

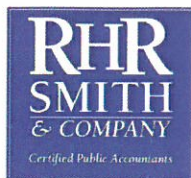
Audited Financial Statements and  
Other Supplemental Information

Town of Rumford, Maine

June 30, 2015



*Proven Expertise & Integrity*



*Proven Expertise and Integrity*

July 12, 2016

Ms. Deborah Laurinaitis  
Finance Director  
Town of Rumford  
145 Congress St.  
Rumford, Maine 04276

Dear Debbie:

Enclosed please find 15 bound copies of the Town of Rumford's audited financial statements for the year ended June 30, 2015.

If we can be of any further assistance to you, or if there are any questions concerning these statements, please contact us.

It has been a pleasure serving the Town of Rumford.

Very Best,

A handwritten signature in blue ink, appearing to be "Ron", written over a faint blue line.

Ron H.R. Smith, C.P.A.

RHRS/jlp

Enclosures

TOWN OF RUMFORD, MAINE

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JUNE 30, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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www.rhrsmith.com

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Rumford, Maine as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and schedule of funding progress on pages 4 through 12 and 54 through 57 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*R.H.R. Smith & Company*

Buxton, Maine  
March 14, 2016

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

**(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, 2015. 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 pension information, 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 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, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions and a Schedule of Funding Progress for Retiree Healthcare Plan.

### **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 increased by \$320,133 from \$14.40 million to \$14.72 million. For the business-type activities, the Town's total net position increased by \$13,762 from \$90,382 to \$104,144.

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 \$8,036,576 at the end of the fiscal year. For the business-type activities, the unrestricted net position increased to a balance of \$104,144.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2015</b>	<b>2014 (Restated)</b>	<b>2015</b>	<b>2014</b>
<b>Assets:</b>				
Current Assets	\$ 9,674,217	\$ 9,040,065	\$ 211,307	\$ 200,850
Capital Assets	6,142,351	6,717,301	-	-
Total Assets	<u>15,816,568</u>	<u>15,757,366</u>	<u>211,307</u>	<u>200,850</u>
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	312,255	80,276	-	-
Total Deferred Outflows of Resources	<u>312,255</u>	<u>80,276</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Current Liabilities	291,197	208,626	-	-
Long-term Debt Outstanding	734,575	1,226,540	-	-
Total Liabilities	<u>1,025,772</u>	<u>1,435,166</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	8,141	6,153	3,035	3,303
Deferred Sewer Taxes	-	-	104,128	107,165
Deferred Inflows Related to Pensions	378,454	-	-	-
Total Deferred Inflows of Resources	<u>386,595</u>	<u>6,153</u>	<u>107,163</u>	<u>110,468</u>
<b>Net Position:</b>				
Net Investment in Capital Assets	5,852,351	6,717,301	-	-
Restricted	827,529	752,625	-	-
Unrestricted	8,036,576	6,926,397	104,144	90,382
Total Net Position	<u>\$ 14,716,456</u>	<u>\$ 14,396,323</u>	<u>\$ 104,144</u>	<u>\$ 90,382</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 10.50%, while total expenses increased by 2.53%. The increase in revenues was mainly due to taxes while the increase in expenses was primarily due to education and the tax increment financing agreement. For the business-type activities revenues increased by 68.69%, while total expenses increased by 4.88%.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 718,670	\$ 714,537	\$ 463,809	\$ 273,700
Operating grants and contributions	316,602	456,712	-	-
<i>General Revenues:</i>				
Taxes	15,618,795	13,741,436	-	-
Grants and contributions not restricted to specific programs	1,368,395	1,353,219	-	-
Miscellaneous	256,837	275,994	17,553	11,649
Total Revenues	<u>18,279,299</u>	<u>16,541,898</u>	<u>481,362</u>	<u>285,349</u>
<b>Expenses</b>				
General government	736,306	756,721	-	-
Public safety	2,463,980	2,304,887	-	-
Public works	2,387,751	2,796,721	-	-
Health and sanitation	736,303	662,841	-	-
Welfare	136,447	123,094	-	-
Public services	508,801	505,470	-	-
Social services	187,724	12,875	-	-
Education	6,781,606	6,467,894	-	-
County tax	443,044	454,017	-	-
Tax increment financing agreement	2,344,305	2,028,704	-	-
Interest on long-term debt	23,099	28,710	-	-
Capital outlay	357,025	178,360	-	-
Sewer fund	-	-	376,150	358,642
Unallocated depreciation	73,112	42,162	-	-
Unclassified	871,113	1,243,538	-	-
Total Expenses	<u>18,050,616</u>	<u>17,605,994</u>	<u>376,150</u>	<u>358,642</u>
Transfers	<u>91,450</u>	<u>10,000</u>	<u>(91,450)</u>	<u>(10,000)</u>
Change in Net Position	320,133	(1,054,096)	13,762	(83,293)
Net Position - July 1, Restated	<u>14,396,323</u>	<u>15,450,419</u>	<u>90,382</u>	<u>173,675</u>
Net Position - June 30	<u>\$ 14,716,456</u>	<u>\$ 14,396,323</u>	<u>\$ 104,144</u>	<u>\$ 90,382</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,**

	<u>2015</u>	<u>2014</u>
General Fund:		
Nonspendable	\$ 208,212	\$ 219,110
Restricted	305,618	238,903
Committed	1,874,459	1,385,463
Assigned	903,501	953,152
Unassigned	3,594,460	3,455,548
Total General Fund	<u>\$ 6,886,250</u>	<u>\$ 6,252,176</u>
 Sewer Extension Fund:		
Committed	\$ 291,200	\$ 538,705
Total Sewer Extension Fund	<u>\$ 291,200</u>	<u>\$ 538,705</u>
 Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 450,050	\$ 441,920
Capital Projects Funds:		
Committed	1,588,608	1,379,477
Permanent Funds:		
Restricted	71,861	71,802
Total Nonmajor Funds	<u>\$ 2,110,519</u>	<u>\$ 1,893,199</u>

The general fund total fund balance increased by \$634,074 over the prior fiscal year. The sewer extension fund decreased by \$247,505. The nonmajor fund balances increased by \$217,320 over the prior fiscal year.

*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 increase in net position for the year of \$13,762. Last year, the sewer department had a decrease in net position of \$83,293.

## **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 exceeded the budget by \$638,830. This was a result of excise taxes and miscellaneous revenue being significantly over budget.

The general fund actual expenditures were under the budget by \$2,878,189. All of the expenditure accounts, with the exception of welfare, were under-spent after carrying forward several fund balances from the previous year.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by \$574,950 from the prior year. The decrease is the result of capital additions of \$271,901, less current year depreciation expense of \$838,453 and less net disposals of \$8,398.

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

	<b>2015</b>	<b>2014 (Restated)</b>
Land	\$ 248,853	\$ 248,853
Land improvements	194,275	211,313
Art and antiques	77,650	77,650
Buildings and improvements	927,629	956,404
Equipment	1,077,315	999,647
Vehicles	1,017,383	1,155,502
Infrastructure	2,599,246	3,067,932
Total	<u>\$ 6,142,351</u>	<u>\$ 6,717,301</u>

### **Debt**

At June 30, 2015, the Town had \$290,000 in bonds outstanding versus \$375,000 last year, a decrease of 22.67%. Other obligations include accrued vacation and sick time and net pension liability. 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.

