

Audited Financial Statements and
Other Supplemental Information

Town of Rumford, Maine

June 30, 2014



Proven Expertise and Integrity

TOWN OF RUMFORD, MAINE

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JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Rumford
Rumford, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Rumford, Maine, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 includes examining, on a test basis, evidence supporting 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 assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Rumford, Maine as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on page 46 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 Rumford, Maine's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 taken as a whole.

RHR Smith & Company

Buxton, Maine
November 5, 2014

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

(UNAUDITED)

The following management's discussion and analysis of the Town of Rumford, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

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

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

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

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

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

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

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 Rumford, 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 Rumford can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Rumford presents only three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the sewer extension fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor 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.

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

Notes to the Financial Statements

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

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 \$1,054,096 from \$16.17 million to \$15.12 million. For the business-type activities, the Town's total net position decreased by \$83,293 from \$173,675 to \$90,382.

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 - increased for the governmental activities to a balance of \$7,536,255 at the end of the fiscal year. For the business-type activities, the unrestricted net position decreased to a balance of \$90,382.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:				
Current and Other Assets	\$ 9,040,065	\$ 9,346,167	\$ 200,850	\$ 338,402
Capital Assets	6,829,634	7,687,130	-	-
Total Assets	<u>15,869,699</u>	<u>17,033,297</u>	<u>200,850</u>	<u>338,402</u>
Liabilities:				
Current Liabilities	208,626	111,513	-	-
Long-term Debt Outstanding	536,406	737,451	-	-
Total Liabilities	<u>745,032</u>	<u>848,964</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Prepaid taxes	6,153	11,723	3,303	-
Deferred billings	-	-	107,165	164,727
Total Deferred Inflows of Resources	<u>6,153</u>	<u>11,723</u>	<u>110,468</u>	<u>164,727</u>
Net Position:				
Net Investment in Capital Assets	6,829,634	7,687,130	-	-
Restricted	752,625	964,703	-	-
Unrestricted	7,536,255	7,520,777	90,382	173,675
Total Net Position	<u>\$ 15,118,514</u>	<u>\$ 16,172,610</u>	<u>\$ 90,382</u>	<u>\$ 173,675</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 10.0%, while total expenses decreased by 3.44%. Most revenues and expenditures had minor differences from the prior year. All revenue categories were less than those of last year. For the business-type activities revenues decreased by 40.96%, while total expenses decreased by 2.93%.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues				
<i>Program Revenues:</i>				
Charges for services	\$ 714,537	\$ 811,423	\$ 273,700	\$ 473,025
Operating grants and contributions	456,712	524,584	-	-
<i>General Revenues:</i>				
Taxes	13,741,436	15,271,915	-	-
Grants and contributions not restricted to specific programs	1,353,219	1,486,594	-	-
Miscellaneous	275,994	286,038	11,649	10,317
Total Revenues	<u>16,541,898</u>	<u>18,380,554</u>	<u>285,349</u>	<u>483,342</u>
Expenses				
General government	756,721	783,174	-	-
Public safety	2,304,887	2,465,092	-	-
Public works	2,796,721	2,645,723	-	-
Health and sanitation	662,841	667,426	-	-
Welfare	123,094	102,551	-	-
Public services	505,470	512,878	-	-
Social services	12,875	300,702	-	-
Education	6,467,894	6,580,041	-	-
County tax	454,017	454,935	-	-
Tax increment financing agreement	2,028,704	2,078,455	-	-
Interest on long-term debt	28,710	34,708	-	-
Capital outlay	178,360	231,978	-	-
Sewer fund	-	-	358,642	369,471
Unallocated depreciation	42,162	37,262	-	-
Unclassified	1,243,538	1,338,661	-	-
Total Expenses	<u>17,605,994</u>	<u>18,233,586</u>	<u>358,642</u>	<u>369,471</u>
Transfers	<u>10,000</u>	<u>81,450</u>	<u>(10,000)</u>	<u>(81,450)</u>
Change in Net Position	(1,054,096)	228,418	(83,293)	32,421
Net Position - July 1	<u>16,172,610</u>	<u>15,944,192</u>	<u>173,675</u>	<u>141,254</u>
Net Position - June 30	<u>\$ 15,118,514</u>	<u>\$ 16,172,610</u>	<u>\$ 90,382</u>	<u>\$ 173,675</u>

Financial Analysis of the Town's Fund Statements

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

Table 3
Town of Rumford, Maine
Fund Balances - Governmental Funds
June 30,

	2014	2013
General Fund:		
Nonspendable	\$ 219,110	\$ 188,305
Restricted	238,903	461,979
Committed	1,385,463	1,333,505
Assigned	953,152	1,311,483
Unassigned	3,455,548	3,686,725
Total General Fund	\$ 6,252,176	\$ 6,981,997
Sewer Extension Fund:		
Committed	\$ 538,705	\$ 465,074
Total Sewer Extension Fund	\$ 538,705	\$ 465,074
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 441,920	\$ 431,347
Capital Project Funds:		
Committed	1,379,477	1,096,115
Permanent Funds:		
Restricted	71,802	71,377
Total Nonmajor Funds	\$ 1,893,199	\$ 1,598,839

The general fund total fund balance decreased by \$729,821 over the prior fiscal year. The sewer extension fund increased by \$73,631. The non-major fund balances increased by \$294,360 over the prior fiscal year. Most of the decrease in the general fund came as a result of a budgeted use of unassigned fund balance of \$1,252,106.

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

The sewer department had an decrease in net position for the year of \$83,293. Last year, the sewer department had an increase in net assets of \$32,421.

Budgetary Highlights

The significant differences between the original and final budget for the general fund were the use of restricted, committed and assigned fund balances as well as the addition of several charges for service revenues.

The general fund actual revenues were more than budget by \$198,764. This was a result of excise taxes, charges for services and miscellaneous revenue being significantly over budget.

The general fund actual expenditures were under the budget by \$2,276,640. All of the expenditure accounts with the exception of welfare and transfers to other funds were under-spent after carrying forward several fund balances from the previous year.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2014, the net book value of capital assets recorded by the Town decreased by \$857,496 from the prior year. The decrease is the result of current year depreciation expense.

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

	<u>2014</u>	<u>2013</u>
Land	\$ 248,853	\$ 248,853
Land improvements	315,354	327,551
Art & antiques	77,650	77,650
Buildings	962,404	1,001,886
Equipment	1,001,964	1,143,145
Vehicles	1,155,477	1,351,429
Infrastructure	<u>3,067,932</u>	<u>3,536,616</u>
Total	<u>\$ 6,829,634</u>	<u>\$ 7,687,130</u>

Debt

At June 30, 2014, the Town had \$375,000 in bonds outstanding versus \$455,000 last year, a decrease of 17.58%. Other obligations include capital leases payable and accrued vacation and sick time. Refer to Note 5 of the Notes to the Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance has increased significantly in the past few years, bringing it above the level of a sufficient fund balance to sustain operations for approximately two months while also maintaining significant reserves for future operations, capital and program needs. The current year's decrease was due to a budgeted use of excess unassigned fund balance.

Requests for Information

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 145 Congress St., Rumford, Maine 04276.

