

TOWN OF LAMOINE, MAINE

***FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES
WITH INDEPENDENT AUDITOR'S REPORT***

***FOR THE FISCAL YEAR
ENDED JUNE 30, 2014***

TOWN OF LAMOINE, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Lamoine
Lamoine, ME 04605

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Lamoine, Maine (the Town) as of and for the fiscal year ended June 30, 2014, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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 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.

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 and each major fund of the Town of Lamoine, Maine, as of June 30, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 18 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 Lamoine, Maine's financial statements as a whole. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
October 27, 2014

TOWN OF LAMOINE, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

The management of the Town of Lamoine, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2014 by \$8,163,234 (presented as “net position”). Of this amount, \$803,116 was reported as “unrestricted net position”. Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position decreased by \$216,460 (a 2.6% decrease) for the fiscal year ended June 30, 2014.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2014, the Town's governmental funds reported a combined ending fund balance of \$966,727, a decrease of \$153,730 in comparison with the prior year. Of this total fund balance, \$376,113 represents general unassigned fund balance. This unassigned fund balance represents approximately 12.4% of the total general fund expenditures for the fiscal year.

Long-term Debt:

The Town's total long-term debt obligations decreased \$39,200 (20.0%) during the current fiscal year. There were no new debt obligations issued during the year. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three component's: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of net position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

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 fund financial statements include statements for one category of activity – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 of this report.

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 the financial statements can be found on pages 11 - 17 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary). Required supplementary information can be found on page 18 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town’s net position (87.9%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | Governmental Activities | Business-like Activities | Total 2014 | Total 2013 |
|---|-------------------------|--------------------------|--------------|--------------|
| Current Assets | \$ 1,092,793 | \$ 0 | \$ 1,092,793 | \$ 1,220,048 |
| Capital Assets | \$ 7,327,112 | \$ 0 | \$ 7,327,112 | \$ 7,405,463 |
| <i>Total Assets</i> | \$ 8,419,905 | \$ 0 | \$ 8,419,905 | \$ 8,625,511 |
| Current Liabilities | \$ 109,054 | \$ 0 | \$ 109,054 | \$ 62,397 |
| Other Liabilities | \$ 137,228 | \$ 0 | \$ 137,228 | \$ 173,820 |
| Deferred Inflows | \$ 10,389 | \$ 0 | \$ 10,389 | \$ 9,600 |
| Net Position; | | | | |
| Invested in Capital Assets | \$ 7,170,312 | \$ 0 | \$ 7,170,312 | \$ 7,209,463 |
| Restricted | \$ 189,806 | \$ 0 | \$ 189,806 | \$ 364,436 |
| Unrestricted | \$ 803,116 | \$ 0 | \$ 803,116 | \$ 805,796 |
| <i>Total Liabilities and Net Position</i> | \$ 8,419,905 | \$ 0 | \$ 8,419,905 | \$ 8,625,511 |

An additional portion of the Town’s net position (2.3%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (9.8%) may be used to meet the government’s ongoing obligations to citizens and creditors.

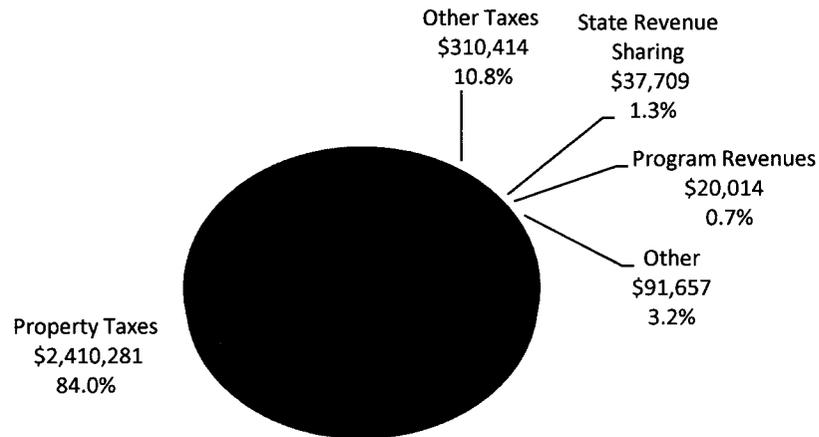
Changes in Net Position

Governmental activities decreased the Town’s net position by \$216,460. This decrease was primarily due to capital asset depreciation.

