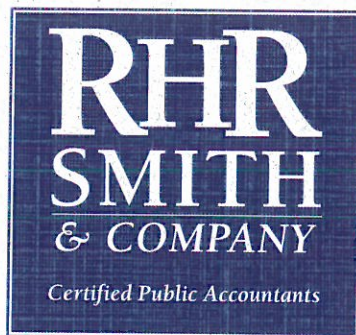


Audited Financial Statements and  
Other Supplemental Information

Town of Rumford, Maine

June 30, 2016



*Proven Expertise & Integrity*



*Proven Expertise and Integrity*

August 7, 2017

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, Maine's audited financial statements for the year ended June 30, 2016.

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, Maine.

Very Best,

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

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

RHRS/jlp

Enclosures

TOWN OF RUMFORD, MAINE

CONTENTS

JUNE 30, 2016

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET – GOVERNMENTAL FUNDS	15
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT G - STATEMENT OF NET POSITION – PROPRIETARY FUNDS	19
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	20
STATEMENT I - STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	21
NOTES TO FINANCIAL STATEMENTS	22 - 52

## REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	53
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND	54
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	55
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS	56
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	57
SCHEDULE 4 - SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTHCARE PLAN	58

## OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	59
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND REVENUES	60
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND	61 - 63
SCHEDULE C - COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	64
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	65
SPECIAL REVENUE FUNDS DESCRIPTION	66
SCHEDULE E - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	67 - 70
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	71 - 74
CAPITAL PROJECTS FUNDS DESCRIPTION	75



SCHEDULE G - COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS	76 - 77
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS	78 - 79
PERMANENT FUNDS DESCRIPTION	80
SCHEDULE I - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	81
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	82
GENERAL CAPITAL ASSETS DESCRIPTION	83
SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	84
SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	85

FEDERAL COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	86 - 87
--	---------



*Proven Expertise and Integrity*

## 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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Rumford, Maine'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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

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

made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Rumford, Maine as of June 30, 2016, 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 11 and 54 through 58 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 Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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 Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2017, on our consideration of the Town of Rumford, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rumford, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
January 26, 2017



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**(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, 2016. 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this

comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Town of Rumford presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental 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, Notes to Required Supplementary Information 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 \$614,286 from \$15,008,212 to \$15,622,498. For the business-type activities, the Town's total net position increased by \$3,917 from \$104,144 to \$108,061.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for the governmental activities to a balance of \$7,507,485 at the end of the fiscal year. For the business-type activities, the unrestricted net position increased to a balance of \$108,061.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2016</b>	<b>2015 (Restated)</b>	<b>2016</b>	<b>2015</b>
<b>Assets:</b>				
Current Assets	\$ 10,543,275	\$ 9,674,217	\$ 225,117	\$ 211,307
Capital Assets	7,394,402	7,576,936	-	-
Total Assets	17,937,677	17,251,153	225,117	211,307
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to Pensions	1,035,282	374,067	-	-
Total Deferred Outflows of Resources	1,035,282	374,067	-	-
<b>Liabilities:</b>				
Current Liabilities	235,797	291,197	-	-
Long-term Debt Outstanding	2,061,937	1,226,829	-	-
Total Liabilities	2,297,734	1,518,026	-	-
<b>Deferred Inflows of Resources:</b>				
Prepaid Taxes	13,694	8,141	4,192	3,035
Deferred Sewer Taxes	-	-	112,864	104,128
Deferred Inflows Related to Pensions	1,039,033	1,090,841	-	-
Total Deferred Inflows of Resources	1,052,727	1,098,982	117,056	107,163
<b>Net Position:</b>				
Net Investment in Capital Assets	7,194,402	7,286,936	-	-
Restricted	920,611	827,529	-	-
Unrestricted	7,507,485	6,893,747	108,061	104,144
Total Net Position	<u>\$ 15,622,498</u>	<u>\$ 15,008,212</u>	<u>\$ 108,061</u>	<u>\$ 104,144</u>

## Revenues and Expenses

Revenues for the Town's governmental activities decreased by 1.01%, while total expenses decreased by 2.66%. The decrease in revenues was mainly due to charges for services while the decrease in expenses was primarily due to public works, capital outlay and education. For the business-type activities revenues increased by 9.32%, while total expenses increased by 14.86%.