STATEMENT A

TOWN OF RUMFORD, MAINE

STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,007,299	\$ 86,603	\$ 8,093,902
Investments	2,526	-	2,526
Accounts receivable (net of allowance for uncollectibles):			
Taxes	341,787	-	341,787
Liens	108,697	34,131	142,828
Other	319,974	90,135	410,109
Due from other governments	30,653	-	30,653
Inventory	144,779	-	144,779
Prepaid items	1,275	-	1,275
Tax acquired property	73,056	-	73,056
Internal balances	10,019	(10,019)	-
Total current assets	<u>9,040,065</u>	<u>200,850</u>	<u>9,240,915</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	326,503	-	326,503
Buildings and vehicles net of accumulated depreciation	6,503,131	-	6,503,131
Total noncurrent assets	<u>6,829,634</u>	<u>-</u>	<u>6,829,634</u>
TOTAL ASSETS	<u>\$ 15,869,699</u>	<u>\$ 200,850</u>	<u>\$ 16,070,549</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 41,491	\$ -	\$ 41,491
Current portion of long-term obligations	167,135	-	167,135
Total current liabilities	<u>208,626</u>	<u>-</u>	<u>208,626</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	290,000	-	290,000
Accrued compensated absences	246,406	-	246,406
Total noncurrent liabilities	<u>536,406</u>	<u>-</u>	<u>536,406</u>
TOTAL LIABILITIES	<u>745,032</u>	<u>-</u>	<u>745,032</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	6,153	3,303	9,456
Deferred taxes	-	107,165	107,165
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,153</u>	<u>110,468</u>	<u>116,621</u>
NET POSITION			
Net investment in capital assets	6,829,634	-	6,829,634
Restricted	752,625	-	752,625
Unrestricted	7,536,255	90,382	7,626,637
TOTAL NET POSITION	<u>15,118,514</u>	<u>90,382</u>	<u>15,208,896</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 15,869,699</u>	<u>\$ 200,850</u>	<u>\$ 16,070,549</u>

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

STATEMENT B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 756,721	\$ 49,067	\$ -	\$ -	\$ (707,654)	\$ -	\$ (707,654)
Public safety	2,304,887	37,550	-	-	(2,267,337)	-	(2,267,337)
Public works	2,796,721	546,194	102,936	-	(2,147,591)	-	(2,147,591)
Health and sanitation	662,841	-	-	-	(662,841)	-	(662,841)
Welfare	123,094	49,839	-	-	(73,255)	-	(73,255)
Public services	505,470	31,887	-	-	(473,583)	-	(473,583)
Social services	12,875	-	-	-	(12,875)	-	(12,875)
Education	6,467,894	-	-	-	(6,467,894)	-	(6,467,894)
County tax	454,017	-	-	-	(454,017)	-	(454,017)
Tax increment financing agreement	2,028,704	-	-	-	(2,028,704)	-	(2,028,704)
Interest on long-term debt	28,710	-	-	-	(28,710)	-	(28,710)
Capital outlay	178,360	-	-	-	(178,360)	-	(178,360)
Unallocated depreciation (Note 4)*	42,162	-	-	-	(42,162)	-	(42,162)
Unclassified	1,243,538	-	353,776	-	(889,762)	-	(889,762)
Total governmental activities	<u>17,605,994</u>	<u>714,537</u>	<u>456,712</u>	<u>-</u>	<u>(16,434,745)</u>	<u>-</u>	<u>(16,434,745)</u>
Business-type activities:							
Sewer fund	<u>358,642</u>	<u>273,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,942)</u>	<u>(84,942)</u>
Total business-type activities	<u>358,642</u>	<u>273,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(84,942)</u>	<u>(84,942)</u>
Total government	<u>\$ 17,964,636.00</u>	<u>\$ 988,237.00</u>	<u>\$ 456,712.00</u>	<u>\$ -</u>	<u>(16,434,745)</u>	<u>(84,942)</u>	<u>(16,519,687)</u>

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

STATEMENT B (CONTINUED)

TOWN OF RUMFORD, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities	Business- type Activities	Totals
	<u> </u>	<u> </u>	<u> </u>
Changes in net position:			
Net (expense) revenue	<u>(16,434,745)</u>	<u>(84,942)</u>	<u>(16,519,687)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	12,961,845	-	12,961,845
Excise taxes	779,591	-	779,591
Grants and contributions not restricted to specific programs	1,353,219	-	1,353,219
Miscellaneous	275,994	11,649	287,643
Total general revenues	<u>15,370,649</u>	<u>11,649</u>	<u>15,382,298</u>
Transfers	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Change in net position	(1,054,096)	(83,293)	(1,137,389)
NET POSITION - JULY 1	<u>16,172,610</u>	<u>173,675</u>	<u>16,346,285</u>
NET POSITION - JUNE 30	<u>\$ 15,118,514</u>	<u>\$ 90,382</u>	<u>\$ 15,208,896</u>

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

TOWN OF RUMFORD, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Totals
ASSETS				
Cash and cash equivalents	\$ 5,784,379	\$ 550,536	\$ 1,672,384	\$ 8,007,299
Investments	-	-	2,526	2,526
Receivables (net of allowance for uncollectibles):				
Taxes	341,787	-	-	341,787
Liens	108,697	-	-	108,697
Other	92,869	-	227,105	319,974
Due from other governments	-	-	30,653	30,653
Inventory	144,779	-	-	144,779
Prepaid items	1,275	-	-	1,275
Tax acquired property	73,056	-	-	73,056
Due from other funds	61,194	-	24,985	86,179
TOTAL ASSETS	\$ 6,608,036	\$ 550,536	\$ 1,957,653	\$ 9,116,225
LIABILITIES				
Accounts payable	\$ 41,335	\$ -	\$ 156	\$ 41,491
Due to other funds	31	11,831	64,298	76,160
TOTAL LIABILITIES	41,366	11,831	64,454	117,651
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	6,153	-	-	6,153
Deferred tax revenues	308,341	-	-	308,341
TOTAL DEFERRED INFLOWS OF RESOURCES	314,494	-	-	314,494
FUND BALANCES				
Nonspendable	219,110	-	-	219,110
Restricted	238,903	-	513,722	752,625
Committed	1,385,463	538,705	1,379,477	3,303,645
Assigned	953,152	-	-	953,152
Unassigned	3,455,548	-	-	3,455,548
TOTAL FUND BALANCES	6,252,176	538,705	1,893,199	8,684,080
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,608,036	\$ 550,536	\$ 1,957,653	\$ 9,116,225

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

TOWN OF RUMFORD, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

	Total Governmental Funds
Total Fund Balances	\$ 8,684,080
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	6,829,634
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	308,341
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(375,000)
Accrued compensated absences	(328,541)
Net position of governmental activities	\$ 15,118,514

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

TOWN OF RUMFORD, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Property taxes	\$ 12,912,256	\$ -	\$ -	\$ 12,912,256
Excise taxes	779,591	-	-	779,591
Intergovernmental	1,456,155	-	353,776	1,809,931
Charges for services	714,537	-	-	714,537
Miscellaneous revenues	134,457	93,596	47,941	275,994
TOTAL REVENUES	15,996,996	93,596	401,717	16,492,309
EXPENDITURES				
Current:				
General government	781,259	-	-	781,259
Public safety	1,975,294	-	162,256	2,137,550
Public works	2,166,229	-	36,389	2,202,618
Health and sanitation	662,841	-	-	662,841
Welfare	123,072	-	22	123,094
Public services	462,679	-	-	462,679
Social services	12,875	-	-	12,875
Education	6,467,894	-	-	6,467,894
County tax	454,017	-	-	454,017
Tax Increment Financing Agreement	2,028,704	-	-	2,028,704
Unclassified	1,078,293	484	164,761	1,243,538
Debt service:				
Principal	80,000	-	-	80,000
Interest	28,710	-	-	28,710
Capital outlay	-	37,481	140,879	178,360
TOTAL EXPENDITURES	16,321,867	37,965	504,307	16,864,139
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(324,871)	55,631	(102,590)	(371,830)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	18,000	439,910	467,910
Transfers (out)	(414,950)	-	(42,960)	(457,910)
TOTAL OTHER FINANCING SOURCES (USES)	(404,950)	18,000	396,950	10,000
NET CHANGE IN FUND BALANCES	(729,821)	73,631	294,360	(361,830)
FUND BALANCES - JULY 1	6,981,997	465,074	1,598,839	9,045,910
FUND BALANCES - JUNE 30	\$ 6,252,176	\$ 538,705	\$ 1,893,199	\$ 8,684,080