### **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.

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

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 8,572,633	\$ 102,946	\$ 8,675,579
Investments	5,889	-	5,889
Accounts receivable (net of allowance for uncollectibles):			
Taxes	390,318	-	390,318
Liens	110,270	28,998	139,268
Other	340,912	88,621	429,533
Due from other governments	36,725	-	36,725
Inventory	157,473	-	157,473
Prepaid items	300	-	300
Tax acquired property	50,439	-	50,439
Internal balances	9,258	(9,258)	-
Total current assets	<u>9,674,217</u>	<u>211,307</u>	<u>9,885,524</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	326,503	-	326,503
Buildings and vehicles net of accumulated depreciation	5,815,848	-	5,815,848
Total noncurrent assets	<u>6,142,351</u>	<u>-</u>	<u>6,142,351</u>
<b>TOTAL ASSETS</b>	<u>15,816,568</u>	<u>211,307</u>	<u>16,027,875</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	312,255	-	312,255
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>312,255</u>	<u>-</u>	<u>312,255</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 16,128,823</u>	<u>\$ 211,307</u>	<u>\$ 16,340,130</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 43,418	\$ -	\$ 43,418
Current portion of long-term obligations	247,779	-	247,779
Total current liabilities	<u>291,197</u>	<u>-</u>	<u>291,197</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	200,000	-	200,000
Accrued compensated absences	252,012	-	252,012
Net pension liability	282,563	-	282,563
Total noncurrent liabilities	<u>734,575</u>	<u>-</u>	<u>734,575</u>
<b>TOTAL LIABILITIES</b>	<u>1,025,772</u>	<u>-</u>	<u>1,025,772</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	8,141	3,035	11,176
Deferred sewer taxes	-	104,128	104,128
Deferred inflows related to pensions	378,454	-	378,454
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>386,595</u>	<u>107,163</u>	<u>493,758</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,852,351	-	5,852,351
Restricted	827,529	-	827,529
Unrestricted	8,036,576	104,144	8,140,720
<b>TOTAL NET POSITION</b>	<u>14,716,456</u>	<u>104,144</u>	<u>14,820,600</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 16,128,823</u>	<u>\$ 211,307</u>	<u>\$ 16,340,130</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, 2015

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
<b>Governmental activities:</b>							
General government	\$ 736,306	\$ 48,672	\$ -	\$ -	\$ (687,634)	\$ -	\$ (687,634)
Public safety	2,463,980	12,617	-	-	(2,451,363)	-	(2,451,363)
Public works	2,387,751	554,551	94,440	-	(1,738,760)	-	(1,738,760)
Health and sanitation	736,303	9	-	-	(736,294)	-	(736,294)
Welfare	136,447	56,219	-	-	(80,228)	-	(80,228)
Public services	508,801	46,602	-	-	(462,199)	-	(462,199)
Social services	187,724	-	-	-	(187,724)	-	(187,724)
Education	6,781,606	-	-	-	(6,781,606)	-	(6,781,606)
County tax	443,044	-	-	-	(443,044)	-	(443,044)
Tax increment financing agreement	2,344,305	-	-	-	(2,344,305)	-	(2,344,305)
Interest on long-term debt	23,099	-	-	-	(23,099)	-	(23,099)
Capital outlay	357,025	-	-	-	(357,025)	-	(357,025)
Unallocated depreciation (Note 4)*	73,112	-	-	-	(73,112)	-	(73,112)
Unclassified	871,113	-	222,162	-	(648,951)	-	(648,951)
Total governmental activities	<u>18,050,616</u>	<u>718,670</u>	<u>316,602</u>	<u>-</u>	<u>(17,015,344)</u>	<u>-</u>	<u>(17,015,344)</u>
<b>Business-type activities:</b>							
Sewer fund	376,150	463,809	-	-	-	87,659	87,659
Total business-type activities	<u>376,150</u>	<u>463,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,659</u>	<u>87,659</u>
Total government	<u>\$ 18,426,766</u>	<u>\$ 1,182,479</u>	<u>\$ 316,602</u>	<u>\$ -</u>	<u>(17,015,344)</u>	<u>87,659</u>	<u>(16,927,685)</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  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities	Business- type Activities	Totals
Changes in net position:			
Net (expense) revenue	(17,015,344)	87,659	(16,927,685)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	14,836,960	-	14,836,960
Excise taxes	781,835	-	781,835
Grants and contributions not restricted to specific programs	1,368,395	-	1,368,395
Miscellaneous	256,837	17,553	274,390
Total general revenues	17,244,027	17,553	17,261,580
Transfers	91,450	(91,450)	-
Change in net position	320,133	13,762	333,895
NET POSITION - JULY 1, RESTATED	14,396,323	90,382	14,486,705
NET POSITION - JUNE 30	\$ 14,716,456	\$ 104,144	\$ 14,820,600

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

## TOWN OF RUMFORD, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,168,204	\$ 334,989	\$ 2,069,440	\$ 8,572,633
Investments	-	-	5,889	5,889
Accounts receivable (net of allowance for uncollectibles):				
Taxes	390,318	-	-	390,318
Liens	110,270	-	-	110,270
Other	146,781	-	194,131	340,912
Due from other governments	-	-	36,725	36,725
Inventory	157,473	-	-	157,473
Prepaid items	300	-	-	300
Tax acquired property	50,439	-	-	50,439
Due from other funds	259,813	-	29,681	289,494
<b>TOTAL ASSETS</b>	<u>\$ 7,283,598</u>	<u>\$ 334,989</u>	<u>\$ 2,335,866</u>	<u>\$ 9,954,453</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 24,837	\$ -	\$ 18,581	\$ 43,418
Due to other funds	29,681	43,789	206,766	280,236
<b>TOTAL LIABILITIES</b>	<u>54,518</u>	<u>43,789</u>	<u>225,347</u>	<u>323,654</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	8,141	-	-	8,141
Deferred tax revenues	334,689	-	-	334,689
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>342,830</u>	<u>-</u>	<u>-</u>	<u>342,830</u>
<b>FUND BALANCES</b>				
Nonspendable	208,212	-	-	208,212
Restricted	305,618	-	521,911	827,529
Committed	1,874,459	291,200	1,588,608	3,754,267
Assigned	903,501	-	-	903,501
Unassigned	3,594,460	-	-	3,594,460
<b>TOTAL FUND BALANCES</b>	<u>6,886,250</u>	<u>291,200</u>	<u>2,110,519</u>	<u>9,287,969</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 7,283,598</u>	<u>\$ 334,989</u>	<u>\$ 2,335,866</u>	<u>\$ 9,954,453</u>

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, 2015

	Total Governmental Funds
Total Fund Balances	\$ 9,287,969
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	6,142,351
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	334,689
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	312,255
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(290,000)
Accrued compensated absences	(336,016)
Net pension liability	(356,338)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(378,454)
Net position of governmental activities	<u>\$ 14,716,456</u>

