution for the defined benefit plan up to 10.00% of an employee's annual salary. For the Town's non-professional employees, the Town will contribute an amount equal to 5%, 8%, or 10% of their annual salary depending on years of service. Employees may contribute additional amounts of their own choosing.

The Town's contributions to the plan for 2015, 2014, and 2013 were \$19,091, \$5,947, and \$14,936, respectively.

NOTE 14 – OVERSPENT APPROPRIATIONS

At June 30, 2015, the Town had the following overspent appropriations which were approved in the subsequent Town meeting:

Administration	\$ 2,920
Insurance	2,852
Code enforcement	6,536
Ambulance	184
Vehicle maintenance	3,812
Debt service- principal	5,132
	<u>\$ 21,436</u>

NOTE 15 – CONTINGENCIES

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

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

TOWN OF READFIELD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - RESTATEMENTS

The beginning fund balance of the general fund has been restated as of July 1, 2014. This balance was restated to include the accrued compensated absences balance. The general fund was reduced by \$31,093.

The beginning net position of the governmental activities has been restated as of July 1, 2014. This balance was restated to correct the capital leases payable balance. The governmental activities were increased by \$1,836.

NOTE 17 – COMPARATIVE DATA/RECLASSIFICATIONS

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

Required Supplementary Information

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

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

TOWN OF READFIELD, 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, Restated	\$ 1,989,821	\$ 1,989,821	\$ 1,989,821	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	4,420,187	4,420,187	4,445,246	25,059
Excise Taxes	406,000	406,000	473,981	67,981
Interest on Taxes	16,000	16,000	20,970	4,970
Total Taxes	<u>4,842,187</u>	<u>4,842,187</u>	<u>4,940,197</u>	<u>98,010</u>
Intergovernmental Revenues:				
State Revenue Sharing	110,000	110,000	114,861	4,861
Homestead Exemption	73,164	73,164	77,252	4,088
Local Road Assistance	36,504	36,504	39,826	3,322
Other	18,634	18,634	19,052	418
Total Intergovernmental Revenues	<u>238,302</u>	<u>238,302</u>	<u>250,991</u>	<u>12,689</u>
Licenses, Permits & Fees	<u>17,350</u>	<u>17,350</u>	<u>23,777</u>	<u>6,427</u>
Charges for Services:				
Library	5,575	5,575	3,046	(2,529)
Recreation	19,021	19,021	15,147	(3,874)
Transfer Station	144,092	144,092	148,218	4,126
Total Charges for Services	<u>168,688</u>	<u>168,688</u>	<u>166,411</u>	<u>(2,277)</u>
Investment Income	<u>2,500</u>	<u>2,500</u>	<u>3,605</u>	<u>1,105</u>
Miscellaneous Revenues:				
Cable TV Franchise Fees	24,000	24,000	25,981	1,981
First Park	9,500	9,500	10,298	798
Protection	4,000	4,000	18,179	14,179
Other	8,331	8,331	16,816	8,485
Transfers from other funds	4,000	4,000	-	(4,000)
Total Miscellaneous Revenues	<u>49,831</u>	<u>49,831</u>	<u>71,274</u>	<u>21,443</u>
Amounts Available for Appropriation	<u>7,308,679</u>	<u>7,308,679</u>	<u>7,446,076</u>	<u>137,397</u>

SCHEDULE 1 (CONTINUED)
TOWN OF READFIELD, 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		
Charges to Appropriations (Outflows):				
General Government	450,520	450,520	442,600	7,920
Boards and Commissions	14,125	14,125	8,735	5,390
Town Buildings	50,377	50,377	35,810	14,567
Community Services	54,864	56,527	52,381	4,146
Recreation, Parks & Activities	24,327	24,327	13,657	10,670
Protection	137,342	139,585	133,348	6,237
Cemeteries	31,003	31,003	28,318	2,685
Roads & Drainage	567,294	567,294	547,113	20,181
Solid Waste	253,185	253,185	227,541	25,644
Education	3,163,541	3,163,541	3,163,541	-
Regional Assessments	331,620	331,620	326,706	4,914
Unclassified	89,871	89,871	24,471	65,400
Debt Service:				
Principal	306,972	306,972	312,104	(5,132)
Interest	48,238	48,238	43,344	4,894
Capital Outlay	64,160	65,938	22,791	43,147
Transfers to Other Funds	-	-	-	-
Total Charges to Appropriations	<u>5,587,439</u>	<u>5,593,123</u>	<u>5,382,460</u>	<u>210,663</u>
Budgetary Fund Balance, June 30	<u>\$ 1,721,240</u>	<u>\$ 1,715,556</u>	<u>\$ 2,063,616</u>	<u>\$ 348,060</u>
Utilization of Unassigned Fund Balance	\$ 113,421	\$ 113,421	\$ -	\$ (113,421)
Utilization of Committed Fund Balance	155,160	160,844	-	(160,844)
	<u>\$ 268,581</u>	<u>\$ 274,265</u>	<u>\$ -</u>	<u>\$ (274,265)</u>