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

TOWN OF RUMFORD, 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, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (361,830)</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>(857,496)</u> <u>(857,496)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>49,589</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>81,731</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>33,910</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (1,054,096)</u></u>

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

TOWN OF RUMFORD, MAINE

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 86,603
Accounts receivable	90,135
Liens receivable	34,131
Due from other funds	-
Total current assets	<u>210,869</u>
TOTAL ASSETS	<u><u>\$ 210,869</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ -
Due to other funds	10,019
Total current liabilities	<u>10,019</u>
Total liabilities	<u>10,019</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	3,303
Deferred taxes	107,165
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>110,468</u>
NET POSITION	
Unrestricted	<u>90,382</u>
TOTAL NET POSITION	<u>90,382</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 210,869</u></u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ 273,700
Other	5,517
TOTAL OPERATING REVENUES	<u>279,217</u>
OPERATING EXPENSES	
Contracted services	354,842
Miscellaneous	3,800
TOTAL OPERATING EXPENSES	<u>358,642</u>
OPERATING INCOME (LOSS)	<u>(79,425)</u>
NON-OPERATING INCOME (EXPENSE)	
Interest income	6,132
Operating transfers in	-
Operating transfers (out)	(10,000)
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>(3,868)</u>
CHANGE IN NET POSITION	(83,293)
NET POSITION - JULY 1	<u>173,675</u>
NET POSITION - JUNE 30	<u>\$ 90,382</u>

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

TOWN OF RUMFORD, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 444,356
Internal activity - receipts (payments) from/to other funds	(83,821)
Payments to suppliers	(355,339)
Net cash provided by operating activities	<u>5,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	6,132
Net cash used by investing activities	<u>(3,868)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,328
CASH AND CASH EQUIVALENTS - JULY 1	<u>85,275</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u><u>\$ 86,603</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (79,425)
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	225,022
(Increase) decrease in liens receivable	(2,321)
Increase (decrease) in prepaid taxes	3,303
Increase (decrease) in deferred taxes	(57,562)
Increase (decrease) in due to other funds	(83,821)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 5,196</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest	<u><u>\$ -</u></u>

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

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Rumford was incorporated under the laws of the State of Maine. The Town operates under the selectmen-manager form of government and provides the following services: general government, public safety, public works, health and sanitation, public services, social services, education, and other 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

Government-Wide and Fund Financial Statements

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

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

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, protection, 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.

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

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

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

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Proprietary Funds

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

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

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

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of parts, oil and gasoline.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

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 RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the sewer receivables is estimated to be \$0 as of June 30, 2014.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for 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. The capital assets for the Sewer Fund have not been included in these financial statements. The Town is working on compiling a list of these assets for inclusion in next year's financial statements.

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 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.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Compensated Absences

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

Net Position

Net position represents the difference between 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.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advance payment of LRAP funding also qualify for reporting in this category. These items are 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 November 14, 2013 on the assessed value listed as of April 1, 2013, for all real and personal property located in the Town. Taxes were due on in two installments on October 1, 2013 and April 1, 2014. Interest on unpaid taxes commenced on October 2, 2013 and April 2, 2014, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$400,000 for the year ended June 30, 2014.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

Operating/Non-Operating Proprietary Fund Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - CASH 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.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2014, the Town's deposits amounting to \$8,093,902 were comprised of bank deposits of \$8,230,060. Of these bank deposits, \$314,532 was covered by federal depository insurance and \$7,915,528 was collateralized with securities held by the financial institution but not in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 314,510
Repurchase agreements	4,055,163
Savings accounts	22
Money market accounts	3,860,365
	<u>\$ 8,230,060</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in certificates of deposits in the amount of \$2,526 was covered by federal depository insurance. At June 30, 2014, the Town had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>		
		<u>N/A</u>	<u>> 1 Year</u>	<u>2 - 5 Years</u>
Certificates of deposit	\$ 2,526	\$ -	\$ 2,526	\$ -
	<u>\$ 2,526</u>	<u>\$ -</u>	<u>\$ 2,526</u>	<u>\$ -</u>

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 various savings accounts and insured certificates of deposit.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2014 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 61,194	\$ 31
Sewer Extension Fund	-	11,831
Special Revenue Funds	3,524	40,741
Permanent Funds	31	-
Enterprise Funds	-	10,019
	<u>\$ 86,179</u>	<u>\$ 86,179</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2014:

	Balance, 7/1/13	Additions	Disposals	Balance, 6/30/14
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 248,853	\$ -	\$ -	\$ 248,853
Art & antiques	77,650	-	-	77,650
	<u>326,503</u>	<u>-</u>	<u>-</u>	<u>326,503</u>
Depreciated assets:				
Land improvements	402,001	-	-	402,001
Buildings	1,841,327	-	-	1,841,327
Equipment	2,999,611	-	-	2,999,611
Vehicles	2,901,661	-	-	2,901,661
Infrastructure	15,335,303	-	-	15,335,303
	<u>23,479,903</u>	<u>-</u>	<u>-</u>	<u>23,479,903</u>
Less: accumulated depreciation	<u>(16,119,276)</u>	<u>(857,496)</u>	<u>-</u>	<u>(16,976,772)</u>
	<u>7,360,627</u>	<u>(857,496)</u>	<u>-</u>	<u>6,503,131</u>
Net governmental capital assets	<u>\$ 7,687,130</u>	<u>\$ (857,496)</u>	<u>\$ -</u>	<u>\$ 6,829,634</u>

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4 - CAPITAL ASSETS (CAPITAL ASSETS)

Current year depreciation

General government	\$ 11,103
Public safety	167,337
Public works	594,103
Recreation	36,991
Library	5,800
Town-wide	42,162
Total depreciation expense	<u>\$ 857,496</u>

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2014:

	Balance, 7/1/13	Additions	Deletions	Balance, 6/30/14	Current Portion
Bonds payable	\$ 455,000	\$ -	\$ (80,000)	\$ 375,000	\$ 85,000
Capital leases payable	1,731	-	(1,731)	-	-
Accrued compensated absences	362,451	-	(33,910)	328,541	82,135
Totals	<u>\$ 819,182</u>	<u>\$ -</u>	<u>\$ (115,641)</u>	<u>\$ 703,541</u>	<u>\$ 167,135</u>

The following is a summary of the outstanding bonds payable:

Governmental activities debt:

\$1,035,000, 2001 General Obligation Pension Bonds due in annual principal payments varying from \$45,000 to \$105,000, through July of 2017. Interest is charged at a rate varying from 5.250% to 7.00% per annum.

\$ 375,000

Total Long-Term Debt

\$ 375,000

TOWN OF RUMFORD, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bond principal and interest requirements for the next ten fiscal years ending June 30:

	Principal	Interest	Total Debt Service
2015	\$ 85,000	\$ 23,074	\$ 108,074
2016	90,000	17,057	107,057
2017	95,000	10,651	105,651
2018	105,000	3,675	108,675
2019	-	-	-
	\$ 375,000	\$ 54,457	\$ 429,457

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.