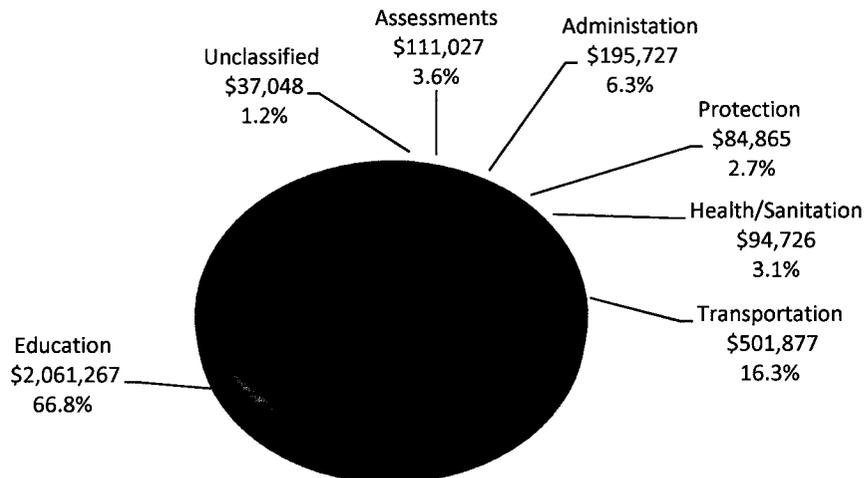
| | Governmental Activities | Business-like Activities | Total 2014 | Total 2013 |
|-----------------------|-------------------------|--------------------------|--------------|--------------|
| <i>Revenues;</i> | | | | |
| Tax Revenues | \$ 2,720,695 | \$ 0 | \$ 2,720,695 | \$ 2,660,690 |
| Program Revenues | \$ 20,014 | \$ 0 | \$ 20,014 | \$ 16,208 |
| Investments | \$ 16,848 | \$ 0 | \$ 16,848 | \$ (2,525) |
| Revenue Sharing | \$ 37,709 | \$ 0 | \$ 37,709 | \$ 58,426 |
| Other | \$ 74,809 | \$ 0 | \$ 74,809 | \$ 48,527 |
| <i>Total Revenues</i> | \$ 2,870,076 | \$ 0 | \$ 2,870,076 | \$ 2,781,326 |

| | | | | |
|-------------------------|--------------|------|--------------|--------------|
| <i>Expenses;</i> | | | | |
| Administration | \$ 195,727 | \$ 0 | \$ 195,727 | \$ 182,824 |
| Protection | \$ 84,865 | \$ 0 | \$ 84,865 | \$ 87,674 |
| Health/Sanitation | \$ 94,726 | \$ 0 | \$ 94,726 | \$ 96,474 |
| Transportation | \$ 501,877 | \$ 0 | \$ 501,877 | \$ 471,888 |
| Education | \$ 2,061,267 | \$ 0 | \$ 2,061,267 | \$ 2,099,253 |
| Unclassified | \$ 37,048 | \$ 0 | \$ 37,048 | \$ 25,132 |
| Assessments | \$ 111,027 | \$ 0 | \$ 111,027 | \$ 101,569 |
| <i>Total Expenses</i> | \$ 3,086,537 | \$ 0 | \$ 3,086,537 | \$ 3,064,814 |
| Changes in Net Position | \$ (216,460) | \$ 0 | \$ (216,460) | \$ (283,488) |

Revenues by Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$966,727, a decrease of \$153,730 in comparison with the prior fiscal year. Approximately 38.9 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$18,243 positive variance in real estate and personal property tax revenues. Actual collections were 98.8% of the levy as compared to 97.1% in the prior year. This resulted in a decrease to unearned property tax revenue.
- \$85,006 positive variance in all other revenues. This is primarily due to conservative budgeting, higher than expected excise tax revenues and unbudgeted donations to the fire truck purchase.
- \$258,365 negative variance in capital outlay expenditures. This is due to the purchase of a new fire truck in the current year that was budgeted in the prior year with the funds carried forward in a reserve.
- \$40,368 positive variance in assessments and debt service expenditures. This is due to overlay.
- \$61,428 positive variance in all other expenditures. This is primarily due to conservative budgeting and controlled expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to \$19,339,029, net of accumulated depreciation of \$12,011,917, leaving a net book value of \$7,327,112. There were current year additions of \$8,217 for a town office generator, \$258,365 for the purchase of a new fire truck and \$82,254 of road improvements. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on page 16 of this report.

Debt

The Town has total bonded debt outstanding of \$0 and \$156,800 of total outstanding loans that is backed by the full faith and credit of the Town. The outstanding debt decreased \$39,200 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 6 of the notes to the financial statements on pages 16 - 17 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Lamoine, 606 Douglas Highway, Lamoine, ME 04605.

TOWN OF LAMOINE, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2014

(Exhibit 1)

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <u>Assets</u> | |
| Cash and Cash Equivalents | \$30,929 |
| Investments, at Fair Market Value | \$945,159 |
| Accounts Receivable, net of Allowance for Uncollectible Accounts | \$17,562 |
| Taxes and Tax Liens Receivable | \$99,143 |
| <u>Capital Assets</u> | |
| Land | \$85,288 |
| Other Capital Assets, net of Accumulated Depreciation | \$7,241,824 |
| Total Capital Assets | <u>\$7,327,112</u> |
| <u>Total Assets</u> | <u>\$8,419,905</u> |
| <u>Liabilities</u> | |
| Accounts Payable | \$69,854 |
| Accrued Compensated Absences | \$19,628 |
| <u>Loans Payable:</u> | |
| Payable within 1 year | \$39,200 |
| Payable in more than 1 year | \$117,600 |
| <u>Total Liabilities</u> | <u>\$246,281</u> |
| <u>Deferred Inflows of Resources</u> | |
| Prepaid Property Taxes | \$10,389 |
| <u>Total Deferred Inflows of Resources</u> | <u>\$10,389</u> |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | \$7,170,312 |
| Restricted | \$189,806 |
| Unrestricted | \$803,116 |
| <u>Total Net Position</u> | <u>\$8,163,234</u> |
| <u>Total Liabilities, Deferred Inflows and Net Position</u> | <u>\$8,419,905</u> |