**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>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>				
<i>Program Revenues:</i>				
Charges for services	\$ 578,118	\$ 718,670	\$ 511,289	\$ 463,809
Operating grants and contributions	282,075	316,602	-	-
<i>General Revenues:</i>				
Taxes	15,592,735	15,618,795	-	-
Grants and contributions not restricted to specific programs	1,401,201	1,368,395	-	-
Miscellaneous	240,993	256,837	14,933	17,553
<b>Total Revenues</b>	<b>18,095,122</b>	<b>18,279,299</b>	<b>526,222</b>	<b>481,362</b>
<b>Expenses</b>				
General government	820,576	736,306	-	-
Public safety	2,455,800	2,463,980	-	-
Public works	1,982,544	2,418,468	-	-
Health and sanitation	747,768	736,303	-	-
Welfare	81,442	136,447	-	-
Public services	520,916	508,801	-	-
Social services	173,953	187,724	-	-
Education	6,672,284	6,781,606	-	-
County tax	415,082	443,044	-	-
Tax increment financing agreement	2,378,971	2,344,305	-	-
Interest on long-term debt	17,083	23,099	-	-
Capital outlay	140,929	357,025	-	-
Sewer fund	-	-	432,030	376,150
Unallocated depreciation (Note 4)	42,395	42,395	-	-
Unclassified	1,121,368	871,113	-	-
<b>Total Expenses</b>	<b>17,571,111</b>	<b>18,050,616</b>	<b>432,030</b>	<b>376,150</b>
<b>Transfers</b>	<b>90,275</b>	<b>91,450</b>	<b>(90,275)</b>	<b>(91,450)</b>
<b>Change in Net Position</b>	<b>614,286</b>	<b>320,133</b>	<b>3,917</b>	<b>13,762</b>
<b>Net Position - July 1, Restated</b>	<b>15,008,212</b>	<b>14,688,079</b>	<b>104,144</b>	<b>90,382</b>
<b>Net Position - June 30</b>	<b>\$ 15,622,498</b>	<b>\$ 15,008,212</b>	<b>\$ 108,061</b>	<b>\$ 104,144</b>

## 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>2016</u>	<u>2015</u>
General Fund:		
Nonspendable	\$ 181,743	\$ 208,212
Restricted	383,685	305,618
Committed	2,125,498	1,874,459
Assigned	913,124	903,501
Unassigned	3,831,967	3,594,460
Total General Fund	<u>\$ 7,436,017</u>	<u>\$ 6,886,250</u>
 Sewer Extension Fund:		
Committed	\$ 291,952	\$ 291,200
Total Sewer Extension Fund	<u>\$ 291,952</u>	<u>\$ 291,200</u>
 Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 464,520	\$ 450,050
Capital Projects Funds:		
Committed	1,896,561	1,588,608
Unassigned	(48,229)	-
Permanent Funds:		
Restricted	72,406	71,861
Total Nonmajor Funds	<u>\$ 2,385,258</u>	<u>\$ 2,110,519</u>

The general fund total fund balance increased by \$549,767 over the prior fiscal year. The sewer extension fund total fund balance increased by \$752 over the prior fiscal year. The nonmajor fund balances increased by \$274,739 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 \$3,917. Last year, the sewer department had an increase in net position of \$13,762.

### **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 services revenues.

The general fund actual revenues exceeded the budget by \$752,028. This was mainly the result of excise taxes, charges for services and miscellaneous revenues being significantly over budget.

The general fund actual expenditures were under the budget by \$3,238,031. All of the expenditure categories were under-spent after carrying forward several fund balances from the previous year.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of June 30, 2016, the net book value of capital assets recorded by the Town decreased by \$182,534 from the prior year. The decrease is the result of capital additions of \$360,822, less current year depreciation expense of \$525,565, less net disposals of \$17,791.