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, 2015

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 14,810,612	\$ -	\$ -	\$ 14,810,612
Excise taxes	781,835	-	-	781,835
Intergovernmental	1,462,835	-	222,162	1,684,997
Charges for services	718,670	-	-	718,670
Miscellaneous revenues	132,203	80,723	43,911	256,837
<b>TOTAL REVENUES</b>	<b>17,906,155</b>	<b>80,723</b>	<b>266,073</b>	<b>18,252,951</b>
<b>EXPENDITURES</b>				
Current:				
General government	720,115	-	-	720,115
Public safety	2,096,750	-	207,356	2,304,106
Public works	1,821,239	-	12,356	1,833,595
Health and sanitation	736,303	-	-	736,303
Welfare	136,447	-	-	136,447
Public services	466,206	-	-	466,206
Social services	187,724	-	-	187,724
Education	6,781,606	-	-	6,781,606
County tax	443,044	-	-	443,044
Tax Increment Financing Agreement	2,344,305	-	-	2,344,305
Unclassified	1,052,289	19	6,126	1,058,434
Debt service:				
Principal	85,000	-	-	85,000
Interest	23,099	-	-	23,099
Capital outlay	-	328,209	292,319	620,528
<b>TOTAL EXPENDITURES</b>	<b>16,894,127</b>	<b>328,228</b>	<b>518,157</b>	<b>17,740,512</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,012,028</b>	<b>(247,505)</b>	<b>(252,084)</b>	<b>512,439</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	147,626	-	604,325	751,951
Transfers (out)	(525,580)	-	(134,921)	(660,501)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(377,954)</b>	<b>-</b>	<b>469,404</b>	<b>91,450</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>634,074</b>	<b>(247,505)</b>	<b>217,320</b>	<b>603,889</b>
<b>FUND BALANCES - JULY 1</b>	<b>6,252,176</b>	<b>538,705</b>	<b>1,893,199</b>	<b>8,684,080</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 6,886,250</b>	<b>\$ 291,200</b>	<b>\$ 2,110,519</b>	<b>\$ 9,287,969</b>

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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 603,889</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:	
Capital asset purchases	271,901
Capital asset disposals	(8,398)
Depreciation expense	<u>(838,453)</u>
	<u>(574,950)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported	
Taxes and liens receivable	<u>26,348</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>231,979</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>85,000</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(378,454)</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	(7,475)
Net pension liability	<u>333,796</u>
	<u>326,321</u>
Change in net position of governmental activities (Statement B)	<u>\$ 320,133</u>

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



## STATEMENT G

## TOWN OF RUMFORD, MAINE

BALANCE SHEET – PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 102,946
Accounts receivable (net of allowance for uncollectibles):	
Taxes	88,621
Liens	28,998
Due from other funds	-
Total current assets	<u>220,565</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 220,565</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ -
Due to other funds	9,258
Total current liabilities	<u>9,258</u>
<b>TOTAL LIABILITIES</b>	<u>9,258</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	3,035
Deferred taxes	104,128
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>107,163</u>
<b>NET POSITION</b>	
Unrestricted	<u>104,144</u>
<b>TOTAL NET POSITION</b>	<u>104,144</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 220,565</u></u>

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

## STATEMENT H

## TOWN OF RUMFORD, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ 463,809
Other	9,218
TOTAL OPERATING REVENUES	<u>473,027</u>
OPERATING EXPENSES	
Contracted services	369,429
Miscellaneous	6,721
TOTAL OPERATING EXPENSES	<u>376,150</u>
OPERATING INCOME (LOSS)	<u>96,877</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	8,335
Transfers in	-
Transfers (out)	(91,450)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(83,115)</u>
CHANGE IN NET POSITION	13,762
NET POSITION - JULY 1	<u>90,382</u>
NET POSITION - JUNE 30	<u>\$ 104,144</u>

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

## STATEMENT I

## TOWN OF RUMFORD, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 476,637
Internal activity - receipts (payments) from/to other funds	(761)
Payments to suppliers	(376,418)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>99,458</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	8,335
Transfers to other funds	(91,450)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(83,115)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,343
CASH AND CASH EQUIVALENTS - JULY 1	<u>86,603</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 102,946</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 96,877
Changes in operating assets and liabilities:	
(Increase) decrease in taxes receivable	1,514
(Increase) decrease in liens receivable	5,133
Increase (decrease) in prepaid taxes	(268)
Increase (decrease) in deferred taxes	(3,037)
Increase (decrease) in due to other funds	(761)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 99,458</u>

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

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

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 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 Statements No. 39 and No. 61.

**Government-Wide and Fund Financial Statements**

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions 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, deferred outflows of resources, liabilities, deferred inflows of resources fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects 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 position, 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. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.



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

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, 2015

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.

**Prepaid Items**

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**Allowance for Uncollectible Accounts**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure. 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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Long-term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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

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 funds is the same in the fund statements as it is in the government-wide statements.

**Compensated Absences**

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2015, the Town's liability for compensated absences is \$336,016.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one type of item, deferred outflows related to pensions. This item is reported in the statement of net position.

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 deferred sewer taxes also qualify for reporting in this category. These items are reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualifies for reporting in this category as well. This item is reported only in the statement of net position. 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 September 13, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due in two installments on November 3, 2014 and April 1, 2015. Interest on unpaid taxes commenced on November 4, 2014 and April 2, 2015, at 7% per annum.

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



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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$400,000 for the year ended June 30, 2015.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

**Program Revenues**

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

**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 – DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within



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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Town's deposits amounting to \$8,675,579 were comprised of bank deposits of \$8,794,840. Of these bank deposits, \$324,168 was covered by federal depository insurance and not exposed to custodial credit risk and \$8,470,672 was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 221,267
Repurchase agreements	8,470,672
Savings accounts	102,901
	<u>\$ 8,794,840</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 \$5,889 was covered by federal depository insurance and not exposed to custodial credit risk.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>		
		<u>N/A</u>	<u>&gt; 1 Year</u>	<u>1 - 5 Years</u>
Certificates of deposit	\$ 5,889	\$ -	\$ 5,889	\$ -
	<u>\$ 5,889</u>	<u>\$ -</u>	<u>\$ 5,889</u>	<u>\$ -</u>

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

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

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

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 259,813	\$ 29,681
Sewer Extension Fund	-	43,789
Nonmajor Special Revenue Funds	7,487	37,012
Nonmajor Capital Projects Funds	22,194	169,754
Enterprise Funds	-	9,258
	<u>\$ 289,494</u>	<u>\$ 289,494</u>

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

NOTE 4 - CAPITAL ASSETS

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

	Balance, 7/1/14 (Restated)	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 248,853	\$ -	\$ -	\$ 248,853
Art and antiques	77,650	-	-	77,650
	<u>326,503</u>	<u>-</u>	<u>-</u>	<u>326,503</u>
Depreciated assets:				
Land improvements	433,000	-	-	433,000
Buildings and improvements	1,841,327	10,851	-	1,852,178
Equipment	2,999,611	201,442	-	3,201,053
Vehicles	2,901,661	59,608	(20,994)	2,940,275
Infrastructure	15,335,303	-	-	15,335,303
	<u>23,510,902</u>	<u>271,901</u>	<u>(20,994)</u>	<u>23,761,809</u>
Less: accumulated depreciation	<u>(17,120,104)</u>	<u>(838,453)</u>	<u>12,596</u>	<u>(17,945,961)</u>
	<u>6,390,798</u>	<u>(566,552)</u>	<u>(8,398)</u>	<u>5,815,848</u>
Net governmental capital assets	<u>\$ 6,717,301</u>	<u>\$ (566,552)</u>	<u>\$ (8,398)</u>	<u>\$ 6,142,351</u>
<u>Current year depreciation</u>				
General government				\$ 8,716
Public safety				159,874
Public works				554,156
Recreation				37,494
Library				5,101
Town-wide				73,112
Total depreciation expense				<u>\$ 838,453</u>