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit II)

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense)</u> |
|---|---------------------------|------------------------------------|--------------------------------|---|
| | | <u>Charges for Services</u> | <u>Operating Grants</u> | <u>Revenue and Changes in Net Position</u> |
| <u>Primary Government</u> | | | | <u>Governmental Activities</u> |
| <u>Governmental Activities</u> | | | | |
| Administration | \$195,727 | \$14,567 | | (\$181,160) |
| Protection | \$84,865 | | | (\$84,865) |
| Health & Sanitation | \$94,726 | \$2,127 | | (\$92,599) |
| Transportation | \$501,877 | | | (\$501,877) |
| Education | \$2,061,267 | | | (\$2,061,267) |
| Unclassified | \$37,048 | \$3,320 | | (\$33,728) |
| Assessments | \$111,027 | | | (\$111,027) |
| <u>Total Governmental Activities</u> | <u>\$3,086,537</u> | <u>\$20,014</u> | <u>\$0</u> | <u>(\$3,066,523)</u> |
| <u>Total Primary Government</u> | <u>\$3,086,537</u> | <u>\$20,014</u> | <u>\$0</u> | <u>(\$3,066,523)</u> |
| <u>General Revenues:</u> | | | | |
| Tax Revenues, Including Homestead Exemption | | | | \$2,400,118 |
| Excise Taxes | | | | \$310,414 |
| State Revenue Sharing | | | | \$37,709 |
| Investment Earnings | | | | \$16,848 |
| Interest and Fees on Delinquent Taxes | | | | \$10,163 |
| Other Revenues | | | | \$74,809 |
| <u>Total Revenues</u> | | | | <u>\$2,850,062</u> |
| <u>Changes in Net Position</u> | | | | <u>(\$216,460)</u> |
| <u>Net Position - Beginning</u> | | | | <u>\$8,379,695</u> |
| <u>Net Position - Ending</u> | | | | <u>\$8,163,234</u> |

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

(Exhibit III)

| <u>Assets</u> | <u>General Fund</u> | <u>Permanent Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|---------------------------|---|
| Cash On Hand and On Deposit | \$30,929 | \$0 | \$30,929 |
| Investments, at Fair Market Value | \$931,077 | \$14,082 | \$945,159 |
| Accounts Receivable | \$17,562 | \$0 | \$17,562 |
| Property Taxes Due | \$99,143 | \$0 | \$99,143 |
| Due from Other Funds | \$3,274 | \$22,422 | \$25,696 |
| | <hr/> | <hr/> | <hr/> |
| <u>Total Assets</u> | <u>\$1,081,984</u> | <u>\$36,505</u> | <u>\$1,118,489</u> |
| <u>Liabilities, Deferred Inflows & Fund Balances</u> | | | |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$69,854 | \$0 | \$69,854 |
| Due to Other Funds | \$22,422 | \$3,274 | \$25,696 |
| | <hr/> | <hr/> | <hr/> |
| <u>Total Liabilities</u> | <u>\$92,276</u> | <u>\$3,274</u> | <u>\$95,550</u> |
| <u>Deferred Inflows of Resources</u> | | | |
| Prepaid Property Taxes | \$10,389 | \$0 | \$10,389 |
| Unearned Property Tax Revenue | \$45,823 | \$0 | \$45,823 |
| | <hr/> | <hr/> | <hr/> |
| <u>Total Deferred Inflows of Resources</u> | <u>\$56,212</u> | <u>\$0</u> | <u>\$56,212</u> |
| <u>Fund Balance:</u> | | | |
| Nonspendable | \$0 | \$9,677 | \$9,677 |
| Restricted | \$157,706 | \$22,422 | \$180,129 |
| Committed | \$303,054 | \$0 | \$303,054 |
| Assigned | \$96,622 | \$1,132 | \$97,754 |
| Unassigned | \$376,113 | \$0 | \$376,113 |
| | <hr/> | <hr/> | <hr/> |
| <u>Total Fund Balance</u> | <u>\$933,496</u> | <u>\$33,231</u> | <u>\$966,727</u> |
| | <hr/> | <hr/> | <hr/> |
| <u>Total Liabilities, Deferred Inflows & Fund Balance</u> | <u>\$1,081,984</u> | <u>\$36,505</u> | <u>\$1,118,489</u> |
| <u>Total Fund Balance - Governmental Funds</u> | | | \$966,727 |
| <i>Net position reported for governmental activities in the statement of net position are different because:</i> | | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | | | \$7,327,112 |
| Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as deferred revenue (a liability) in governmental funds | | | \$45,823 |
| Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds, including: | | | |
| Compensated Absences | | | (\$19,628) |
| Loans Payable | | | (\$156,800) |
| <u>Net Position of Governmental Activities</u> | | | <u>\$8,163,234</u> |