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

	<b>2016</b>	<b>2015 (Restated)</b>
Land	\$ 248,853	\$ 248,853
Land improvements	162,047	173,757
Art and antiques	1,262,409	1,262,409
Buildings and improvements	986,394	1,031,037
Equipment	826,571	888,426
Vehicles	1,469,930	1,373,208
Infrastructure	2,438,198	2,599,246
<b>Total</b>	<b>\$ 7,394,402</b>	<b>\$ 7,576,936</b>

## **Debt**

At June 30, 2016, the Town had \$200,000 in bonds outstanding versus \$290,000 last year, a decrease of 31.03%. 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.

## STATEMENT A

TOWN OF RUMFORD, MAINE  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,391,597	\$ 112,970	\$ 9,504,567
Investments	3,355	-	3,355
Accounts receivable (net of allowance for uncollectibles):			
Taxes	379,393	-	379,393
Liens	143,103	33,893	176,996
Other	78,117	87,839	165,956
Loans receivable	327,139	-	327,139
Due from other governments	29,243	-	29,243
Inventory	136,239	-	136,239
Prepaid items	1,788	-	1,788
Tax acquired property	43,716	-	43,716
Internal balances	9,585	(9,585)	-
Total current assets	<u>10,543,275</u>	<u>225,117</u>	<u>10,768,392</u>
Noncurrent assets:			
Capital assets:			
Land and other assets not being depreciated	1,511,262	-	1,511,262
Buildings and vehicles net of accumulated depreciation	5,883,140	-	5,883,140
Total noncurrent assets	<u>7,394,402</u>	<u>-</u>	<u>7,394,402</u>
<b>TOTAL ASSETS</b>	<u>17,937,677</u>	<u>225,117</u>	<u>18,162,794</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,035,282	-	1,035,282
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,035,282</u>	<u>-</u>	<u>1,035,282</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 18,972,959</u>	<u>\$ 225,117</u>	<u>\$ 19,198,076</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 55,911	\$ -	\$ 55,911
Current portion of long-term obligations	179,886	-	179,886
Total current liabilities	<u>235,797</u>	<u>-</u>	<u>235,797</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	105,000	-	105,000
Accrued compensated absences	254,657	-	254,657
Net pension liability	1,702,280	-	1,702,280
Total noncurrent liabilities	<u>2,061,937</u>	<u>-</u>	<u>2,061,937</u>
<b>TOTAL LIABILITIES</b>	<u>2,297,734</u>	<u>-</u>	<u>2,297,734</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	13,694	4,192	17,886
Deferred sewer taxes	-	112,864	112,864
Deferred inflows related to pensions	1,039,033	-	1,039,033
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,052,727</u>	<u>117,056</u>	<u>1,169,783</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,194,402	-	7,194,402
Restricted	920,611	-	920,611
Unrestricted	7,507,485	108,061	7,615,546
<b>TOTAL NET POSITION</b>	<u>15,622,498</u>	<u>108,061</u>	<u>15,730,559</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 18,972,959</u>	<u>\$ 225,117</u>	<u>\$ 19,198,076</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, 2016