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

Other Supplementary Information

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

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule 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 of Valuation, Assessment and Collection of Taxes

TOWN OF READFIELD, 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 -					
Administration	\$ 296,129	\$ -	\$ 296,129	\$ 299,049	\$ (2,920)
Grant writing	2,500	-	2,500	-	2,500
Insurance	21,250	-	21,250	24,102	(2,852)
Office equipment	3,955	-	3,955	2,509	1,446
Assessing	31,975	-	31,975	26,199	5,776
Code enforcement	21,745	-	21,745	28,281	(6,536)
Boundaries	1,000	-	1,000	-	1,000
Municipal maintenance	70,466	-	70,466	61,008	9,458
Heating assistance	1,500	-	1,500	1,452	48
	<u>450,520</u>	<u>-</u>	<u>450,520</u>	<u>442,600</u>	<u>7,920</u>
Boards and Commissions -					
Appeals Board	607	-	607	3	604
Conservation Commission	5,760	-	5,760	3,426	2,334
Planning Board	2,773	-	2,773	819	1,954
Trail Committee	4,985	-	4,985	4,487	498
	<u>14,125</u>	<u>-</u>	<u>14,125</u>	<u>8,735</u>	<u>5,390</u>
Town Buildings -					
Fire Station	10,980	-	10,980	7,863	3,117
Gile Hall	21,818	-	21,818	17,860	3,958
Library	16,079	-	16,079	9,509	6,570
Maintenance building	1,500	-	1,500	578	922
	<u>50,377</u>	<u>-</u>	<u>50,377</u>	<u>35,810</u>	<u>14,567</u>
Community Services -					
Animal control	16,040	-	16,040	13,622	2,418
Kennebec Land Trust	250	-	250	-	250
Library	26,159	1,663	27,822	27,822	-
Maranacook Lake Dam	250	-	250	-	250
Readfield TV	6,165	-	6,165	5,176	989
Street lights	6,000	-	6,000	5,761	239
	<u>54,864</u>	<u>1,663</u>	<u>56,527</u>	<u>52,381</u>	<u>4,146</u>

TOWN OF READFIELD, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Recreation, Parks & Activities -					
Beach	\$ 9,099	\$ -	\$ 9,099	\$ 7,026	\$ 2,073
Recreation	9,922	-	9,922	6,505	3,417
Heritage Days	5,000	-	5,000	-	5,000
Community Park	306	-	306	126	180
	<u>24,327</u>	<u>-</u>	<u>24,327</u>	<u>13,657</u>	<u>10,670</u>
Protection -					
Fire department - Operations	78,815	(23,263)	55,552	55,552	-
Fire department - Equipment	5,000	25,506	30,506	30,506	-
Ambulance	20,600	-	20,600	20,784	(184)
Water holes	500	-	500	-	500
Tower Site	1,500	-	1,500	1,279	221
Dispatching	26,302	-	26,302	25,066	1,236
Annual physicals	125	-	125	-	125
Personal protection gear	2,000	-	2,000	-	2,000
Emergency ops	2,500	-	2,500	161	2,339
	<u>137,342</u>	<u>2,243</u>	<u>139,585</u>	<u>133,348</u>	<u>6,237</u>
Cemeteries					
Cemeteries	31,003	-	31,003	28,086	2,917
Living Fence	-	-	-	232	(232)
	<u>31,003</u>	<u>-</u>	<u>31,003</u>	<u>28,318</u>	<u>2,685</u>
Roads & Drainage -					
Summer roads	290,950	-	290,950	267,380	23,570
Road reconstruction/paving	7,500	-	7,500	7,313	187
Winter maintenance	255,940	-	255,940	255,819	121
Vehicle maintenance	10,400	-	10,400	14,212	(3,812)
Interlocal	2,504	-	2,504	2,389	115
	<u>567,294</u>	<u>-</u>	<u>567,294</u>	<u>547,113</u>	<u>20,181</u>