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit IV)

| | <u>General</u> <u>Fund</u> | <u>Permanent</u> <u>Fund</u> | <u>Total</u> <u>Governmental</u> <u>Funds</u> |
|---|-------------------------------|---------------------------------|---|
| <u>Revenues:</u> | | | |
| Tax Revenues, Including Homestead Reimbursement | \$2,421,090 | | \$2,421,090 |
| Excise Taxes | \$310,414 | | \$310,414 |
| State Revenue Sharing | \$37,709 | | \$37,709 |
| Investment Earnings (Includes Unrealized Gains / (Losses)) | \$16,678 | \$170 | \$16,848 |
| Interest and Fees on Delinquent Taxes | \$10,163 | | \$10,163 |
| Intergovernmental Revenues | \$3,258 | | \$3,258 |
| Other Revenues | \$63,449 | \$8,103 | \$71,552 |
| <u>Total Revenues</u> | <u>\$2,862,761</u> | <u>\$8,273</u> | <u>\$2,871,034</u> |
| <u>Expenditures (Net of Departmental Revenues):</u> | | | |
| Administration and Planning | \$176,542 | | \$176,542 |
| Protection | \$45,289 | | \$45,289 |
| Health & Sanitation | \$92,441 | | \$92,441 |
| Highways & Bridges | \$118,384 | | \$118,384 |
| Education | \$2,061,267 | | \$2,061,267 |
| Unclassified | \$31,393 | \$384 | \$31,777 |
| Assessments and Debt Service | \$150,227 | | \$150,227 |
| Capital Outlay | \$348,836 | | \$348,836 |
| <u>Total Expenditures</u> | <u>\$3,024,380</u> | <u>\$384</u> | <u>\$3,024,764</u> |
| <u>Excess Revenues Over Expenditures</u> | <u>(\$161,619)</u> | <u>\$7,888</u> | <u>(\$153,730)</u> |
| <u>Beginning Fund Balances</u> | <u>\$1,095,114</u> | <u>\$25,343</u> | <u>\$1,120,457</u> |
| <u>Ending Fund Balances</u> | <u>\$933,496</u> | <u>\$33,231</u> | <u>\$966,727</u> |
| <u>Reconciliation to Statement of Activities, changes in Net Position:</u> | | | |
| Net Change in Fund Balances - Above | | | (\$153,730) |
| Revenues in the Statements of Activities that do not provide current financial resources are not reported as revenues in the funds | | | (\$20,972) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds - Compensated Absences | | | (\$2,608) |
| Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position | | | |
| This amount represent long-term debt payments | | | \$39,200 |
| Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense. | | | \$348,836 |
| Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds. | | | (\$427,187) |
| <u>Changes in Net Position of Governmental Activities</u> | | | <u>(\$216,460)</u> |

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Lamoine, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Lamoine, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*. The Town is governed under an Administration Assistant/Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Fiduciary activities, whose resources are not available to finance the Town's programs are excluded from the government-wide statements. The effect of material interfund activity has been removed from these statements. *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 support.

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. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports unearned revenue on its governmental fund financial statements. Unearned revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, fines and forfeitures, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Fund Equity

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 one year or less from the date of acquisition. These investments are not specifically identified with any one fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Investments are carried at fair market value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

Accounts Receivable and Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased and constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------|--------------|
| Buildings | 50 |
| Infrastructure | 30-50 |
| Sewer Lines | 40 |
| Equipment | 5-10 |

Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds effected in the period in which transactions are executed.

Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

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. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has applied GASB Statement No 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of its resources reported in governmental funds. As such, the Town has identified June 30, 2014 fund balances on the balance sheet as follows:

| | <u>General Fund</u> | <u>Permanent Fund</u> | <u>Total</u> |
|---------------------------|-------------------------|---------------------------|--------------|
| <u>Nonspendable</u> | | | |
| Cemetery Trust Principal | | \$9,677 | \$9,677 |
| <u>Restricted</u> | | | |
| Education Fund | \$157,706 | | \$157,706 |
| Hodgkins Trust | | \$22,422 | \$22,422 |
| <u>Committed</u> | | | |
| Code Enforcement Fund | \$29,304 | | \$29,304 |
| RSU 24 Withdrawal Fund | \$12,943 | | \$12,943 |
| Road Fund | \$78,158 | | \$78,158 |
| Education Capital Fund | \$9,611 | | \$9,611 |
| Revaluation Fund | \$106,571 | | \$106,571 |
| Veteran's Memorial Fund | \$5,496 | | \$5,496 |
| Capital Improvement Fund | \$54,610 | | \$54,610 |
| Land Conservation Fund | \$6,361 | | \$6,361 |
| <u>Assigned</u> | | | |
| Flag Program Fund | \$389 | | \$389 |
| Fire Truck Fund | \$1,464 | | \$1,464 |
| Animal Control Fund | \$3,672 | | \$3,672 |
| Parks & Recreation Fund | \$8,889 | | \$8,889 |
| Cable TV Equipment Fund | \$38,172 | | \$38,172 |
| Insurance Deductible Fund | \$6,551 | | \$6,551 |
| Harbor Fund | \$18,989 | | \$18,989 |