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2014, the Town had the following nonspendable fund balances:

Inventory	\$ 144,779
Prepaid items	1,275
Tax acquired property	73,056
	\$ 219,110

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2014, the Town had the following restricted fund balances:

State aid construction	\$ 238,903
Nonmajor special revenue funds (Schedule E)	441,920
Nonmajor permanent funds (Schedule I)	71,802
	\$ 752,625

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2014, the Town had the following committed fund balances:

Revaluation	\$ 30,000
Economic development	114,356
Economic development - performing arts committee	890
Economic development - envision Rumford	134
Municipal building - capital improvement	30,000
Town audit - contractual	1,350
Sealer of weights and measures	317
Police department - training compliance education	1,000
Police department - clothing allowance	180
Fire department - donations	700
Public works - bituminous	225,856
Permanent roads	426,333
Sidewalks	140,930
Bridges	155,862
Building demolition	58,664
PUIIA business park	45,012
Equipment maintenance	8,952
N.O.R.S.W.B. trucking	6,638
Municipal planning - industrial	2,200
Municipal planning - comprehensive	7,254
Charter commission	4,176
Capital improvement - parks	10,854
M.M.E.H.T. - health insurance	113,805
Subtotal general fund	<u>1,385,463</u>
Sewer Extension Fund	538,705
Nonmajor capital project funds (Schedule G)	<u>1,379,477</u>
	<u><u>\$ 3,303,645</u></u>

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2014, the Town had the following assigned fund balances:

Cable tv franchise	\$	58,064
State municipal revenue sharing		442,116
Rumford bicentennial oral history		2,865
Planning board escrow		117,806
Moontide fireworks		53
Library		3,707
Accrued compensated absences		328,541
	\$	<u>953,152</u>

NOTE 10 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County debt. As of June 30, 2014, the County has no long-term debt.

NOTE 11 - ECONOMIC DEPENDENCY

The Town has one taxpayer whose property tax assessment represents a significant portion of the Town's tax base. The Rumford Paper Company has an assessed value of \$128,839,803, which is 23.52% of the Town's total assessed value of \$547,899,455. For the year ended June 30, 2014, the Rumford Paper Company's property tax assessment was \$3,092,155.

NOTE 12 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts, individual stop loss coverage for member Town's for claims in excess of \$400,000 with an excess limit of \$2,000,000.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - RISK MANAGEMENT (CONTINUED)

The Town has its liability insurance through the Kyes Agency Inc. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the policy, coverage is provided after the \$1,000 deductible is met, to \$13,068,638. Under the general liability portion of the policy, coverage is provided after the deductible is met, to \$1,000,000 per occurrence and \$3,000,000 in total. For the law enforcement liability, the coverage is \$1,000,000 per occurrence and in total with a \$2,500 deductible. For the public official liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible. Under the employment practices liability, the coverage is \$1,000,000 per occurrence and \$3,000,000 in total with a \$2,500 deductible.

NOTE 13 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

The Town participates in the Maine Public Employees Retirement System Consolidated Plan, a cost-sharing multiple-employer defined benefit pension plan established by the Maine State legislature. The Maine Public Employees Retirement System Consolidated Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Maine State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333 or by calling (800) 451-9800.

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Maine State Legislature. The Town's fire and police department employees are part of special plan "4C" and are required by union contract to contribute 5.0% of their annual salary. Although the Plan requires a 7.5% total employee contribution under special plan "4C", the Town is required to contribute the remaining 2.5% as stipulated in the union contract. All administration, department heads and certain non-union fire and police department employees are part of regular plan "AC" and are required to contribute 6.5% of their annual salary. The Town is required to contribute 5.5% of special plan "4C" members' covered payroll along with a

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

predetermined initial unpooled unfunded actuarial liability (IUUAL) rate set by the system, and 4.4% of regular plan "AC" members' covered payroll annually to the system. The IUUAL can either be a monthly payment or credit, which is added to or subtracted from the employer's percentage of employees' covered payroll to determine the employers actual cost. The Town's contributions to the plan including employee contributions for the fiscal years ended June 30, 2014, 2013, and 2012 were \$226,123, \$226,242, and \$316,043, respectively.

Unfunded Actuarial Accrued Liability

As of June 30, 2012, the Town had an unfunded actuarial accrued liability of \$133,452, computed using the actuarial method used for funding purposes. (The amount of the unfunded actuarial accrued liability credit as of June 30, 2014 is not currently available.) This unfunded actuarial accrued liability is being amortized over a closed period of 6 years from July 1, 2011.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

The Town, in accordance with its current health insurance company agreement, provides optional health and other benefits to eligible retirees and their spouses. Retired plan members and beneficiaries currently receiving benefits are required to contribute the full cost of receiving benefits under the Town's medical benefits program.

Funding policy – The Town currently funds claims and administrative costs for postemployment benefits through its health insurance company or through current year expenditures.

The following is the census of Town benefit participants as of June 30, 2012 (the most recent period available):

Active members	57
Retirees and spouses	33
Total	<u>90</u>

Annual OPEB Cost and Net OPEB Obligations

The Town of Rumford's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual required contribution (ARC)	\$ 108,263	\$ 110,229	\$ 123,248
Interest on net OPEB obligation	4,331	-	4,930
Adjustment to annual required contribution	<u>(6,375)</u>	<u>-</u>	<u>(7,257)</u>
Annual OPEB cost	106,219	110,229	120,921
Contributions made	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net OPEB obligation	106,219	110,229	120,921
Net OPEB obligation, beginning of year	<u>356,636</u>	<u>246,407</u>	<u>125,486</u>
Net OPEB obligation, end of year	<u>\$ 462,854</u>	<u>\$ 356,636</u>	<u>\$ 246,407</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2010 through 2012 is presented below:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/10	\$ 120,921	\$ -	0.0%	\$ 246,407
6/30/11	110,229	-	0.0	356,636
6/30/12	106,219	-	0.0	462,854

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost blended trend rate of 7.6% is used initially, decreasing at a variable rate per year to an ultimate rate of 4.0% for 2029 and later. The remaining amortization period at June 30, 2011 was 30 years. As of June 30, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$1,514,620, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$1,514,620.

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
6/30/10	\$ -	\$ 1,496,052	0.0%	N/A	N/A
6/30/11	-	1,514,620	0.0	N/A	N/A
6/30/12	-	1,514,620	0.0	N/A	N/A

These numbers are based on information that was presented on January 1, 2011 for June 30, 2011. The amortization method that was used to calculate the numbers is presented below.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Discount rate	4.00%	4.00%	4.00%
Payroll growth assumption	N/A	N/A	N/A
Accrued liability	\$ 1,514,620	\$ 1,514,620	\$ 1,496,052
Value of assets	-	-	-
Unfunded liability	<u>\$ 1,514,620</u>	<u>\$ 1,514,620</u>	<u>\$ 1,496,052</u>
Normal cost	\$ 26,007	\$ 23,866	\$ 42,297
Amortization of unfunded	77,847	84,222	75,932
Interest	4,409	2,141	5,019
Annual required contribution	<u>\$ 108,263</u>	<u>\$ 110,229</u>	<u>\$ 123,248</u>

The Town, in accordance with its current life insurance company agreement, provides life insurance benefits to eligible retirees.

Funding policy – The Town currently funds claims and administrative costs for postemployment benefits through its life insurance company or through current year expenditures.

The current census of Town benefit participants as of June 30, 2014 was forty-two participants. Total expenditures for the years ended June 30, 2014, 2013 and 2012 were \$3,063, \$3,611 and \$3,646, respectively.