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	\$ 820,576	\$ 48,378	\$ -	\$ -	\$ (772,198)	\$ -	\$ (772,198)
Public safety	2,455,800	16,395	-	-	(2,439,405)	-	(2,439,405)
Public works	1,982,544	407,534	95,412	-	(1,479,598)	-	(1,479,598)
Health and sanitation	747,768	741	-	-	(747,027)	-	(747,027)
Welfare	81,442	61,163	-	-	(20,279)	-	(20,279)
Public services	520,916	43,907	-	-	(477,009)	-	(477,009)
Social services	173,953	-	-	-	(173,953)	-	(173,953)
Education	6,672,284	-	-	-	(6,672,284)	-	(6,672,284)
County tax	415,082	-	-	-	(415,082)	-	(415,082)
Tax increment financing agreement	2,378,971	-	-	-	(2,378,971)	-	(2,378,971)
Interest on long-term debt	17,083	-	-	-	(17,083)	-	(17,083)
Capital outlay	140,929	-	-	-	(140,929)	-	(140,929)
Unallocated depreciation (Note 4)*	42,395	-	-	-	(42,395)	-	(42,395)
Unclassified	1,121,368	-	186,663	-	(934,705)	-	(934,705)
Total governmental activities	<u>17,571,111</u>	<u>578,118</u>	<u>282,075</u>	<u>-</u>	<u>(16,710,918)</u>	<u>-</u>	<u>(16,710,918)</u>
<b>Business-type activities:</b>							
Sewer fund	432,030	511,289	-	-	-	79,259	79,259
Total business-type activities	<u>432,030</u>	<u>511,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,259</u>	<u>79,259</u>
Total government	<u>\$ 18,003,141</u>	<u>\$ 1,089,407</u>	<u>\$ 282,075</u>	<u>\$ -</u>	<u>(16,710,918)</u>	<u>79,259</u>	<u>(16,631,659)</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, 2016

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(16,710,918)</u>	<u>79,259</u>	<u>(16,631,659)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	14,766,604	-	14,766,604
Excise taxes	826,131	-	826,131
Grants and contributions not restricted to specific programs	1,401,201	-	1,401,201
Miscellaneous	240,993	14,933	255,926
Transfers	90,275	(90,275)	-
Total general revenues and transfers	<u>17,325,204</u>	<u>(75,342)</u>	<u>17,249,862</u>
Change in net position	614,286	3,917	618,203
NET POSITION - JULY 1, RESTATED	<u>15,008,212</u>	<u>104,144</u>	<u>15,112,356</u>
NET POSITION - JUNE 30	<u><u>\$ 15,622,498</u></u>	<u><u>\$ 108,061</u></u>	<u><u>\$ 15,730,559</u></u>

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



## TOWN OF RUMFORD, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,965,289	\$ 291,952	\$ 2,134,356	\$ 9,391,597
Investments	-	-	3,355	3,355
Accounts receivable (net of allowance for uncollectibles):				
Taxes	379,393	-	-	379,393
Liens	143,103	-	-	143,103
Other	78,065	-	52	78,117
Loans receivable	3,030	-	324,109	327,139
Due from other governments	-	-	29,243	29,243
Inventory	136,239	-	-	136,239
Prepaid items	1,788	-	-	1,788
Tax acquired property	43,716	-	-	43,716
Due from other funds	116,796	-	164,988	281,784
<b>TOTAL ASSETS</b>	<b>\$ 7,867,419</b>	<b>\$ 291,952</b>	<b>\$ 2,656,103</b>	<b>\$ 10,815,474</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 42,623	\$ -	\$ 13,288	\$ 55,911
Due to other funds	14,642	-	257,557	272,199
<b>TOTAL LIABILITIES</b>	<b>57,265</b>	<b>-</b>	<b>270,845</b>	<b>328,110</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	13,694	-	-	13,694
Deferred tax revenues	360,443	-	-	360,443
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>374,137</b>	<b>-</b>	<b>-</b>	<b>374,137</b>
<b>FUND BALANCES</b>				
Nonspendable	181,743	-	-	181,743
Restricted	383,685	-	536,926	920,611
Committed	2,125,498	291,952	1,896,561	4,314,011
Assigned	913,124	-	-	913,124
Unassigned	3,831,967	-	(48,229)	3,783,738
<b>TOTAL FUND BALANCES</b>	<b>7,436,017</b>	<b>291,952</b>	<b>2,385,258</b>	<b>10,113,227</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,867,419</b>	<b>\$ 291,952</b>	<b>\$ 2,656,103</b>	<b>\$ 10,815,474</b>