| | | | |
|------------------------------|------------------|-----------------|------------------|
| Conservation Commission Fund | \$1,008 | | \$1,008 |
| Reserve for Encumbrances | \$17,489 | | \$17,489 |
| Cemetery Trust Income | | \$1,132 | \$1,132 |
| <u>Unassigned</u> | <u>\$376,113</u> | | <u>\$376,113</u> |
| <u>Total Fund Balances</u> | <u>\$933,496</u> | <u>\$33,231</u> | <u>\$966,727</u> |

The Town considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The Board of Selectmen are authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position are required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports \$189,806 of restricted net position, of which enabling legislation restricts \$0.

Unrestricted - This component consists of net position that do not meet the definition of "restricted" or "net investment in capital asset".

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Endowments

In the permanent funds, there are established endowment funds of \$9,677 for the Cemetery Trust Funds. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is \$1,132 from the Cemetery Trust Funds, which is reported as unrestricted net position in the statement of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. Under the program, all accounts, including non-interest bearing accounts, are aggregated and are insured up to \$250,000 in total by the FDIC. Any cash deposits, including certificates of deposit, in excess of the \$250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to avoid exceeding the \$250,000 FDIC limits, the Town deposits excess funds into an investment account, which invests funds in certificates of deposit and other fixed income securities.

At year end, the carrying value of the Town's deposits was \$30,729 and the bank balance was \$123,081. The Town has no uninsured and uncollateralized deposits as of June 30, 2014.

Investments

At year end, the Town's Governmental Funds investment balances were as follows:

| | <i>Fair Market Value</i> | <i>Maturities (yrs)</i> | | |
|-------------------------------------|------------------------------|-------------------------|------------------|------------------|
| | | <i>Less than 1 yr</i> | <i>1-5 yrs</i> | <i>Long-term</i> |
| U.S. Treasury Securities - Agencies | \$399,996 | \$0 | \$273,244 | \$126,753 |
| Money Market | (\$9,475) | (\$9,475) | \$0 | \$0 |
| Certificates of Deposit | \$554,638 | \$0 | \$456,291 | \$98,348 |
| | <u>\$945,159</u> | <u>(\$9,475)</u> | <u>\$729,535</u> | <u>\$225,100</u> |

Generally, the Town's investing activities are managed under the custody of the Town Treasurer. Investing is performed in accordance with State Statutes. The Town may legally invest in U.S. Government securities and agencies, U.S. Government sponsored agencies and in bank repurchase agreements.

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 investment securities that are in the possession of an outside party. As a means of limiting its exposure to custodial credit risk, the Town requires that, at the time funds are invested, collateral for repurchase agreements be held in the Town's name by a custodial agent for the term of the agreement and investments in obligations of the United States or its agencies be held by the Federal Reserve.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short-term investments held by a local institution.

Credit risk - credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town limits its investments to those authorized by Maine State Statutes, which authorize the Town to make deposits/ investments in insured commercial bank, insured credit unions and direct debt securities of the United States Government unless such an investment is expressly prohibited by law.

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2013 and committed on July 15, 2013. Interest of 7.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax

liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, \$45,823 of the property taxes receivable have been classified as unearned property tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| <i>Governmental Activities:</i> | | | | |
| <i>Capital assets not being depreciated</i> | | | | |
| Land | \$85,288 | | | \$85,288 |
| <i>Capital assets being depreciated</i> | | | | |
| Buildings / Improvements | \$664,769 | | | \$664,769 |
| Equipment | \$682,223 | \$266,582 | | \$948,805 |
| Infrastructure | \$17,557,913 | \$82,254 | | \$17,640,167 |
| <i>Total capital assets being depreciated</i> | <u>\$18,904,905</u> | <u>\$348,836</u> | <u>\$0</u> | <u>\$19,253,741</u> |
| <i>Less accumulated depreciation for</i> | | | | |
| Buildings | \$266,481 | \$12,591 | | \$279,072 |
| Equipment | \$538,436 | \$34,903 | | \$573,340 |
| Infrastructure | \$10,779,813 | \$379,693 | | \$11,159,505 |
| <i>Total accumulated depreciation</i> | <u>\$11,584,730</u> | <u>\$427,187</u> | <u>\$0</u> | <u>\$12,011,917</u> |
| <i>Net capital assets being depreciated</i> | <u>\$7,320,175</u> | <u>(\$78,351)</u> | <u>\$0</u> | <u>\$7,241,824</u> |
| <i>Governmental Activities, Capital Assets, net</i> | <u>\$7,405,463</u> | <u>(\$78,351)</u> | <u>\$0</u> | <u>\$7,327,112</u> |