TOWN OF READFIELD, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Capital Outlay -					
ADM technology	-	1,778	1,778	1,778	-
Cemetery	10,000	-	10,000	1,100	8,900
Gile Hall	3,500	-	3,500	-	3,500
Fairgrounds athletic fields	31,160	-	31,160	12,918	18,242
Equipment	4,000	-	4,000	-	4,000
Transfer station	2,000	-	2,000	1,665	335
Maranacook Dam	13,500	-	13,500	5,330	8,170
	<u>64,160</u>	<u>1,778</u>	<u>65,938</u>	<u>22,791</u>	<u>43,147</u>
Solid Waste -					
Transfer station	250,585	-	250,585	226,267	24,318
Backhoe	2,600	-	2,600	1,274	1,326
	<u>253,185</u>	<u>-</u>	<u>253,185</u>	<u>227,541</u>	<u>25,644</u>
Education -					
RSU #38	3,163,541	-	3,163,541	3,163,541	-
	<u>3,163,541</u>	<u>-</u>	<u>3,163,541</u>	<u>3,163,541</u>	<u>-</u>

TOWN OF READFIELD, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Regional Assessments -					
Cobbossee Watershed District	18,877	-	18,877	18,877	-
Kennebec County Tax	282,293	-	282,293	277,640	4,653
Kennebec Valley Council of Governments	4,345	-	4,345	4,345	-
First Park	26,105	-	26,105	25,844	261
	<u>331,620</u>	<u>-</u>	<u>331,620</u>	<u>326,706</u>	<u>4,914</u>
Debt Service -					
Principal	306,972	-	306,972	312,104	(5,132)
Interest	48,238	-	48,238	43,344	4,894
	<u>355,210</u>	<u>-</u>	<u>355,210</u>	<u>355,448</u>	<u>(238)</u>
Unclassified -					
Abatements/overlay	16,791	-	16,791	14,656	2,135
Non-profits	7,144	-	7,144	7,143	1
Revaluation	5,000	-	5,000	-	5,000
Readfield enterprise fund	5,000	-	5,000	-	5,000
Contingency	50,000	-	50,000	-	50,000
Snowmobiling	1,231	-	1,231	1,231	-
General assistance	4,705	-	4,705	1,441	3,264
	<u>89,871</u>	<u>-</u>	<u>89,871</u>	<u>24,471</u>	<u>65,400</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 5,587,439</u>	<u>\$ 5,684</u>	<u>\$ 5,593,123</u>	<u>\$ 5,382,460</u>	<u>\$ 210,663</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, 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	\$ -	\$ 34,659	\$ 34,659
Investments	-	198,327	198,327
Due from other funds	4,767	773	5,540
TOTAL ASSETS	<u>\$ 4,767</u>	<u>\$ 233,759</u>	<u>\$ 238,526</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	2,048	2,048
TOTAL LIABILITIES	<u>-</u>	<u>2,048</u>	<u>2,048</u>
FUND BALANCES			
Nonspendable - principal	-	122,670	122,670
Restricted	-	109,041	109,041
Committed	-	-	-
Assigned	4,767	-	4,767
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>4,767</u>	<u>231,711</u>	<u>236,478</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,767</u>	<u>\$ 233,759</u>	<u>\$ 238,526</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, 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
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ -	\$ 7,569	\$ 7,569
TOTAL REVENUES	<u>-</u>	<u>7,569</u>	<u>7,569</u>
EXPENDITURES	<u>-</u>	<u>51</u>	<u>51</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>7,518</u>	<u>7,518</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	-	7,518	7,518
FUND BALANCES - JULY 1	<u>4,767</u>	<u>224,193</u>	<u>228,960</u>
FUND BALANCES - JUNE 30	<u>\$ 4,767</u>	<u>\$ 231,711</u>	<u>\$ 236,478</u>