# TOWN OF RUMFORD, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

### NOTE 5 - LONG-TERM DEBT

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

	Balance 7/1/14 (Restated)	Additions	Deletions	Balance, 6/30/15	Current Portion
Bonds payable	\$ 375,000	\$ -	\$ (85,000)	\$ 290,000	\$ 90,000
Accrued compensated absences	328,541	28,325	(20,850)	336,016	84,004
Net pension liability	690,134	231,979	(565,775)	356,338	73,775
Totals	<u>\$ 1,393,675</u>	<u>\$ 260,304</u>	<u>\$ (671,625)</u>	<u>\$ 982,354</u>	<u>\$ 247,779</u>

The following is a summary of the outstanding bonds payable:

\$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.

\$ 290,000

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

	Principal	Interest	Total Debt Service
2016	\$ 90,000	\$ 17,058	\$ 107,058
2017	95,000	10,651	105,651
2018	105,000	3,675	108,675
2019	-	-	-
2020	-	-	-
	<u>\$ 290,000</u>	<u>\$ 31,384</u>	<u>\$ 321,384</u>

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

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

NOTE 6 - NONSPENDABLE FUND BALANCES

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

General fund:	
Inventory	\$ 157,473
Prepaid items	300
Tax acquired property	50,439
	<u>\$ 208,212</u>

NOTE 7 - RESTRICTED FUND BALANCES

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

General fund:	
State aid construction	\$ 305,618
Nonmajor special revenue funds (Schedule E)	450,050
Nonmajor permanent funds (Schedule I)	71,861
	<u>\$ 827,529</u>

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

NOTE 8 - COMMITTED FUND BALANCES

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

General fund:

Town clerk - maint. and repairs - record restoration	\$ 3,500
Economic development	141,819
Economic development - performing arts committee	788
Economic development - envision Rumford	135
Municipal building - capital improvement	17,400
Sealer of weights and measures	317
Police department - clothing allowance	186
Fire department - maintenance and repairs - building	1,617
Public works - bituminous	299,008
Permanent roads	746,474
Sidewalks	113,246
Bridges	175,862
Building demolition	69,196
PUIIA business park	66,778
Equipment maintenance	41,529
N.O.R.S.W.B. trucking	11,962
Municipal planning - comprehensive	7,254
Capital improvement - parks	14,067
Parks department - 4th of July committee	13,321
M.M.E.H.T. - health insurance	150,000
Subtotal general fund	<u>1,874,459</u>
 Sewer Extension Fund	 291,200
Nonmajor capital projects funds (Schedule G)	<u>1,588,608</u>
	<u>\$ 3,754,267</u>

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

NOTE 9 - ASSIGNED FUND BALANCES

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

General fund:

State municipal revenue sharing	\$ 444,604
Rumford bicentennial oral history	2,867
Planning board escrow	117,901
TIF	3
Moontide fireworks	53
Library	2,057
Accrued compensated absences	336,016
	<u>\$ 903,501</u>

NOTE 10 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of county and school debt. As of June 30, 2015, the Oxford County has no long-term debt. The Town's share of school debt was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU #10 - Notes	\$ 373,800	37.22%	<u>\$ 139,124</u>

NOTE 11 - ECONOMIC DEPENDENCY

The Town has one taxpayer whose property tax assessment represents a significant portion of the Town's tax base. The Catalyst Paper Operations, Inc. has an assessed value of \$76,299,805, which is 13.89% of the Town's total assessed value of \$549,144,506. For the year ended June 30, 2015, Catalyst Paper Operations, Inc.'s property tax assessment was \$3,023,921.

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,



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

**NOTE 12 - RISK MANAGEMENT (CONTINUED)**

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.

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.

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

**NOTE 13 - DEFINED BENEFIT PENSION PLAN**

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Plan Description**

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. 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 online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (800) 451-9800.

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

The Town's firefighters' special plan "2C" is applicable for future service only from January 1, 2014.

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's fire and police department employees are part of special plans "2C" and "4C" and are required by union contract to contribute 5.0% of their annual salary. Although the Plan requires 7.0% and 8.0% employee contribution rates under special plans "2C" and "4C", respectively, the Town is required to contribute the difference 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 7.0% of their annual salary and the Town is required to contribute at an actuarially determined rate. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The current rate is 7.7% of covered payroll. The Town's contribution to the MEPERS PLD Agent Plan for the year ended June 30, 2015 was \$249,740, which includes \$31,644 to finance the unfunded actuarial accrued liability and an additional \$32,833 that the Town is obligated to pay based on a collective bargaining agreement.

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the Town reported a liability of \$356,338 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was 0.231567%, which was an increase of 0.007686% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized net pension revenue of \$187,321. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,745	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	378,454
Changes in proportion and differences between contributions and proportionate share of contributions	17,770	-
Contributions subsequent to the measurement date	249,740	-
Total	<u>\$ 312,255</u>	<u>\$ 378,454</u>

\$249,740 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan
Year ended June 30:	
2016	\$ 73,775
2017	73,775
2018	73,774
2019	94,613
2020	-
Thereafter	-

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2014 and 2013, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.



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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Amortization*

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2014 and June 30, 2013 are as follows:

*Investment Rate of Return* - For the PLD Plan, 7.25% per annum, compounded annually.

*Salary Increases, Merit and Inflation* - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

*Mortality Rates* - For participating local districts, the RP2000 Tables projected forward to 2015 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

*Cost of Living Benefit Increases* - 3.12% for participating local districts.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2014 are summarized in the following table.

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 7.25% for 2014 and 2013. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.25% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ 1,111,670	\$ 356,338	\$ (275,025)

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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability**

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2014 with the following exceptions.

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2014, this was 4 years for the PLD Consolidated Plan.

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.



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

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (800) 451-9800.

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.

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

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

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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):

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

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
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

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.

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

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 required schedule of funding progress, presented as required supplementary information, 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.

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.

	<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, 2015 was forty-two participants. Total expenditures for the years ended June 30, 2015, 2014 and 2013 were \$3,214, \$3,063, and \$3,611, respectively.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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.

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 2014-2015 for this Tax Increment Financing District is \$86,629,284. 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 16<sup>th</sup> year of this TIF agreement, the Town of Rumford retained an amount of \$734,266 to help reduce its tax burden and reimbursed MPA an amount of \$2,334,659. 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 Pulia 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



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

NOTE 16 - TAX INCREMENT FINANCING AGREEMENT (CONTINUED)

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; \$357,979 in TIF captured value was added, bringing the 2014-15 valuation of the property to \$378,229. 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.

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, 2015, payments to this vendor for legal services totaled \$18,839.

NOTE 18 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2015:

	<u>Excess</u>
Welfare	<u>\$ 15,228</u>

NOTE 19 – RESTATEMENTS

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance was restated by (\$609,858).