Depreciation expense was charged to functions/programs of the primary government as follows;

Governmental Activities

| | |
|---|-------------------------|
| Administration | \$2,010 |
| Protection | \$39,576 |
| Health & Sanitation | \$158 |
| Unclassified | \$1,951 |
| Highways, including depreciation of general infrastructure assets | \$383,493 |
| Total Depreciation Expense - Governmental Activities | <u><u>\$427,187</u></u> |

Note 5 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. At June 30, 2014, the offsetting receivable and payable balances were \$25,696. The balances represent amounts due to the general fund from the cemetery care and amounts due to the Hodgkins Trust from the general fund. These amounts are expected to be repaid when the funds are needed. The change during the current year represents cemetery maintenance costs paid by the general fund on behalf of the cemetery trust and amounts received from the Hodgkins Trust to fund the current year budget.

Note 6 - Long-Term Debt

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

| | | |
|---|-------------------------------|-------------------|
| <u>Long-Term Debt payable at July 1,</u> | | \$196,000 |
| | <i>Long-Term Debt Issued</i> | \$0 |
| | <i>Long-Term Debt Retired</i> | <u>(\$39,200)</u> |
| <u>Long-Term Debt payable at June 30,</u> | | <u>\$156,800</u> |

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Lamoine, Maine. Outstanding bonds at June 30, 2014 are as follows:

In June 2013, the Town issued bonds for a fire truck purchase with The First, N.A.. The bonds were authorized by the Town for \$196,000. The entire amount was borrowed during the fiscal year. The bonds are to be repaid over a 5 year period with yearly principal payments of \$39,200 plus interest at the rate of 1.92%. The principal balance outstanding at June 30, 2014 is \$156,800.

Annual debt service requirements to maturity of the general obligation bonds including estimated interest are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|------------------|
| 2015 | \$39,200 | \$3,011 | \$42,211 |
| 2016 | \$39,200 | \$2,264 | \$41,464 |
| 2017 | \$39,200 | \$1,505 | \$40,705 |
| 2018 | \$39,200 | \$753 | \$39,953 |
| | <u>\$156,800</u> | <u>\$7,533</u> | <u>\$164,333</u> |

Note 7 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town of Lamoine, Maine has completed the closure of its municipal landfill. The Town will fund any future postclosure monitoring costs on an as needed basis through town meeting appropriations.

Note 8 - Restricted Net Position

The Town reports restricted net position totaling \$189,806 on its statements of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

Note 9 - Risk Management

The Town of Lamoine, Maine participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Unemployment Compensation. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for the participation in the respective programs.

The Town is exposed to various risks of loss related to torts, theft of, damage, or destruction of assets, errors or omissions, and natural disasters for which it carries commercial and municipal insurance. Based on the coverage provided by this insurance, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2014.

Note 10 - Pending Litigation

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town of Lamoine, Maine through the date of the audit report.

TOWN OF LAMOINE, MAINE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit V)

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|----------------------------|---------------------------|---------------------------|---|
| <u>Revenues:</u> | | | | |
| Tax Revenues | \$2,402,847 | \$2,402,847 | \$2,421,090 | \$18,243 |
| Excise Taxes | \$275,400 | \$275,400 | \$310,414 | \$35,014 |
| State Revenue Sharing | \$36,965 | \$36,965 | \$37,709 | \$744 |
| Investment Earnings (Includes Unrealized Losses) | \$11,500 | \$11,500 | \$16,678 | \$5,178 |
| Interest and Fees on Delinquent Taxes | \$8,000 | \$8,000 | \$10,163 | \$2,163 |
| Intergovernmental Revenues | \$2,250 | \$2,250 | \$3,258 | \$1,008 |
| Other Revenues | \$22,550 | \$22,550 | \$63,449 | \$40,899 |
| <u>Total Revenues</u> | <u>\$2,759,512</u> | <u>\$2,759,512</u> | <u>\$2,862,761</u> | <u>\$103,249</u> |
| <u>Expenditures (Net of Departmental Revenues):</u> | | | | |
| Administration and Planning | \$203,864 | \$203,864 | \$184,759 | \$19,104 |
| Protection | \$65,816 | \$65,816 | \$45,289 | \$20,526 |
| Health & Sanitation | \$97,505 | \$97,505 | \$92,441 | \$5,064 |
| Highways & Bridges | \$204,470 | \$204,470 | \$200,638 | \$3,832 |
| Education | \$2,074,534 | \$2,074,534 | \$2,061,267 | \$13,267 |
| Unclassified | \$31,028 | \$31,028 | \$31,393 | (\$365) |
| Assessments & Debt Service | \$190,596 | \$190,596 | \$150,227 | \$40,368 |
| Capital Outlay | \$0 | \$0 | \$258,365 | (\$258,365) |
| <u>Total Expenditures</u> | <u>\$2,867,812</u> | <u>\$2,867,812</u> | <u>\$3,024,380</u> | <u>(\$156,568)</u> |
| <u>Excess Revenues Over Expenditures</u> | <u>(\$108,300)</u> | <u>(\$108,300)</u> | <u>(\$161,619)</u> | <u>(\$53,319)</u> |
| <u>Beginning Fund Balances</u> | <u>\$1,095,114</u> | <u>\$1,095,114</u> | <u>\$1,095,114</u> | <u>\$0</u> |
| <u>Ending Fund Balances</u> | <u>\$986,814</u> | <u>\$986,814</u> | <u>\$933,496</u> | <u>(\$53,319)</u> |