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, 2016

	Total Governmental Funds
Total Fund Balances	\$ 10,113,227
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	7,394,402
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	360,443
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	1,035,282
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(200,000)
Accrued compensated absences	(339,543)
Net pension liability	(1,702,280)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(1,039,033)
Net position of governmental activities	<u>\$ 15,622,498</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, 2016

	General Fund	Sewer Extension Fund	All Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 14,740,850	\$ -	\$ -	\$ 14,740,850
Excise taxes	826,131	-	-	826,131
Intergovernmental	1,496,613	-	186,663	1,683,276
Charges for services	578,118	-	-	578,118
Miscellaneous revenues	174,418	691	65,884	240,993
<b>TOTAL REVENUES</b>	<u>17,816,130</u>	<u>691</u>	<u>252,547</u>	<u>18,069,368</u>
<b>EXPENDITURES</b>				
Current:				
General government	739,175	-	424	739,599
Public safety	2,120,175	-	151,046	2,271,221
Public works	1,786,257	-	2,480	1,788,737
Health and sanitation	747,768	-	-	747,768
Welfare	81,442	-	-	81,442
Public service	462,503	-	28,300	490,803
Social services	173,953	-	-	173,953
Education	6,672,284	-	-	6,672,284
County tax	415,082	-	-	415,082
Tax increment financing agreement	2,378,971	-	-	2,378,971
Unclassified	1,121,338	-	30	1,121,368
Debt service:				
Principal	90,000	-	-	90,000
Interest	17,083	-	-	17,083
Capital outlay	-	24,939	321,135	346,074
<b>TOTAL EXPENDITURES</b>	<u>16,806,031</u>	<u>24,939</u>	<u>503,415</u>	<u>17,334,385</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,010,099</u>	<u>(24,248)</u>	<u>(250,868)</u>	<u>734,983</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	98,348	25,000	637,169	760,517
Transfers (out)	(558,680)	-	(111,562)	(670,242)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(460,332)</u>	<u>25,000</u>	<u>525,607</u>	<u>90,275</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>549,767</u>	<u>752</u>	<u>274,739</u>	<u>825,258</u>
<b>FUND BALANCES - JULY 1</b>	<u>6,886,250</u>	<u>291,200</u>	<u>2,110,519</u>	<u>9,287,969</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 7,436,017</u>	<u>\$ 291,952</u>	<u>\$ 2,385,258</u>	<u>\$ 10,113,227</u>

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, 2016

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 825,258</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 acquisitions	360,822
Capital asset disposals	(17,791)
Depreciation expense	<u>(525,565)</u>
	<u>(182,534)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported	
Taxes and liens receivable	<u>25,754</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>661,215</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>90,000</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>51,808</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	(3,527)
Net pension liability	<u>(853,688)</u>
	<u>(857,215)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 614,286</u>

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

## STATEMENT G

## TOWN OF RUMFORD, MAINE

STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2016

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 112,970
Accounts receivable (net of allowance for uncollectibles):	
Taxes	87,839
Liens	33,893
Due from other funds	-
Total current assets	<u>234,702</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 234,702</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ -
Due to other funds	9,585
Total current liabilities	<u>9,585</u>
<b>TOTAL LIABILITIES</b>	<u>9,585</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	4,192
Deferred taxes	112,864
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>117,056</u>
<b>NET POSITION</b>	
Unrestricted	108,061
<b>TOTAL NET POSITION</b>	<u>108,061</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 234,702</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, 2016

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>
OPERATING REVENUES	
Charges for services	\$ 511,289
Other	14,860
TOTAL OPERATING REVENUES	<u>526,149</u>
OPERATING EXPENSES	
Contracted services	385,483
Miscellaneous	46,547
TOTAL OPERATING EXPENSES	<u>432,030</u>
OPERATING INCOME (LOSS)	<u>94,119</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	73
Transfers in	-
Transfers (out)	(90,275)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(90,202)</u>
CHANGE IN NET POSITION	3,917
NET POSITION - JULY 1	<u>104,144</u>
NET POSITION - JUNE 30	<u><u>\$ 108,061</u></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, 2016