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 RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 - TAX INCREMENT FINANCING AGREEMENT

On November 18, 1997, the inhabitants of the Town of Rumford approved the Industrial Park Municipal Development and Tax Increment Financing District (TIF) and adopted a development program and financial plan for the District which includes a credit enhancement agreement with the Maine Power Associates Limited Partnership (MPA) as authorized pursuant to Chapter 207 of Title 30-A of the Revised Maine Statutes as amended. The Original Assessed Valuation was \$81,000; the New Assessed Valuation added was \$113,793,776 bringing the Total Assessed Valuation to \$113,874,776. The amount of Captured Assessed Value for 2011-2012 for this Tax Increment Financing District is \$85,709,498. MPA constructed, owns and operates a natural gas fired electrical generating facility located within the District. Under the terms of the TIF and after commercial operation of the project began, the Town reimbursed MPA all taxes assessed against the project in excess of \$500,000 for the first year of commercial operation, and an amount escalated at the rate of 3 percent per year thereafter. Because this fiscal year is the 14th year of this TIF agreement, the Town of Rumford retained an amount of \$671,959 to help reduce its tax burden and reimbursed MPA an amount of \$1,890,223. The Plan was approved by the Office of Economic and Community Development on December 17, 1997. The District expires after a twenty (20) year period and at that time the Total Assessed Valuation of MPA will be included in the Town of Rumford's Total Valuation to reduce its future tax burden. The TIF agreement was amended on November 12, 1998. Ownership of the District was transferred to Rumford Power Associates Limited Partnership in 1998.

On February 23, 2012 at a Special Town Meeting held in the Rumford Falls Auditorium, the inhabitants of the Town of Rumford approved three separate tax increment financing districts: The Gateway Area, The Rumford Falls Entryway, and the Puiia Business Park. The Gateway Area is the Route 2 area on Lincoln Avenue and includes parts of Hancock and Waldo Streets. The Rumford Falls Entryway is the Route 2 area that includes parcels bordering the Virginia section of town up to Royal Avenue. The Puiia Business Park is a designated area adjacent to Route 108 towards the end of the Smithcrossing neighborhood just prior to the Wyman Hill Road entrance. The plan was approved by the State of Maine's Department of Economic Development on March 30, 2012. The Districts expire after a thirty-year period. On April 19, 2012, the Board of Selectpersons voted to adopt a Credit Enhancement Agreement with Gateway Plaza, LLC for a period of five years. The original valuation of the property was \$20,250; \$395,442 in TIF captured value was added, bringing the 2012-13 valuation of the property to \$415,692. Gateway Plaza, LLC constructed, owns and operates an Amato's franchise restaurant in the Gateway TIF District. The agreement stipulates that the developer will be reimbursed a percentage of the newly captured value in the specified years: 2012/2013 – 95%, 2013-2014 – 78%, 2014/2015 – 60%, 2015/2016 – 42% and 2016/2017 – 24%. Property Taxes kept by the Town are used to make improvements within the district.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 17 - RELATED PARTY TRANSACTIONS

The Town's Finance Committee Chairperson is related to the Town's attorney. The Town believes that the Finance Committee Chairperson recuses himself from legal matters related to the Town's attorney. During the fiscal year ended June 30, 2014, payments to this vendor for legal services totaled \$17,776.

NOTE 18 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2014:

	<u>Excess</u>
Welfare	<u>\$ 13,233</u>

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 RUMFORD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,981,997	\$ 6,981,997	\$ 6,981,997	\$ -
Resources (Inflows):				
Property taxes	13,149,587	13,149,587	12,912,256	(237,331)
Excise taxes	400,000	400,000	779,591	379,591
Intergovernmental	1,449,175	1,552,111	1,456,155	(95,956)
Charges for services	-	632,764	714,537	81,773
Miscellaneous revenues	-	63,770	134,457	70,687
Transfers from other funds	-	10,000	10,000	-
Amounts Available for Appropriation	21,980,759	22,790,229	22,988,993	198,764
Charges to Appropriations (Outflows):				
General government	749,000	935,229	781,259	153,970
Public safety	1,991,000	2,009,394	1,975,294	34,100
Public works	1,274,000	3,453,096	2,166,229	1,286,867
Health and sanitation	662,931	662,931	662,841	90
Welfare	60,000	109,839	123,072	(13,233)
Public services	444,960	502,221	462,679	39,542
Social services	12,875	12,875	12,875	-
Education	6,467,894	6,467,894	6,467,894	-
County tax	454,017	454,017	454,017	-
Tax Increment Financing Agreement	2,028,706	2,028,706	2,028,704	2
Debt service:				
Principal	80,000	155,000	80,000	75,000
Interest	68,685	86,853	28,710	58,143
Unclassified	1,598,800	1,720,452	1,078,293	642,159
Transfers to other funds	358,000	414,950	414,950	-
Total Charges to Appropriations	16,250,868	19,013,457	16,736,817	2,276,640
Budgetary Fund Balance, June 30	\$ 5,729,891	\$ 3,776,772	\$ 6,252,176	\$ 2,475,404
Utilization of Restricted Fund Balance	\$ -	\$ 461,979	\$ -	\$ (461,979)
Utilization of Committed Fund Balance	-	1,333,504	-	(1,333,504)
Utilization of Assigned Fund Balance	-	157,636	-	(157,636)
Utilization of Unassigned Fund Balance	1,252,106	1,252,106	-	(1,252,106)
	\$ 1,252,106	\$ 3,205,225	\$ -	\$ (3,205,225)

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.

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund Revenues
- 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 Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF RUMFORD, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 13,149,587	\$ 13,149,587	\$ 12,912,256	\$ (237,331)
Excise taxes	400,000	400,000	779,591	379,591
Intergovernmental revenues:				
State revenue sharing	671,170	671,170	442,116	(229,054)
Homestead exemption	144,944	144,944	144,944	-
Local road assistance	-	102,936	102,936	-
Tree growth reimbursement	-	-	62,396	62,396
Veterans' reimbursement	-	-	6,817	6,817
BETE reimbursement	633,061	633,061	696,946	63,885
Charges for services:				
Licenses and permits	-	-	31,353	31,353
Charges for services	-	2,432	17,714	15,282
Fire revenue	-	-	12,212	12,212
Police revenue	-	-	22,926	22,926
Animal control fees	-	2,412	2,412	-
Roads	-	5,013	5,013	-
Equipment maintenance	-	350,098	350,098	-
N.O.R.S.W.B. Trucking	-	104,575	104,575	-
N.O.R.S.W.B. Payroll	-	86,508	86,508	-
Parks and recreation committee	-	22,106	22,106	-
Welfare Office	-	49,839	49,839	-
Library	-	9,781	9,781	-
Other income:				
MSRS bond reimbursement	-	-	28,832	28,832
Insurances/Social Security	-	20,098	39,572	19,474
Cable TV franchise	-	-	37,963	37,963
Other income	-	43,672	28,090	(15,582)
Operating transfers in	-	10,000	10,000	-
Total revenues	<u>\$ 14,998,762</u>	<u>\$ 15,808,232</u>	<u>\$ 16,006,996</u>	<u>\$ 198,764</u>