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE

(Exhibit A-1)

SCHEDULE OF DEPARTMENTAL OPERATIONS (NON-CONTINUING ACCOUNTS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| <u>Department</u> | <u>Appropriations</u> | <u>Expenditures</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------------|-----------------------|---------------------|---|
| <u>Administration:</u> | | | |
| General Government | \$189,404 | \$184,274 | \$5,129 |
| | <u>\$189,404</u> | <u>\$184,274</u> | <u>\$5,129</u> |
| <u>Protection:</u> | | | |
| Public Safety | \$65,816 | \$63,694 | \$2,121 |
| | <u>\$65,816</u> | <u>\$63,694</u> | <u>\$2,121</u> |
| <u>Health & Sanitation:</u> | | | |
| Solid Waste | \$99,005 | \$91,355 | \$7,650 |
| Dump Closing | \$0 | \$910 | (\$910) |
| | <u>\$99,005</u> | <u>\$92,265</u> | <u>\$6,740</u> |
| <u>Unclassified:</u> | | | |
| Appeals & Charities | \$7,879 | \$7,879 | \$0 |
| Library Contract | \$7,128 | \$7,128 | \$0 |
| Shellfish Program | \$3,000 | \$3,000 | \$0 |
| | <u>\$18,007</u> | <u>\$18,007</u> | <u>\$0</u> |
| <u>Assessments and Debt Service:</u> | | | |
| County Tax | \$107,068 | \$107,068 | \$0 |
| Fire Truck Debt | \$48,060 | \$43,159 | \$4,901 |
| Overlay | \$35,468 | \$0 | \$35,467 |
| | <u>\$190,596</u> | <u>\$150,227</u> | <u>\$40,368</u> |
| <u>TOTALS</u> | <u>\$562,827</u> | <u>\$508,468</u> | <u>\$54,359</u> |

TOWN OF LAMOINE, MAINE
SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit A-2)

| | | |
|--|-----------|------------------|
| <u>Beginning Unassigned Fund Balance</u> | | \$364,434 |
| <u>Additions:</u> | | |
| Lapsed Accounts (Exhibit A-1) | \$54,359 | |
| Decrease in Deferred Tax Revenues (Note 3) | \$20,972 | |
| Increase in Fair Market Value of Investments | \$7,229 | |
| Supplemental Taxes | \$9,304 | |
| Excise Taxes (Net of Appropriation) | \$35,014 | |
| Delinquent Tax Interest (Net of Appropriation) | \$2,163 | |
| Fees Collected (Net of Appropriation) | \$1,708 | |
| State Revenues (Net of Appropriation) | \$1,752 | |
| Other Revenues (Net of Appropriation) | \$4,276 | |
| | <hr/> | |
| <u>Total Additions</u> | | \$136,777 |
| <u>Reductions:</u> | | |
| Appropriations from Unassigned Fund Balance | \$108,300 | |
| Investment Earnings (Net of Appropriation) | \$4,719 | |
| Abatements Granted | \$12,078 | |
| | <hr/> | |
| <u>Total Reductions</u> | | \$125,097 |
| | | <hr/> |
| <u>Ending Unassigned Fund Balance</u> | | <u>\$376,113</u> |

TOWN OF LAMOINE, MAINE
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit A-3)

Taxable Valuation:

| | |
|--------------------|--------------------|
| Land and Buildings | \$253,124,600 |
| Personal Property | <u>\$2,796,000</u> |

Total Taxable Valuation

\$255,920,600

Rate per \$1 Valuation

\$0.0093

Tax Commitment

\$2,380,062

Collections and Adjustments:

| | |
|--------------------------|--------------------|
| Cash Collections | \$2,348,496 |
| Supplementals | (\$8,422.08) |
| Abatements on Commitment | <u>\$12,042.50</u> |

Total Collections and Adjustments

\$2,352,117

Uncollected Taxes June 30, 2014

\$27,945

TOWN OF LAMOINE, MAINE
SCHEDULE OF RESERVES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit A-4)