	Enterprise Fund Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 530,772
Internal activity - receipts (payments) from/to other funds	327
Payments to suppliers	(430,873)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>100,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	73
Transfers to other funds	(90,275)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(90,202)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,024
CASH AND CASH EQUIVALENTS - JULY 1	<u>102,946</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u><u>\$ 112,970</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 94,119
Changes in operating assets, liabilities and deferred inflows of resources:	
(Increase) decrease in taxes receivable	782
(Increase) decrease in liens receivable	(4,895)
Increase (decrease) in due to other funds	327
Increase (decrease) in prepaid taxes	1,157
Increase (decrease) in deferred taxes	8,736
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 100,226</u></u>

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

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.

**Implementation of New Accounting Standards**

During the year ended June 30, 2016, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 72, "*Fair Value Measurement and Application*". The objective of the Statement is to expand comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will improve fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 76, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*. The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 79, *"Certain External Investment Pools and Pool Participants"*. This Statement establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

This Statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. Management has determined the impact of this Statement is not material to the financial statements.

**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.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Sewer Extension Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment related to sewer extension projects.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- e. 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:



TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.
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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). 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".

**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 is estimated to be \$0 as of June 30, 2016.

**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.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure. The capital assets for the Sewer Fund have not been included in these financial statements. The Town is working on compiling a list of these assets for inclusion in next year's financial statements.

Estimated useful lives are as follows:

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

**Long-term Obligations**

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

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,

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

while the proprietary funds report the liability as it is incurred. As of June 30, 2016, the Town's liability for compensated absences is \$339,543.

**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 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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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

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

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

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

**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



TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes 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 October 6, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due in two installments on October 30, 2015 and April 1, 2016. Interest on unpaid taxes commenced on October 31, 2015 and April 2, 2016, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$400,000 for the year ended June 30, 2016.

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 (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

**Operating/Non-Operating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 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, 2016, the Town's deposits amounting to \$9,504,567 were comprised of bank deposits of \$9,637,787. Of these bank deposits, \$365,546 was covered by federal depository insurance and not exposed to custodial credit risk and \$9,234,088 was collateralized with securities held by the financial institution in the Town's name. The remaining deposits of \$38,153 were uncollateralized and uninsured.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 288,153
Repurchase agreements	9,234,088
Savings accounts	115,546
	<u>\$ 9,637,787</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 \$3,355 was covered by federal depository insurance and not exposed to custodial credit risk.

At June 30, 2016, 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	\$ 3,355	\$ -	\$ -	\$ 3,355
	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,355</u>

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

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2016 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 116,796	\$ 14,642
Nonmajor Special Revenue Funds	12,920	17,145
Nonmajor Capital Projects Funds	152,064	240,412
Enterprise Funds	-	9,585
	<u>\$ 281,784</u>	<u>\$ 281,784</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2016:

	Balance, 7/1/15 (Restated)	Additions	Disposals	Balance, 6/30/16
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 248,853	\$ -	\$ -	\$ 248,853
Art and antiques	1,262,409	-	-	1,262,409
	<u>1,511,262</u>	<u>-</u>	<u>-</u>	<u>1,511,262</u>
Depreciated assets:				
Land improvements	1,593,000	-	-	1,593,000
Buildings and improvements	2,082,008	-	-	2,082,008
Equipment	2,975,415	95,536	(52,317)	3,018,634
Vehicles	3,243,633	265,286	(37,730)	3,471,189
Infrastructure	15,335,303	-	-	15,335,303
	<u>25,229,359</u>	<u>360,822</u>	<u>(90,047)</u>	<u>25,500,134</u>
Less: accumulated depreciation	(19,163,685)	(525,565)	72,256	(19,616,994)
	<u>6,065,674</u>	<u>(164,743)</u>	<u>(17,791)</u>	<u>5,883,140</u>
Net governmental capital assets	<u>\$ 7,576,936</u>	<u>\$ (164,743)</u>	<u>\$ (17,791)</u>	<u>\$ 7,394,402</u>