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

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Selectmen	\$ 5,450	\$ -	\$ 5,450	\$ 4,925	\$ 525
Town manager	162,662	1,355	164,017	157,583	6,434
Town clerk	77,678	359	78,037	77,054	983
Tax collector	79,307	10,010	89,317	77,251	12,066
Tax assessor	101,240	30,708	131,948	130,747	1,201
Town solicitor	24,000	-	24,000	17,776	6,224
Town audit	14,000	-	14,000	12,650	1,350
Dog officer	23,063	2,411	25,474	21,306	4,168
Economic development	30,000	107,987	137,987	22,606	115,381
Elections	34,000	2,037	36,037	32,219	3,818
Municipal building	95,100	30,660	125,760	122,365	3,395
Computer	18,000	22	18,022	15,506	2,516
Information booth	6,500	-	6,500	7,051	(551)
MSRS - town employees	78,000	-	78,000	81,857	(3,857)
Sealer of weights and measures	-	680	680	363	317
	<u>749,000</u>	<u>186,229</u>	<u>935,229</u>	<u>781,259</u>	<u>153,970</u>
Public safety:					
Police	716,000	2,065	718,065	694,639	23,426
Fire	625,000	700	625,700	615,026	10,674
Code enforcement	41,209	1,275	42,484	42,510	(26)
Emergency management	6,237	-	6,237	4,945	1,292
Utilities	459,554	14,354	473,908	473,908	-
MSRS - police & fire	143,000	-	143,000	144,266	(1,266)
	<u>1,991,000</u>	<u>18,394</u>	<u>2,009,394</u>	<u>1,975,294</u>	<u>34,100</u>

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public works:					
Summer roads	280,910	5,013	285,923	291,417	(5,494)
Winter roads	513,090	102,936	616,026	610,487	5,539
Bituminous	-	273,034	273,034	47,179	225,855
Permanent roads	400,000	380,418	780,418	354,085	426,333
State aid construction	-	461,979	461,979	243,489	218,490
Sidewalks	-	144,130	144,130	3,200	140,930
Bridges	5,000	150,862	155,862	-	155,862
Building demolition	10,000	49,010	59,010	346	58,664
PUIIA Business Park	14,000	36,773	50,773	5,761	45,012
Town garage	51,000	574,941	625,941	610,265	15,676
	<u>1,274,000</u>	<u>2,179,096</u>	<u>3,453,096</u>	<u>2,166,229</u>	<u>1,286,867</u>
Health and sanitation:					
Health	119,860	-	119,860	106,998	12,862
Sewer maintenance	42,071	-	42,071	52,659	(10,588)
Solid waste	501,000	-	501,000	503,184	(2,184)
	<u>662,931</u>	<u>-</u>	<u>662,931</u>	<u>662,841</u>	<u>90</u>
Welfare:					
Welfare office	60,000	49,839	109,839	123,072	(13,233)
	<u>60,000</u>	<u>49,839</u>	<u>109,839</u>	<u>123,072</u>	<u>(13,233)</u>
Public service:					
Library	225,000	22,701	247,701	240,484	7,217
Municipal planning	23,750	9,454	33,204	20,214	12,990
Charter commission	1,500	3,000	4,500	324	4,176
Park & rec comm - parks	183,430	22,106	205,536	187,698	17,838
Park & rec comm - cem	11,280	-	11,280	13,959	(2,679)
	<u>444,960</u>	<u>57,261</u>	<u>502,221</u>	<u>462,679</u>	<u>39,542</u>

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	80,000	75,000	155,000	80,000	75,000
Interest	68,685	18,168	86,853	28,710	58,143
	<u>148,685</u>	<u>93,168</u>	<u>241,853</u>	<u>108,710</u>	<u>133,143</u>
Social services	<u>12,875</u>	<u>-</u>	<u>12,875</u>	<u>12,875</u>	<u>-</u>
Education	<u>6,467,894</u>	<u>-</u>	<u>6,467,894</u>	<u>6,467,894</u>	<u>-</u>
County tax	<u>454,017</u>	<u>-</u>	<u>454,017</u>	<u>454,017</u>	<u>-</u>
TIF	<u>2,028,706</u>	<u>-</u>	<u>2,028,706</u>	<u>2,028,704</u>	<u>2</u>
Unclassified:					
Insurances/social security	1,178,800	48,257	1,227,057	1,046,856	180,201
Contingency	20,000	(15,629)	4,371	478	3,893
Cable tv franchise	-	89,024	89,024	30,959	58,065
Snowmobile club	-	-	-	-	-
Overlay	400,000	-	400,000	-	400,000
	<u>1,598,800</u>	<u>121,652</u>	<u>1,720,452</u>	<u>1,078,293</u>	<u>642,159</u>
Transfers out:					
Special revenue funds	-	10,487	10,487	10,487	-
Capital project funds	358,000	46,463	404,463	404,463	-
	<u>358,000</u>	<u>56,950</u>	<u>414,950</u>	<u>414,950</u>	<u>-</u>
Total Expenditures	<u>\$ 16,250,868</u>	<u>\$ 2,762,589</u>	<u>\$ 19,013,457</u>	<u>\$ 16,736,817</u>	<u>\$ 2,276,640</u>

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

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 221,535	\$ 1,381,604	\$ 69,245	\$ 1,672,384
Investments	-	-	2,526	2,526
Accounts receivable (net of allowance for uncollectibles)	227,105	-	-	227,105
Due from other governments	30,653	-	-	30,653
Due from other funds	3,524	21,430	31	24,985
TOTAL ASSETS	<u>\$ 482,817</u>	<u>\$ 1,403,034</u>	<u>\$ 71,802</u>	<u>\$ 1,957,653</u>
LIABILITIES				
Accounts payable	\$ 156	\$ -	\$ -	\$ 156
Due to other funds	40,741	23,557	-	64,298
TOTAL LIABILITIES	<u>40,897</u>	<u>23,557</u>	<u>-</u>	<u>64,454</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	441,920	-	71,802	513,722
Committed	-	1,379,477	-	1,379,477
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>441,920</u>	<u>1,379,477</u>	<u>71,802</u>	<u>1,893,199</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 482,817</u>	<u>\$ 1,403,034</u>	<u>\$ 71,802</u>	<u>\$ 1,957,653</u>

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

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 353,776	\$ -	\$ -	\$ 353,776
Investment income net of unrealized gains/losses	10,457	1,856	140	12,453
Other	5,225	29,813	450	35,488
TOTAL REVENUES	<u>369,458</u>	<u>31,669</u>	<u>590</u>	<u>401,717</u>
EXPENDITURES				
Public Safety	162,256	-	-	162,256
Public Works	36,389	-	-	36,389
Public Service	-	-	22	22
Cemeteries	-	-	143	143
Unclassified	160,727	3,891	-	164,618
Capital outlay	-	140,879	-	140,879
TOTAL EXPENDITURES	<u>359,372</u>	<u>144,770</u>	<u>165</u>	<u>504,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,086</u>	<u>(113,101)</u>	<u>425</u>	<u>(102,590)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	487	439,423	-	439,910
Operating transfers (out)	-	(42,960)	-	(42,960)
TOTAL OTHER FINANCING SOURCES (USES)	<u>487</u>	<u>396,463</u>	<u>-</u>	<u>396,950</u>
NET CHANGE IN FUND BALANCES	10,573	283,362	425	294,360
FUND BALANCES - JULY 1	<u>431,347</u>	<u>1,096,115</u>	<u>71,377</u>	<u>1,598,839</u>
FUND BALANCES - JUNE 30	<u>\$ 441,920</u>	<u>\$ 1,379,477</u>	<u>\$ 71,802</u>	<u>\$ 1,893,199</u>