See accompanying independent auditors' report and notes to financial statements

Special Revenue Funds Description

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

TOWN OF READFIELD, MAINE

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

	Town Boundary Lines	Readfield Corner Sewage	Beach Tractor Replacement	Beach Equipment	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	656	1,705	2,400	6	4,767
TOTAL ASSETS	\$ 656	\$ 1,705	\$ 2,400	\$ 6	\$ 4,767
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	656	1,705	2,400	6	4,767
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	656	1,705	2,400	6	4,767
TOTAL LIABILITIES AND FUND BALANCES	\$ 656	\$ 1,705	\$ 2,400	\$ 6	\$ 4,767

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

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

	Town Boundary Lines	Readfield Corner Sewage	Beach Tractor Replacement	Beach Equipment	Totals
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Program Expenses	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-
FUND BALANCES - JULY 1	656	1,705	2,400	6	4,767
FUND BALANCES - JUNE 30	\$ 656	\$ 1,705	\$ 2,400	\$ 6	\$ 4,767

See accompanying independent auditors' report and notes to financial statements

Permanent Funds Description

Permanent funds are used to account for assets held by the Town of Readfield, 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 READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
ASSETS							
Cash and cash equivalents	\$ 17,759	\$ 527	\$ 2,447	\$ 2,259	\$ 121	\$ 337	\$ 319
Investments	101,624	3,014	14,002	12,931	694	1,924	1,825
Due from other funds	-	2	4	751	-	-	-
TOTAL ASSETS	<u>\$ 119,383</u>	<u>\$ 3,543</u>	<u>\$ 16,453</u>	<u>\$ 15,941</u>	<u>\$ 815</u>	<u>\$ 2,261</u>	<u>\$ 2,144</u>
LIABILITIES							
Due to other funds	\$ 1,956	\$ -	\$ -	\$ -	\$ 36	\$ 30	\$ -
TOTAL LIABILITIES	<u>1,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>30</u>	<u>-</u>
FUND BALANCES							
Nonspendable - principal	74,550	500	4,910	-	300	500	500
Restricted	42,877	3,043	11,543	15,941	479	1,731	1,644
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>117,427</u>	<u>3,543</u>	<u>16,453</u>	<u>15,941</u>	<u>779</u>	<u>2,231</u>	<u>2,144</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 119,383</u>	<u>\$ 3,543</u>	<u>\$ 16,453</u>	<u>\$ 15,941</u>	<u>\$ 815</u>	<u>\$ 2,261</u>	<u>\$ 2,144</u>

TOWN OF READFIELD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Cemetery Funds					Totals
	Walker Fund	Townsend Fund	Couture Fund	War Memorial	Beach Improvement Fund	
ASSETS						
Cash and cash equivalents	\$ 333	\$ 391	\$ 4,658	\$ 489	\$ 5,019	\$ 34,659
Investments	1,904	2,241	26,655	2,796	28,717	198,327
Due from other funds	-	6	-	-	10	773
TOTAL ASSETS	<u>\$ 2,237</u>	<u>\$ 2,638</u>	<u>\$ 31,313</u>	<u>\$ 3,285</u>	<u>\$ 33,746</u>	<u>\$ 233,759</u>
LIABILITIES						
Due to other funds	\$ 20	\$ -	\$ 6	\$ -	\$ -	\$ 2,048
TOTAL LIABILITIES	<u>20</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>2,048</u>
FUND BALANCES						
Nonspendable - principal	600	1,738	20,000	2,157	16,915	122,670
Restricted	1,617	900	11,307	1,128	16,831	109,041
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,217</u>	<u>2,638</u>	<u>31,307</u>	<u>3,285</u>	<u>33,746</u>	<u>231,711</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,237</u>	<u>\$ 2,638</u>	<u>\$ 31,313</u>	<u>\$ 3,285</u>	<u>\$ 33,746</u>	<u>\$ 233,759</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

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

	Cemetery Funds						
	Cemetery Fund	Whittier Fund	Kents Hill Fund	Cemetery Expansion Fund	Kesner Fund	Kolreg Fund	Lincoln Fund
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 3,673	\$ 109	\$ 506	\$ 868	\$ 25	\$ 70	\$ 66
TOTAL REVENUES	<u>3,673</u>	<u>109</u>	<u>506</u>	<u>868</u>	<u>25</u>	<u>70</u>	<u>66</u>
EXPENDITURES	-	-	-	-	17	17	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,673</u>	<u>109</u>	<u>506</u>	<u>868</u>	<u>8</u>	<u>53</u>	<u>66</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	3,673	109	506	868	8	53	66
FUND BALANCES - JULY 1	<u>113,754</u>	<u>3,434</u>	<u>15,947</u>	<u>15,073</u>	<u>771</u>	<u>2,178</u>	<u>2,078</u>
FUND BALANCES - JUNE 30	<u>\$ 117,427</u>	<u>\$ 3,543</u>	<u>\$ 16,453</u>	<u>\$ 15,941</u>	<u>\$ 779</u>	<u>\$ 2,231</u>	<u>\$ 2,144</u>