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 7,411
Public safety	130,738
Public works	304,909
Recreation	37,006
Library	3,106
Town-wide	42,395
Total depreciation expense	<u>\$ 525,565</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2016:

	Balance 7/1/15 (Restated)	Additions	Deletions	Balance, 6/30/16	Current Portion
Bonds payable	\$ 290,000	\$ -	\$ (90,000)	\$ 200,000	\$ 95,000
Accrued compensated absences	336,016	3,527	-	339,543	84,886
Net pension liability	848,592	853,688	-	1,702,280	-
Totals	<u>\$ 1,474,608</u>	<u>\$ 857,215</u>	<u>\$ (90,000)</u>	<u>\$ 2,241,823</u>	<u>\$ 179,886</u>

The following is a summary of the outstanding bond 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.

\$ 200,000

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

	Principal	Interest	Total Debt Service
2017	\$ 95,000	\$ 10,651	\$ 105,651
2018	105,000	3,675	108,675
2019	-	-	-
2020	-	-	-
2021	-	-	-
	<u>\$ 200,000</u>	<u>\$ 14,326</u>	<u>\$ 214,326</u>

TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 5 - LONG-TERM DEBT (CONTINUED)

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended June 30, 2016 was \$17,083.

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

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2016, the Town had the following nonspendable fund balances:

General fund:	
Inventory	\$ 136,239
Prepaid items	1,788
Tax acquired property	<u>43,716</u>
	<u>\$ 181,743</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2016, the Town had the following restricted fund balances:

General fund:	
State aid construction	\$ 383,685
Nonmajor special revenue funds (Schedule E)	464,520
Nonmajor permanent funds (Schedule I)	<u>72,406</u>
	<u>\$ 920,611</u>



TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2016, the Town had the following committed fund balances:

General fund:	
Town clerk - maint. and repairs - record restoration	\$ 7,000
Economic development	162,360
Economic development - performing arts committee	1,408
Town audit - contractual	4,800
Sealer of weights and measures	317
Police department - clothing allowance	264
Public works - bituminous	221,382
Permanent roads	1,050,216
Sidewalks	88,998
Bridges	190,750
Building demolition	52,425
PUIIA business park	97,857
Equipment maintenance	40,599
N.O.R.S.W.B. trucking	13,578
Municipal planning - comprehensive	7,254
Capital improvement - parks	19,117
Parks department - 4th of July committee	17,173
M.M.E.H.T. - health insurance	150,000
Subtotal general fund	<u>2,125,498</u>
Sewer extension fund	291,952
Nonmajor capital projects funds (Schedule G)	1,896,561
	<u><u>\$ 4,314,011</u></u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2016, the Town had the following assigned fund balances:

General fund:	
State municipal revenue sharing	\$ 445,676
Rumford bicentennial oral history	2,874
Planning board escrow	118,161
Rumford power	18
TIF	3
Moontide fireworks	53
Library	6,796
Accrued compensated absences	339,543
	<u><u>\$ 913,124</u></u>

TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 10 - DEFICIT FUND BALANCES

At June 30, 2016, the Town had the following deficit fund balances:

NORSWB Trucking Fund	\$ <u>48,229</u>
----------------------	------------------

NOTE 11 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of county and school debt. As of June 30, 2016, the Oxford County has no long-term debt. The Town's share of school debt was approximately:

	Outstanding Debt	Town's Percentage	Total Share
RSU #10 - Notes	\$ 464,867	35.67%	\$ <u>165,818</u>

NOTE 12 - ECONOMIC DEPENDENCY

The Town has two taxpayers whose property tax assessments represent a significant portion of the Town's tax base. The Catalyst Paper Operations, Inc. has an assessed value of \$98,928,184, which is 18.39% of the Town's total assessed value of \$537,945,536. For the year ended June 30, 2016, Catalyst Paper Operations, Inc.'s property tax assessment was \$2,826,764. The Rumford Falls Hydro LLC has an assessed value of \$94,463,236, which is 17.56% of the Town's total assessed value of \$537,945,536. For the year ended June 30, 2016, Rumford Falls Hydro LLC's property tax assessment was \$2,698,299.