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

Special Revenue Funds

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

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG Grant	MDEA Grant
ASSETS						
Cash and cash equivalents	\$ 132,079	\$ 41,298	\$ 40,467	\$ 2,383	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	217,414	-	-	-	-	-
Due from other governments	-	-	-	-	-	25,198
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 349,493</u>	<u>\$ 41,298</u>	<u>\$ 40,467</u>	<u>\$ 2,383</u>	<u>\$ -</u>	<u>\$ 25,198</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156
Due to other funds	-	-	-	-	-	25,042
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,198</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	349,493	41,298	40,467	2,383	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>349,493</u>	<u>41,298</u>	<u>40,467</u>	<u>2,383</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 349,493</u>	<u>\$ 41,298</u>	<u>\$ 40,467</u>	<u>\$ 2,383</u>	<u>\$ -</u>	<u>\$ 25,198</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Underage Drinking Grants	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	DOC Snowmobile Muni Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ 2,464	\$ -	\$ -	\$ 2,844	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other governments	3,250	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,250</u>	<u>\$ 2,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,844</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,250	-	-	-	553	-
TOTAL LIABILITIES	<u>3,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>553</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	2,464	-	-	2,291	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>2,464</u>	<u>-</u>	<u>-</u>	<u>2,291</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,250</u>	<u>\$ 2,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,844</u>	<u>\$ -</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	<u>RVHCC Underage Drinking Grant</u>	<u>Underage Drinking Task Force</u>	<u>2013 Homeland Security Grant</u>	<u>Drive Sober Maine Grant</u>	<u>Walmart Grant</u>	<u>GC Reimb.</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	720	-	-	-	-
Due from other governments	-	-	-	2,205	-	-
Due from other funds	-	-	-	-	3,000	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ 2,205</u>	<u>\$ 3,000</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	720	-	2,205	-	-
TOTAL LIABILITIES	<u>-</u>	<u>720</u>	<u>-</u>	<u>2,205</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	3,000	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 720</u>	<u>\$ -</u>	<u>\$ 2,205</u>	<u>\$ 3,000</u>	<u>\$ -</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	<u>Police Reimb.</u>	<u>Fire Reimb.</u>	<u>Public Works Reimb.</u>	<u>Rt. 108 Pump Station Reimb.</u>	<u>General Assistance Fuel Donations</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,535
Accounts receivable (net of allowance for uncollectibles)	-	2,075	370	6,526	-	227,105
Due from other governments	-	-	-	-	-	30,653
Due from other funds	-	-	-	-	524	3,524
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,075</u>	<u>\$ 370</u>	<u>\$ 6,526</u>	<u>\$ 524</u>	<u>\$ 482,817</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156
Due to other funds	-	2,075	370	6,526	-	40,741
TOTAL LIABILITIES	<u>-</u>	<u>2,075</u>	<u>370</u>	<u>6,526</u>	<u>-</u>	<u>40,897</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	524	441,920
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>524</u>	<u>441,920</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,075</u>	<u>\$ 370</u>	<u>\$ 6,526</u>	<u>\$ 524</u>	<u>\$ 482,817</u>

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

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG Grant	MDEA Grant
REVENUES						
Intergovernmental	\$ -	\$ 159,882	\$ -	\$ -	\$ 22,424	\$ 87,172
Interest/Gains & Losses	9,471	83	81	6	-	-
Other	-	-	-	1,890	-	-
TOTAL REVENUES	<u>9,471</u>	<u>159,965</u>	<u>81</u>	<u>1,896</u>	<u>22,424</u>	<u>87,172</u>
EXPENDITURES						
Public Safety	-	-	-	-	22,424	87,172
Public Works	-	-	-	-	-	-
Unclassified	151	159,922	39	-	-	-
TOTAL EXPENDITURES	<u>151</u>	<u>159,922</u>	<u>39</u>	<u>-</u>	<u>22,424</u>	<u>87,172</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,320</u>	<u>43</u>	<u>42</u>	<u>1,896</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	487	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>487</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9,320	43	42	2,383	-	-
FUND BALANCES - JULY 1	<u>340,173</u>	<u>41,255</u>	<u>40,425</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 349,493</u>	<u>\$ 41,298</u>	<u>\$ 40,467</u>	<u>\$ 2,383</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Underage Drinking Grants	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	DOC Snowmobile Muni Grant
REVENUES						
Intergovernmental	\$ 3,950	\$ -	\$ 2,805	\$ 728	\$ -	\$ 29,086
Interest/Gains & Losses	-	8	-	-	8	-
Other	-	1,235	-	-	2,100	-
TOTAL REVENUES	3,950	1,243	2,805	728	2,108	29,086
EXPENDITURES						
Public Safety	3,950	2,278	2,805	728	2,812	-
Public Works	-	-	-	-	-	29,086
Unclassified	-	-	-	-	-	-
TOTAL EXPENDITURES	3,950	2,278	2,805	728	2,812	29,086
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,035)	-	-	(704)	-
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(1,035)	-	-	(704)	-
FUND BALANCES - JULY 1	-	3,499	-	-	2,995	-
FUND BALANCES - JUNE 30	\$ -	\$ 2,464	\$ -	\$ -	\$ 2,291	\$ -

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	RVHCC Underage Drinking Grant	Underage Drinking Task Force	2013 Homeland Security Grant	Drive Sober Maine Grant	Walmart Grant	GC Reimb.
REVENUES						
Intergovernmental	\$ 2,000	\$ 1,080	\$ 10,781	\$ 8,595	\$ -	\$ 339
Interest/Gains & Losses	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>2,000</u>	<u>1,080</u>	<u>10,781</u>	<u>8,595</u>	<u>-</u>	<u>339</u>
EXPENDITURES						
Public Safety	2,000	1,080	10,781	8,595	-	-
Public Works	-	-	-	-	-	-
Unclassified	-	-	-	-	-	339
TOTAL EXPENDITURES	<u>2,000</u>	<u>1,080</u>	<u>10,781</u>	<u>8,595</u>	<u>-</u>	<u>339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - JULY 1	-	-	-	-	3,000	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Police Reimb.	Fire Reimb.	Public Works Reimb.	Rt. 108 Pump Station Reimb.	General Assistance Fuel Donations	Totals
REVENUES						
Intergovernmental	\$ 1,290	\$ 16,341	\$ 3,906	\$ 3,397	\$ -	\$ 353,776
Interest/Gains & Losses	-	-	-	-	800	10,457
Other	-	-	-	-	-	5,225
TOTAL REVENUES	1,290	16,341	3,906	3,397	800	369,458
EXPENDITURES						
Public Safety	1,290	16,341	-	-	-	162,256
Public Works	-	-	3,906	3,397	-	36,389
Unclassified	-	-	-	-	276	160,727
TOTAL EXPENDITURES	1,290	16,341	3,906	3,397	276	359,372
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	524	10,086
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	487
Operating transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	487
NET CHANGE IN FUND BALANCES	-	-	-	-	524	10,573
FUND BALANCES - JULY 1	-	-	-	-	-	431,347
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ 524	\$ 441,920

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

Capital Project Funds

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

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2014

	Highway Department Fund	NORSWB Trucking Fund	Building Renovations Fund	Town Hall Administration Fund	Town Hall Maintenance Fund	Fire Department Fund	Police Department Fund	Parks Department Fund
ASSETS								
Cash and cash equivalents	\$ 374,950	\$ 61,769	\$ 66,899	\$ 554	\$ 249,186	\$ 155,640	\$ 4,612	\$ 199,973
Due from other funds	-	-	-	-	-	-	349	-
TOTAL ASSETS	<u>\$ 374,950</u>	<u>\$ 61,769</u>	<u>\$ 66,899</u>	<u>\$ 554</u>	<u>\$ 249,186</u>	<u>\$ 155,640</u>	<u>\$ 4,961</u>	<u>\$ 199,973</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	2,476	21,081	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,476</u>	<u>21,081</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	374,950	61,769	66,899	554	246,710	134,559	4,961	199,973
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>374,950</u>	<u>61,769</u>	<u>66,899</u>	<u>554</u>	<u>246,710</u>	<u>134,559</u>	<u>4,961</u>	<u>199,973</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 374,950</u>	<u>\$ 61,769</u>	<u>\$ 66,899</u>	<u>\$ 554</u>	<u>\$ 249,186</u>	<u>\$ 155,640</u>	<u>\$ 4,961</u>	<u>\$ 199,973</u>