| | Balance 7/1/2013 | Investment Earnings (Net of Fees) | Appropriated to Reserves | Revenues | Total Available | Appropriated from Reserves | Expenditures | Balance 6/30/2014 |
|---------------------------------|---------------------|---|-----------------------------|-----------------|--------------------|-------------------------------|--------------------|----------------------|
| <u>General Administration:</u> | | | | | | | | |
| Code Enforcement | \$24,953 | \$120 | \$16,460 | \$14,567 | \$56,100 | \$12,000 | \$14,796 | \$29,304 |
| Revaluation | \$95,946 | \$625 | \$10,000 | \$0 | \$106,571 | \$0 | \$0 | \$106,571 |
| Flag Program | \$645 | \$0 | \$0 | \$0 | \$645 | \$0 | \$256 | \$389 |
| Insurance Deductible | \$6,510 | \$42 | \$0 | \$0 | \$6,551 | \$0 | \$0 | \$6,551 |
| | \$128,053 | \$787 | \$26,460 | \$14,567 | \$169,867 | \$12,000 | \$15,052 | \$142,815 |
| <u>Public Safety:</u> | | | | | | | | |
| Fire Truck | \$205,750 | \$714 | \$230,000 | \$34,960 | \$471,424 | \$230,000 | \$239,960 | \$1,464 |
| | \$205,750 | \$714 | \$230,000 | \$34,960 | \$471,424 | \$230,000 | \$239,960 | \$1,464 |
| <u>Health & Sanitation:</u> | | | | | | | | |
| Animal Control | \$5,348 | \$0 | \$0 | \$2,127 | \$7,475 | \$1,500 | \$2,303 | \$3,672 |
| | \$5,348 | \$0 | \$0 | \$2,127 | \$7,475 | \$1,500 | \$2,303 | \$3,672 |
| <u>Highways & Bridges:</u> | | | | | | | | |
| Road Fund | \$69,180 | \$335 | \$245,970 | \$24,524 | \$340,009 | \$41,500 | \$220,351 | \$78,158 |
| | \$69,180 | \$335 | \$245,970 | \$24,524 | \$340,009 | \$41,500 | \$220,351 | \$78,158 |
| <u>Education:</u> | | | | | | | | |
| Education Fund | \$144,439 | \$0 | \$2,179,953 | \$0 | \$2,324,392 | \$105,419 | \$2,061,267 | \$157,706 |
| RSU 24 Withdrawal | \$12,943 | \$0 | \$0 | \$0 | \$12,943 | \$0 | \$0 | \$12,943 |
| Education Capital | \$9,552 | \$59 | \$0 | \$0 | \$9,611 | \$0 | \$0 | \$9,611 |
| | \$166,935 | \$59 | \$2,179,953 | \$0 | \$2,346,946 | \$105,419 | \$2,061,267 | \$180,260 |
| <u>Unclassified:</u> | | | | | | | | |
| Harbor | \$16,806 | \$100 | \$0 | \$3,320 | \$20,227 | \$0 | \$1,238 | \$18,989 |
| Capital Improvement | \$57,197 | \$335 | \$3,800 | \$0 | \$61,332 | \$3,000 | \$3,722 | \$54,610 |
| Cable Television | \$39,432 | \$227 | \$0 | \$11,670 | \$51,330 | \$0 | \$13,159 | \$38,172 |
| Parks & Recreation | \$7,944 | \$39 | \$11,221 | \$25 | \$19,229 | \$0 | \$10,340 | \$8,889 |
| Veteran's Memorial | \$5,733 | \$36 | \$0 | \$244 | \$6,012 | \$0 | \$516 | \$5,496 |
| Conservation Commission | \$678 | \$0 | \$0 | \$420 | \$1,098 | \$0 | \$90 | \$1,008 |
| Land Conservation | \$5,325 | \$36 | \$1,000 | \$0 | \$6,361 | \$0 | \$0 | \$6,361 |
| | \$133,115 | \$774 | \$16,021 | \$15,679 | \$165,589 | \$3,000 | \$29,065 | \$133,524 |
| Total Reserves | \$708,381 | \$2,669 | \$2,698,404 | \$91,857 | \$3,501,310 | \$393,419 | \$2,567,998 | \$539,894 |

TOWN OF LAMOINE, MAINE
SCHEDULE OF APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(Exhibit A-5)

Revenues:

| | |
|---|-------------|
| Property Taxes, Including Homestead Exemption | \$2,402,847 |
| Excise Taxes | \$275,400 |
| State Revenue Sharing | \$36,965 |
| Local Road Assistance | \$21,500 |
| Investment Interest | \$11,500 |
| Interest on Delinquent Taxes | \$8,000 |
| Code Enforcement Fees | \$9,000 |
| Lease Income | \$12,000 |
| Animal Control Fees | \$1,500 |
| General Assistance Reimbursements | \$2,250 |
| Fees Revenues | \$10,550 |

Fund Balance Appropriations:

| | |
|---------------------------|------------------|
| Undesignated Fund Balance | <u>\$108,300</u> |
|---------------------------|------------------|

| | |
|---|-------------------------|
| <u>Total Fund Balance Appropriations</u> | <u>\$108,300</u> |
|---|-------------------------|

Total Revenues

\$2,899,812

Expenditures:

| | |
|-----------------------------|-------------|
| Administration and Planning | \$212,864 |
| Protection | \$65,816 |
| Health & Sanitation | \$99,005 |
| Highways & Bridges | \$225,970 |
| Education | \$2,074,534 |
| Unclassified | \$31,028 |
| Assessments & Debt Service | \$190,596 |

Total Expenditures

\$2,899,812