The beginning net position for the governmental activities has been restated as of July 1, 2014. This balance was restated to correct the capital assets balance. The governmental activities were restated by \$30,999.

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

NOTE 19 – RESTATEMENTS (CONTINUED)

The beginning net position for the governmental activities has been restated as of July 1, 2014. This balance was restated to correct the accumulated depreciation balance. The governmental activities were restated by (\$143,332).

The net restatement to the governmental activities was (\$722,191).

NOTE 20 – COMPARATIVE DATA/RECLASSIFICATIONS

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

### Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Schedule of Funding Progress for Retiree Healthcare Plan



## TOWN OF RUMFORD, MAINE

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 6,252,176	\$ 6,252,176	\$ 6,252,176	\$ -
Resources (Inflows):				
Property taxes	14,799,445	14,799,445	14,810,612	11,167
Excise taxes	400,000	400,000	781,835	381,835
Intergovernmental	1,296,619	1,391,059	1,462,835	71,776
Charges for services	-	665,510	718,670	53,160
Miscellaneous revenues	-	21,311	132,203	110,892
Transfers from other funds	-	137,626	147,626	10,000
Amounts Available for Appropriation	<u>22,748,240</u>	<u>23,667,127</u>	<u>24,305,957</u>	<u>638,830</u>
Charges to Appropriations (Outflows):				
General government	832,433	949,745	720,115	229,630
Public safety	2,107,968	2,117,986	2,096,750	21,236
Public works	1,620,997	3,595,500	1,821,239	1,774,261
Health and sanitation	633,360	745,986	736,303	9,683
Welfare	65,000	121,219	136,447	(15,228)
Public services	447,221	511,160	466,206	44,954
Social services	187,724	187,724	187,724	-
Education	6,781,606	6,781,606	6,781,606	-
County tax	443,044	443,044	443,044	-
Tax Increment Financing Agreement	2,344,307	2,344,307	2,344,305	2
Debt service:				
Principal	85,000	85,000	85,000	-
Interest	63,074	63,074	23,099	39,975
Unclassified	1,604,900	1,797,815	1,052,289	745,526
Transfers to other funds	476,238	553,730	525,580	28,150
Total Charges to Appropriations	<u>17,692,872</u>	<u>20,297,896</u>	<u>17,419,707</u>	<u>2,878,189</u>
Budgetary Fund Balance, June 30	<u>\$ 5,055,368</u>	<u>\$ 3,369,231</u>	<u>\$ 6,886,250</u>	<u>\$ 3,517,019</u>
Utilization of Restricted Fund Balance	\$ -	\$ 238,903	\$ -	\$ (238,903)
Utilization of Committed Fund Balance	-	1,385,463	-	(1,385,463)
Utilization of Assigned Fund Balance	-	61,771	-	(61,771)
Utilization of Unassigned Fund Balance	1,196,808	1,196,808	-	(1,196,808)
	<u>\$ 1,196,808</u>	<u>\$ 2,882,945</u>	<u>\$ -</u>	<u>\$ (2,882,945)</u>

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

## TOWN OF RUMFORD, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS\*

<u>PLD Plan:</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.23%	0.22%
Proportionate share of the net pension liability	\$ 356,338	\$ 690,134
Covered-employee payroll	\$ 2,398,582	\$ 2,414,736
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.86%	28.58%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%

\* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

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

## TOWN OF RUMFORD, MAINE

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 249,740	\$ 224,128
Contributions in relation to the contractually required contribution	<u>(249,740)</u>	<u>(224,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,398,582	\$ 2,414,736
Contributions as a percentage of covered- employee payroll	10.41%	9.28%

\* The amounts presented for each fiscal year are for those years  
for which information is available.

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

## TOWN OF RUMFORD, MAINE

SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTHCARE PLAN  
FOR THE YEARS ENDED JUNE 30,

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

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 Projects 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, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 14,799,445	\$ 14,799,445	\$ 14,810,612	\$ 11,167
Excise taxes	400,000	400,000	781,835	381,835
Intergovernmental revenues:				
State revenue sharing	442,116	442,116	444,603	2,487
Homestead exemption	163,156	163,156	163,156	-
Local road assistance	-	94,440	94,440	-
Tree growth reimbursement	-	-	61,717	61,717
Veterans' reimbursement	-	-	7,560	7,560
BETE reimbursement	691,347	691,347	691,359	12
Charges for services:				
Licenses and permits	-	-	26,896	26,896
Charges for services	-	-	17,464	17,464
Fire revenue	-	8,138	9,115	977
Police revenue	-	-	3,502	3,502
Animal control fees	-	-	4,312	4,312
Solid waste	-	-	9	9
Public works	-	59,411	59,411	-
Equipment maintenance	-	390,800	390,800	-
N.O.R.S.W.B. Trucking	-	104,340	104,340	-
Parks and recreation committee	-	36,414	36,414	-
Welfare office	-	56,219	56,219	-
Library	-	10,188	10,188	-
Interest income	-	-	2,709	2,709
Other income:				
MSRS bond reimbursement	-	-	30,260	30,260
Insurances/Social Security	-	21,046	49,908	28,862
Cable TV franchise	-	-	36,972	36,972
Other income	-	265	12,354	12,089
Transfers in	-	137,626	147,626	10,000
Total revenues	<u>\$ 16,496,064</u>	<u>\$ 17,414,951</u>	<u>\$ 18,053,781</u>	<u>\$ 638,830</u>

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

SCHEDULE B

TOWN OF RUMFORD, MAINE

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

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government:					
Selectmen	\$ 5,450	\$ -	\$ 5,450	\$ 5,077	\$ 373
Town manager	170,362	-	170,362	143,132	27,230
Town clerk	89,935	-	89,935	85,648	4,287
Tax collector	83,512	-	83,512	77,716	5,796
Tax assessor	111,743	265	112,008	110,477	1,531
Town solicitor	24,000	-	24,000	20,043	3,957
Town auditor	12,650	1,350	14,000	21,550	(7,550)
Dog officer	23,547	-	23,547	22,395	1,152
Economic development	50,000	115,380	165,380	22,904	142,476
Elections	28,834	-	28,834	21,581	7,253
Municipal building	99,750	-	99,750	75,448	24,302
Computer	17,500	-	17,500	16,608	892
Information booth	9,150	-	9,150	7,855	1,295
MSRS - town employees	106,000	-	106,000	89,681	16,319
Sealer of weights and measures	-	317	317	-	317
	<u>832,433</u>	<u>117,312</u>	<u>949,745</u>	<u>720,115</u>	<u>229,630</u>
Public safety:					
Police	779,342	1,180	780,522	767,668	12,854
Fire	644,481	8,838	653,319	651,702	1,617
Code enforcement	50,252	-	50,252	29,273	20,979
Emergency management	6,893	-	6,893	6,595	298
Utilities	474,000	-	474,000	478,413	(4,413)
MSRS - police & fire	153,000	-	153,000	163,099	(10,099)
	<u>2,107,968</u>	<u>10,018</u>	<u>2,117,986</u>	<u>2,096,750</u>	<u>21,236</u>