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Totals
ASSETS								
Cash and cash equivalents	\$ 79,738	\$ 29,704	\$ 4,039	\$ 21,178	\$ 15,379	\$ 81,489	\$ 36,494	\$ 1,381,604
Due from other funds	-	-	-	-	-	-	21,081	21,430
TOTAL ASSETS	<u>\$ 79,738</u>	<u>\$ 29,704</u>	<u>\$ 4,039</u>	<u>\$ 21,178</u>	<u>\$ 15,379</u>	<u>\$ 81,489</u>	<u>\$ 57,575</u>	<u>\$ 1,403,034</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	23,557
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,557</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	79,738	29,704	4,039	21,178	15,379	81,489	57,575	1,379,477
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>79,738</u>	<u>29,704</u>	<u>4,039</u>	<u>21,178</u>	<u>15,379</u>	<u>81,489</u>	<u>57,575</u>	<u>1,379,477</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 79,738</u>	<u>\$ 29,704</u>	<u>\$ 4,039</u>	<u>\$ 21,178</u>	<u>\$ 15,379</u>	<u>\$ 81,489</u>	<u>\$ 57,575</u>	<u>\$ 1,403,034</u>

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

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Highway Department Fund	NORSWB Trucking Fund	Building Renovations Fund	Town Hall Administration Fund	Town Hall Maintenance Fund	Fire Department Fund	Police Department Fund	Parks Department Fund
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	226	82	100	1	382	113	67	498
Other	-	-	-	-	22,000	-	-	-
TOTAL REVENUES	226	82	100	1	22,382	113	67	498
EXPENDITURES								
Capital Outlay	6,453	-	-	-	21,110	16,045	24,402	61,810
Other	231	51	65	1	3,041	142	10	164
TOTAL EXPENDITURES	6,684	51	65	1	24,151	16,187	24,412	61,974
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,458)	31	35	-	(1,769)	(16,074)	(24,345)	(61,476)
OTHER FINANCING SOURCES (USES)								
Operating transfers in	126,000	10,000	-	-	-	94,000	23,000	105,463
Operating transfers (out)	-	-	-	-	-	(42,960)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	126,000	10,000	-	-	-	51,040	23,000	105,463
NET CHANGE IN FUND BALANCES	119,542	10,031	35	-	(1,769)	34,966	(1,345)	43,987
FUND BALANCES - JULY 1	255,408	51,738	66,864	554	248,479	99,593	6,306	155,986
FUND BALANCES - JUNE 30	\$ 374,950	\$ 61,769	\$ 66,899	\$ 554	\$ 246,710	\$ 134,559	\$ 4,961	\$ 199,973

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	180	51	7	33	23	39	54	1,856
Other	-	-	-	-	-	-	7,813	29,813
TOTAL REVENUES	180	51	7	33	23	39	7,867	31,669
EXPENDITURES								
Capital Outlay	10,077	-	-	982	-	-	-	140,879
Other	62	25	3	21	15	-	60	3,891
TOTAL EXPENDITURES	10,139	25	3	1,003	15	-	60	144,770
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,959)	26	4	(970)	8	39	7,807	(113,101)
OTHER FINANCING SOURCES (USES)								
Operating transfers in	32,000	5,000	1,000	-	-	-	42,960	439,423
Operating transfers (out)	-	-	-	-	-	-	-	(42,960)
TOTAL OTHER FINANCING SOURCES (USES)	32,000	5,000	1,000	-	-	-	42,960	396,463
NET CHANGE IN FUND BALANCES	22,041	5,026	1,004	(970)	8	39	50,767	283,362
FUND BALANCES - JULY 1	57,697	24,678	3,035	22,148	15,371	81,450	6,808	1,096,115
FUND BALANCES - JUNE 30	<u>\$ 79,738</u>	<u>\$ 29,704</u>	<u>\$ 4,039</u>	<u>\$ 21,178</u>	<u>\$ 15,379</u>	<u>\$ 81,489</u>	<u>\$ 57,575</u>	<u>\$ 1,379,477</u>

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Rumford, 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 RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2014

	Cemetery Trust Fund	Library Trust Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 46,590	\$ 22,655	\$ 69,245
Investments	2,526	-	2,526
Due from other funds	31	-	31
TOTAL ASSETS	<u>\$ 49,147</u>	<u>\$ 22,655</u>	<u>\$ 71,802</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	49,147	22,655	71,802
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>49,147</u>	<u>22,655</u>	<u>71,802</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 49,147</u>	<u>\$ 22,655</u>	<u>\$ 71,802</u>

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

TOWN OF RUMFORD, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Cemetery Trust Fund	Library Trust Fund	Totals
REVENUES			
Interest	\$ 106	\$ 34	\$ 140
Other	450	-	450
TOTAL REVENUES	<u>556</u>	<u>34</u>	<u>590</u>
EXPENDITURES			
Other	143	22	165
TOTAL EXPENDITURES	<u>143</u>	<u>22</u>	<u>165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>413</u>	<u>12</u>	<u>425</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	413	12	425
FUND BALANCES - JULY 1	<u>48,734</u>	<u>22,643</u>	<u>71,377</u>
FUND BALANCES - JUNE 30	<u>\$ 49,147</u>	<u>\$ 22,655</u>	<u>\$ 71,802</u>

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

General Capital Assets

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

TOWN OF RUMFORD, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2014

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ -	\$ -	\$ 186,513	\$ -	\$ 186,513
Public safety	296	48,472	2,492,446	-	2,541,214
Public works	6,381	159,599	2,481,012	14,564,219	17,211,211
Recreation	21,557	497,423	535,646	-	1,054,626
Library	2,535	29,734	160,914	-	193,183
Cemeteries	4,987	-	-	-	4,987
Town-wide	<u>290,747</u>	<u>1,508,100</u>	<u>44,741</u>	<u>771,084</u>	<u>2,614,672</u>
Total General Capital Assets	326,503	2,243,328	5,901,272	15,335,303	23,806,406
Less: Accumulated Depreciation	<u>-</u>	<u>(965,570)</u>	<u>(3,743,831)</u>	<u>(12,267,371)</u>	<u>(16,976,772)</u>
Net General Capital Assets	<u>\$ 326,503</u>	<u>\$ 1,277,758</u>	<u>\$ 2,157,441</u>	<u>\$ 3,067,932</u>	<u>\$ 6,829,634</u>

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

TOWN OF RUMFORD, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2014

	General Capital Assets 7/1/13	Additions	Deletions	General Capital Assets 6/30/14
General government	\$ 186,513	\$ -	\$ -	\$ 186,513
Public safety	2,541,214	-	-	2,541,214
Public works	17,211,211	-	-	17,211,211
Recreation	1,054,626	-	-	1,054,626
Library	193,183	-	-	193,183
Cemeteries	4,987	-	-	4,987
Town-wide	<u>2,614,672</u>	<u>-</u>	<u>-</u>	<u>2,614,672</u>
Total General Capital Assets	23,806,406	-	-	23,806,406
Less: Accumulated Depreciation	<u>(16,119,276)</u>	<u>(857,496)</u>	<u>-</u>	<u>(16,976,772)</u>
Net General Capital Assets	<u><u>\$ 7,687,130</u></u>	<u><u>\$ (857,496)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,829,634</u></u>

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