TOWN OF READFIELD, MAINE

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

	Cemetery Funds					Totals
	Walker Fund	Townsend Fund	Couture Fund	War Memorial	Beach Improvement Fund	
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 69	\$ 81	\$ 963	\$ 101	\$ 1,038	\$ 7,569
TOTAL REVENUES	69	81	963	101	1,038	7,569
EXPENDITURES	17	-	-	-	-	51
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	52	81	963	101	1,038	7,518
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	52	81	963	101	1,038	7,518
FUND BALANCES - JULY 1	2,165	2,557	30,344	3,184	32,708	224,193
FUND BALANCES - JUNE 30	\$ 2,217	\$ 2,638	\$ 31,307	\$ 3,285	\$ 33,746	\$ 231,711

See accompanying independent auditors' report and notes to financial statements

General Capital Assets

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

TOWN OF READFIELD, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ -	\$ 449,996	\$ 9,615	\$ -	\$ 459,611
Recreation, parks & activities	-	226,260	-	-	226,260
Protection	-	124,428	604,355	-	728,783
Roads & drainage	-	69,337	141,210	24,646,676	24,857,223
Solid waste	-	151,772	207,329	-	359,101
Town-wide	<u>2,865,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,865,844</u>
Total General Capital Assets	2,865,844	1,021,793	962,509	24,646,676	29,496,822
Less: Accumulated Depreciation	<u>-</u>	<u>(736,628)</u>	<u>(838,289)</u>	<u>(6,479,391)</u>	<u>(8,054,308)</u>
Net General Capital Assets	<u>\$ 2,865,844</u>	<u>\$ 285,165</u>	<u>\$ 124,220</u>	<u>\$ 18,167,285</u>	<u>\$ 21,442,514</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

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

	General Capital Assets 7/1/14	Additions	Disposals	General Capital Assets 6/30/15
General government	\$ 459,611	\$ -	\$ -	\$ 459,611
Recreation, parks & activities	226,260	-	-	226,260
Protection	728,783	-	-	728,783
Roads & drainage	24,857,223	-	-	24,857,223
Solid waste	359,101	-	-	359,101
Town-wide	<u>2,865,844</u>	<u>-</u>	<u>-</u>	<u>2,865,844</u>
Total General Capital Assets	29,496,822	-	-	29,496,822
Less: Accumulated Depreciation	<u>(7,591,505)</u>	<u>(462,803)</u>	<u>-</u>	<u>(8,054,308)</u>
Net General Capital Assets	<u>\$ 21,905,317</u>	<u>\$ (462,803)</u>	<u>\$ -</u>	<u>\$ 21,442,514</u>

See accompanying independent auditors' report and notes to financial statements

TOWN OF READFIELD, MAINE

SCHEDULE OF VALUATION, ASSESSMENT, AND COLLECTION OF TAXES
FOR THE YEAR ENDED JUNE 30, 2015

VALUATION:		
Real Estate		\$ 236,573,154
Personal Property		<u>2,355,844</u>
TOTAL VALUATION		<u><u>\$ 238,928,998</u></u>
ASSESSMENT:		
Valuation x Rate - \$238,928,998 x .0185	\$ 4,420,186	
Supplemental Taxes	<u>4,134</u>	
TOTAL ASSESSMENT CHARGED TO COLLECTOR		4,424,320
COLLECTION AND CREDITS:		
Cash Collections (92.48% of assessment)	4,073,724	
Tax Abatements (0.58% of assessment)	<u>14,656</u>	
TOTAL COLLECTION AND CREDITS		<u>4,088,380</u>
2014/2015 TAXES RECEIVABLE - JUNE 30, 2015		<u><u>\$ 335,940</u></u>

See accompanying independent auditors' report and notes to financial statements