SCHEDULE B (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public works:					
Summer roads	317,890	27,812	345,702	415,876	(70,174)
Winter roads	614,356	10,562	624,918	680,296	(55,378)
Bituminous	75,000	225,856	300,856	1,847	299,009
Permanent roads	400,000	426,395	826,395	79,920	746,475
State aid construction	45,000	333,343	378,343	2,614	375,729
Sidewalks	35,000	140,930	175,930	62,684	113,246
Bridges	20,000	155,862	175,862	-	175,862
Building demolition	25,000	104,639	129,639	60,442	69,197
PUIIA Business Park	35,000	45,012	80,012	13,234	66,778
Town garage	53,751	504,092	557,843	504,326	53,517
	<u>1,620,997</u>	<u>1,974,503</u>	<u>3,595,500</u>	<u>1,821,239</u>	<u>1,774,261</u>
Health and sanitation:					
Health	119,860	-	119,860	106,998	12,862
Sewer maintenance	-	112,626	112,626	112,626	-
Solid waste	513,500	-	513,500	516,679	(3,179)
	<u>633,360</u>	<u>112,626</u>	<u>745,986</u>	<u>736,303</u>	<u>9,683</u>
Welfare:					
Welfare office	65,000	56,219	121,219	136,447	(15,228)
	<u>65,000</u>	<u>56,219</u>	<u>121,219</u>	<u>136,447</u>	<u>(15,228)</u>
Public service:					
Library	226,389	13,895	240,284	238,227	2,057
Municipal planning	23,750	9,454	33,204	19,968	13,236
Charter commission	-	4,176	4,176	1,903	2,273
Park & rec comm - parks	185,802	36,414	222,216	195,165	27,051
Park & rec comm - cem	11,280	-	11,280	10,943	337
	<u>447,221</u>	<u>63,939</u>	<u>511,160</u>	<u>466,206</u>	<u>44,954</u>

SCHEDULE B (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	85,000	-	85,000	85,000	-
Interest	63,074	-	63,074	23,099	39,975
	148,074	-	148,074	108,099	39,975
Social services	187,724	-	187,724	187,724	-
Education	6,781,606	-	6,781,606	6,781,606	-
County tax	443,044	-	443,044	443,044	-
TIF	2,344,307	-	2,344,307	2,344,305	2
Unclassified:					
Insurances/social security	1,194,900	134,851	1,329,751	1,017,498	312,253
Contingency	10,000	-	10,000	1,143	8,857
Cable tv franchise	-	58,064	58,064	33,648	24,416
Overlay	400,000	-	400,000	-	400,000
	1,604,900	192,915	1,797,815	1,052,289	745,526
Transfers out:					
Capital projects funds	476,238	77,492	553,730	525,580	28,150
	476,238	77,492	553,730	525,580	28,150
Total Expenditures	\$ 17,692,872	\$ 2,605,024	\$ 20,297,896	\$ 17,419,707	\$ 2,878,189

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

## TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 253,928	\$ 1,749,540	\$ 65,972	\$ 2,069,440
Investments	-	-	5,889	5,889
Accounts receivable (net of allowance for uncollectibles)	194,131	-	-	194,131
Due from other governments	36,725	-	-	36,725
Due from other funds	7,487	22,194	-	29,681
<b>TOTAL ASSETS</b>	<u>\$ 492,271</u>	<u>\$ 1,771,734</u>	<u>\$ 71,861</u>	<u>\$ 2,335,866</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,209	\$ 13,372	\$ -	\$ 18,581
Due to other funds	37,012	169,754	-	206,766
<b>TOTAL LIABILITIES</b>	<u>42,221</u>	<u>183,126</u>	<u>-</u>	<u>225,347</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	450,050	-	71,861	521,911
Committed	-	1,588,608	-	1,588,608
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>450,050</u>	<u>1,588,608</u>	<u>71,861</u>	<u>2,110,519</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 492,271</u>	<u>\$ 1,771,734</u>	<u>\$ 71,861</u>	<u>\$ 2,335,866</u>

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

## SCHEDULE D

## TOWN OF RUMFORD, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 222,162	\$ -	\$ -	\$ 222,162
Investment income, net of unrealized gains/losses	8,743	1,948	119	10,810
Other	2,988	30,113	-	33,101
TOTAL REVENUES	<u>233,893</u>	<u>32,061</u>	<u>119</u>	<u>266,073</u>
EXPENDITURES				
Public Safety	207,356	-	-	207,356
Public Works	12,356	-	-	12,356
Cemeteries	-	-	60	60
Unclassified	6,051	15	-	6,066
Capital outlay	-	292,319	-	292,319
TOTAL EXPENDITURES	<u>225,763</u>	<u>292,334</u>	<u>60</u>	<u>518,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,130</u>	<u>(260,273)</u>	<u>59</u>	<u>(252,084)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	604,325	-	604,325
Transfers (out)	-	(134,921)	-	(134,921)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>469,404</u>	<u>-</u>	<u>469,404</u>
NET CHANGE IN FUND BALANCES	8,130	209,131	59	217,320
FUND BALANCES - JULY 1	<u>441,920</u>	<u>1,379,477</u>	<u>71,802</u>	<u>1,893,199</u>
FUND BALANCES - JUNE 30	<u>\$ 450,050</u>	<u>\$ 1,588,608</u>	<u>\$ 71,861</u>	<u>\$ 2,110,519</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.

SCHEDULE E

TOWN OF RUMFORD, MAINE

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

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG Grant	HVE Impaired Driving Enforcement	MDEA Grant
ASSETS							
Cash and cash equivalents	\$ 165,206	\$ 41,331	\$ 40,499	\$ 2,867	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	193,048	-	-	-	-	-	-
Due from other governments	-	-	-	-	299	2,160	29,676
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 358,254	\$ 41,331	\$ 40,499	\$ 2,867	\$ 299	\$ 2,160	\$ 29,676
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317
Due to other funds	-	-	-	-	299	2,160	29,359
TOTAL LIABILITIES	-	-	-	-	299	2,160	29,676
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	358,254	41,331	40,499	2,867	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	358,254	41,331	40,499	2,867	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 358,254	\$ 41,331	\$ 40,499	\$ 2,867	\$ 299	\$ 2,160	\$ 29,676

SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	Bullet Proof Vest Grant	DOC Snowmobile Muni Grant	Municipal ATV Grant
ASSETS							
Cash and cash equivalents	\$ 916	\$ -	\$ -	\$ 3,109	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other governments	-	2,700	-	-	1,530	-	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 916	\$ 2,700	\$ -	\$ 3,109	\$ 1,530	\$ -	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 779	\$ -	\$ -
Due to other funds	-	2,700	-	300	751	-	-
TOTAL LIABILITIES	-	2,700	-	300	1,530	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	916	-	-	2,809	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	916	-	-	2,809	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 916	\$ 2,700	\$ -	\$ 3,109	\$ 1,530	\$ -	\$ -



SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Maine Snowmobile Reg. Refund	RVHCC Underage Drinking Grant	Underage Drinking Task Force	2013 Homeland Security Grant	Drive Sober Maine Grant	Walmart Grant	GG Reimb.
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other governments	-	-	360	-	-	-	-
Due from other funds	-	20	-	-	-	3,000	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	360	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>20</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	3,000	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 360</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Police Reimb.	Fire Reimb.	Public Works Reimb.	Rt. 108 Pump Station Reimb.	General Assistance Fuel Donations	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,928
Accounts receivable (net of allowance for uncollectibles)	40	991	52	-	-	194,131
Due from other governments	-	-	-	-	-	36,725
Due from other funds	-	-	-	4,093	374	7,487
<b>TOTAL ASSETS</b>	<u>\$ 40</u>	<u>\$ 991</u>	<u>\$ 52</u>	<u>\$ 4,093</u>	<u>\$ 374</u>	<u>\$ 492,271</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 4,093	\$ -	\$ 5,209
Due to other funds	40	991	52	-	-	37,012
<b>TOTAL LIABILITIES</b>	<u>40</u>	<u>991</u>	<u>52</u>	<u>4,093</u>	<u>-</u>	<u>42,221</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	374	450,050
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374</u>	<u>450,050</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 40</u>	<u>\$ 991</u>	<u>\$ 52</u>	<u>\$ 4,093</u>	<u>\$ 374</u>	<u>\$ 492,271</u>

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

## SCHEDULE F

## TOWN OF RUMFORD, MAINE

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

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG Grant	HVE Impaired Driving Enforcement	MDEA Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 19,211	\$ 2,160	\$ 85,653
Interest/Gains & Losses	8,671	34	33	2	-	-	-
Other	92	-	-	482	-	-	-
TOTAL REVENUES	8,763	34	33	484	19,211	2,160	85,653
EXPENDITURES							
Public Safety	-	-	-	-	19,211	2,160	85,653
Public Works	-	-	-	-	-	-	-
Unclassified	2	1	1	-	-	-	-
TOTAL EXPENDITURES	2	1	1	-	19,211	2,160	85,653
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,761	33	32	484	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	8,761	33	32	484	-	-	-
FUND BALANCES - JULY 1	349,493	41,298	40,467	2,383	-	-	-
FUND BALANCES - JUNE 30	\$ 358,254	\$ 41,331	\$ 40,499	\$ 2,867	\$ -	\$ -	\$ -

SCHEDULE F (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	Bullet Proof Vest Grant	DOC Snowmobile Muni Grant	Municipal ATV Grant
REVENUES							
Intergovernmental	\$ -	\$ 2,700	\$ 4,000	\$ -	\$ 2,278	\$ 26,500	\$ 18,550
Interest/Gains & Losses	1	-	-	2	-	-	-
Other	580	-	-	1,834	-	-	-
TOTAL REVENUES	581	2,700	4,000	1,836	2,278	26,500	18,550
EXPENDITURES							
Public Safety	2,129	2,700	4,000	1,318	2,278	26,500	18,550
Public Works	-	-	-	-	-	-	-
Unclassified	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,129	2,700	4,000	1,318	2,278	26,500	18,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,548)	-	-	518	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,548)	-	-	518	-	-	-
FUND BALANCES - JULY 1	2,464	-	-	2,291	-	-	-
FUND BALANCES - JUNE 30	\$ 916	\$ -	\$ -	\$ 2,809	\$ -	\$ -	\$ -

SCHEDULE F (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Maine Snowmobile Reg. Refund	RVHCC Underage Drinking Grant	Underage Drinking Task Force	2014 Homeland Security Grant	Drive Sober Maine Grant	Walmart Grant	GG Reimb.
REVENUES							
Intergovernmental	\$ 2,396	\$ 1,980	\$ 3,135	\$ 6,846	\$ 5,580	\$ -	\$ 5,497
Interest/Gains & Losses	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>2,396</u>	<u>1,980</u>	<u>3,135</u>	<u>6,846</u>	<u>5,580</u>	<u>-</u>	<u>5,497</u>
EXPENDITURES							
Public Safety	2,396	1,980	3,135	6,846	5,580	-	-
Public Works	-	-	-	-	-	-	-
Unclassified	-	-	-	-	-	-	5,497
TOTAL EXPENDITURES	<u>2,396</u>	<u>1,980</u>	<u>3,135</u>	<u>6,846</u>	<u>5,580</u>	<u>-</u>	<u>5,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-
FUND BALANCES - JULY 1	-	-	-	-	-	3,000	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Police Reimb.	Fire Reimb.	Public Works Reimb.	Rt. 108 Pump Station Reimb.	General Assistance Fuel Donations	Totals
REVENUES						
Intergovernmental	\$ 20,055	\$ 2,865	\$ 93	\$ 12,263	\$ 400	\$ 222,162
Interest/Gains & Losses	-	-	-	-	-	8,743
Other	-	-	-	-	-	2,988
TOTAL REVENUES	20,055	2,865	93	12,263	400	233,893
EXPENDITURES						
Public Safety	20,055	2,865	-	-	-	207,356
Public Works	-	-	93	12,263	-	12,356
Unclassified	-	-	-	-	550	6,051
TOTAL EXPENDITURES	20,055	2,865	93	12,263	550	225,763
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(150)	8,130
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	(150)	8,130
FUND BALANCES - JULY 1	-	-	-	-	524	441,920
FUND BALANCES - JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ 374	\$ 450,050

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

### Capital Projects 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.



SCHEDULE G

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015

	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	\$ 303,549	\$ 68,488	\$ 66,998	\$ 555	\$ 319,063	\$ 230,489	\$ 23,091	\$ 241,827
Due from other funds	-	-	-	-	-	-	697	-
<b>TOTAL ASSETS</b>	<b>\$ 303,549</b>	<b>\$ 68,488</b>	<b>\$ 66,998</b>	<b>\$ 555</b>	<b>\$ 319,063</b>	<b>\$ 230,489</b>	<b>\$ 23,788</b>	<b>\$ 241,827</b>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779	\$ 12,593
Due to other funds	33,275	-	-	-	-	21,497	-	2,356
<b>TOTAL LIABILITIES</b>	<b>33,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,497</b>	<b>779</b>	<b>14,949</b>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	270,274	68,488	66,998	555	319,063	208,992	23,009	226,878
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>270,274</b>	<b>68,488</b>	<b>66,998</b>	<b>555</b>	<b>319,063</b>	<b>208,992</b>	<b>23,009</b>	<b>226,878</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 303,549</b>	<b>\$ 68,488</b>	<b>\$ 66,998</b>	<b>\$ 555</b>	<b>\$ 319,063</b>	<b>\$ 230,489</b>	<b>\$ 23,788</b>	<b>\$ 241,827</b>

SCHEDULE G (CONTINUED)

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Assessment Valuation	Totals
ASSETS									
Cash and cash equivalents	\$ 111,323	\$ 34,746	\$ 5,045	\$ 19,514	\$ 15,399	\$ 163,071	\$ 66,332	\$ 80,050	\$ 1,749,540
Due from other funds	-	-	-	-	-	-	21,497	-	22,194
<b>TOTAL ASSETS</b>	<b>\$ 111,323</b>	<b>\$ 34,746</b>	<b>\$ 5,045</b>	<b>\$ 19,514</b>	<b>\$ 15,399</b>	<b>\$ 163,071</b>	<b>\$ 87,829</b>	<b>\$ 80,050</b>	<b>\$ 1,771,734</b>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,372
Due to other funds	-	-	-	-	-	112,626	-	-	169,754
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,626</b>	<b>-</b>	<b>-</b>	<b>183,126</b>
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	111,323	34,746	5,045	19,514	15,399	50,445	87,829	80,050	1,588,608
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>111,323</b>	<b>34,746</b>	<b>5,045</b>	<b>19,514</b>	<b>15,399</b>	<b>50,445</b>	<b>87,829</b>	<b>80,050</b>	<b>1,588,608</b>
TOTAL LIABILITIES AND FUND BALANCES	<b>\$ 111,323</b>	<b>\$ 34,746</b>	<b>\$ 5,045</b>	<b>\$ 19,514</b>	<b>\$ 15,399</b>	<b>\$ 163,071</b>	<b>\$ 87,829</b>	<b>\$ 80,050</b>	<b>\$ 1,771,734</b>

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

SCHEDULE H

TOWN OF RUMFORD, MAINE

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

	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								
Investment income	\$ 322	\$ 82	\$ 100	\$ 1	\$ 356	\$ 196	\$ 26	\$ 309
Other	-	-	-	-	22,000	-	300	-
TOTAL REVENUES	<u>322</u>	<u>82</u>	<u>100</u>	<u>1</u>	<u>22,356</u>	<u>196</u>	<u>326</u>	<u>309</u>
EXPENDITURES								
Capital outlay	229,998	-	-	-	-	3,468	2,278	54,254
Other	-	1	1	-	3	-	-	4
TOTAL EXPENDITURES	<u>229,998</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>3</u>	<u>3,468</u>	<u>2,278</u>	<u>54,258</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(229,676)</u>	<u>81</u>	<u>99</u>	<u>1</u>	<u>22,353</u>	<u>(3,272)</u>	<u>(1,952)</u>	<u>(53,949)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	125,000	6,638	-	-	50,000	100,000	20,000	80,854
Transfers (out)	-	-	-	-	-	(22,295)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>6,638</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>77,705</u>	<u>20,000</u>	<u>80,854</u>
NET CHANGE IN FUND BALANCES	<u>(104,676)</u>	<u>6,719</u>	<u>99</u>	<u>1</u>	<u>72,353</u>	<u>74,433</u>	<u>18,048</u>	<u>26,905</u>
FUND BALANCES - JULY 1	<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>
FUND BALANCES - JUNE 30	<u>\$ 270,274</u>	<u>\$ 68,488</u>	<u>\$ 66,998</u>	<u>\$ 555</u>	<u>\$ 319,063</u>	<u>\$ 208,992</u>	<u>\$ 23,009</u>	<u>\$ 226,878</u>

SCHEDULE H (CONTINUED)

TOWN OF RUMFORD, MAINE

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

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Assessment Valuation	Totals
REVENUES									
Investment income	\$ 129	\$ 42	\$ 6	\$ 27	\$ 20	\$ 132	\$ 150	\$ 50	\$ 1,948
Other	-	-	-	-	-	-	7,813	-	30,113
TOTAL REVENUES	129	42	6	27	20	132	7,963	50	32,061
EXPENDITURES									
Capital outlay	630	-	-	1,691	-	-	-	-	292,319
Other	2	-	-	-	-	-	4	-	15
TOTAL EXPENDITURES	632	-	-	1,691	-	-	4	-	292,334
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(503)	42	6	(1,664)	20	132	7,959	50	(260,273)
OTHER FINANCING SOURCES (USES)									
Transfers in	32,088	5,000	1,000	-	-	81,450	22,295	80,000	604,325
Transfers (out)	-	-	-	-	-	(112,626)	-	-	(134,921)
TOTAL OTHER FINANCING SOURCES (USES)	32,088	5,000	1,000	-	-	(31,176)	22,295	80,000	469,404
NET CHANGE IN FUND BALANCES	31,585	5,042	1,006	(1,664)	20	(31,044)	30,254	80,050	209,131
FUND BALANCES - JULY 1	79,738	29,704	4,039	21,178	15,379	81,489	57,575	-	1,379,477
FUND BALANCES - JUNE 30	\$ 111,323	\$ 34,746	\$ 5,045	\$ 19,514	\$ 15,399	\$ 50,445	\$ 87,829	\$ 80,050	\$ 1,588,608

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, 2015

	Cemetery Trust Fund	Library Trust Fund	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 43,287	\$ 22,685	\$ 65,972
Investments	5,889	-	5,889
Due from other funds	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 49,176</u>	<u>\$ 22,685</u>	<u>\$ 71,861</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	49,176	22,685	71,861
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>49,176</u>	<u>22,685</u>	<u>71,861</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 49,176</u>	<u>\$ 22,685</u>	<u>\$ 71,861</u>

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

## SCHEDULE J

## TOWN OF RUMFORD, MAINE

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

	Cemetery Trust Fund	Library Trust Fund	Totals
REVENUES			
Interest	\$ 89	\$ 30	\$ 119
TOTAL REVENUES	<u>89</u>	<u>30</u>	<u>119</u>
EXPENDITURES			
Other	60	-	60
TOTAL EXPENDITURES	<u>60</u>	<u>-</u>	<u>60</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>29</u>	<u>30</u>	<u>59</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	29	30	59
FUND BALANCES - JULY 1	<u>49,147</u>	<u>22,655</u>	<u>71,802</u>
FUND BALANCES - JUNE 30	<u>\$ 49,176</u>	<u>\$ 22,685</u>	<u>\$ 71,861</u>

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



### General Capital Assets

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

SCHEDULE K

TOWN OF RUMFORD, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
General government	\$ -	\$ -	\$ 186,513	\$ -	\$ 186,513
Public safety	296	48,472	2,511,298	-	2,560,066
Public works	6,381	170,450	2,702,216	14,442,352	17,321,399
Recreation	21,557	528,422	535,646	-	1,085,625
Library	2,530	29,734	160,914	-	193,178
Cemeteries	4,987	-	-	-	4,987
Town-wide	290,752	1,508,100	44,741	892,951	2,736,544
Total General Capital Assets	326,503	2,285,178	6,141,328	15,335,303	24,088,312
Less: Accumulated Depreciation	-	(1,163,274)	(4,046,630)	(12,736,057)	(17,945,961)
Net General Capital Assets	\$ 326,503	\$ 1,121,904	\$ 2,094,698	\$ 2,599,246	\$ 6,142,351

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

SCHEDULE L

TOWN OF RUMFORD, MAINE

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

	General Capital Assets 7/1/14 (Restated)	Additions	Deletions	General Capital Assets 6/30/15
General government	\$ 186,513	\$ -	\$ -	\$ 186,513
Public safety	2,541,214	39,846	(20,994)	2,560,066
Public works	17,089,344	232,055	-	17,321,399
Recreation	1,085,625	-	-	1,085,625
Library	193,178	-	-	193,178
Cemeteries	4,987	-	-	4,987
Town-wide	2,736,544	-	-	2,736,544
Total General Capital Assets	23,837,405	271,901	(20,994)	24,088,312
Less: Accumulated Depreciation	(17,120,104)	(838,453)	12,596	(17,945,961)
Net General Capital Assets	<u>\$ 6,717,301</u>	<u>\$ (566,552)</u>	<u>\$ (8,398)</u>	<u>\$ 6,142,351</u>

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