NOTE 13 - RISK MANAGEMENT

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

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

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 13 - RISK MANAGEMENT (CONTINUED)

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, 2016. 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 14 - 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 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 or 65. The monthly benefit of members who retire before normal

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 7.5% and 8.5% 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 7.5% 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. For the year ended June 30, 2016 employer contributions to the "2C," "4C" and "AC" plans were 11.4%, 11.1% and 8.9%, respectively, of covered payroll. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2016 was \$278,881, which includes \$31,644 to finance the unfunded actuarial accrued liability and an additional \$39,855 that the Town is obligated to pay based on a collective bargaining agreement.

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

At June 30, 2016, the Town reported a liability of \$1,702,280 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net



TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2015, the Town's proportion was 0.533552%, which was a decrease of 0.017907% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized net pension expense of \$140,665. At June 30, 2016, 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	\$ 68,732	\$ 218,629
Changes of assumptions	150,436	-
Net difference between projected and actual earnings on pension plan investments	525,386	653,994
Changes in proportion and differences between contributions and proportionate share of contributions	11,847	166,410
Contributions subsequent to the measurement date	278,881	-
Total	<u>\$ 1,035,282</u>	<u>\$ 1,039,033</u>

\$278,881 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, 2017. 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, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan
Year ended June 30:	
2017	\$ (145,628)
2018	(145,628)
2019	(122,722)
2020	131,346
2021	-
Thereafter	-

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2015 and 2014, 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, 2016

NOTE 14 - 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, 2015 and June 30, 2014 are as follows:

*Investment Rate of Return* - For the PLD Plan, 7.125% per annum for the year ended June 30, 2015 and 7.25% per annum for the year ended June 30, 2014, 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* - 2.55% per annum for the year ended June 30, 2015 and 3.12% for the year ended June 30, 2014.

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, 2015 are summarized in the following table.

TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 14 - 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%	0.7%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 7.125% for 2015 and 7.25% for 2014. 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, 2015 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 7.125% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.125%	7.125%	8.125%
Town's proportionate share of the net pension liability	\$ 3,391,446	\$ 1,702,280	\$ 100,846

**Changes in Net Pension Liability**

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2015 with the following exceptions.

TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*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 2015 and 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. For the PLD Plan, the discount rate was decreased from 7.25% to 7.125% and the cost of living benefit increase assumption was changed from 3.12% to 2.55%.

*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.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2015 Comprehensive Annual Financial Report available online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (800) 451-9800.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 15 - 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 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):

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	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.

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.



TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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.

	2012	2011	2010
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	\$ 1,514,620	\$ 1,514,620	\$ 1,496,052
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	\$ 108,263	\$ 110,229	\$ 123,248

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, 2016 was forty-one participants. Total expenditures for the years ended June 30, 2016, 2015 and 2014 were \$3,972, \$3,214 and \$3,063, respectively.

NOTE 16 - 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.



TOWN OF RUMFORD, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 16 - CONTINGENCIES (CONTINUED)

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 17 - 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 2015-2016 for this Tax Increment Financing District is \$86,323,082. 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 17<sup>th</sup> year of this TIF agreement, the Town of Rumford retained an amount of \$756,294 to help reduce its tax burden and reimbursed MPA an amount of \$2,369,569. The Plan was approved by the Office of Economic and Community Development on December 17, 1997. The District expires after a twenty (20) year period and at that time the Total Assessed Valuation of MPA will be included in the Town of Rumford's Total Valuation to reduce its future tax burden. The TIF agreement was amended on November 12, 1998. Ownership of the District was transferred to Rumford Power Associates Limited Partnership in 1998.

On February 23, 2012 at a Special Town Meeting held in the Rumford Falls Auditorium, the inhabitants of the Town of Rumford approved three separate tax increment financing districts: The Gateway Area, The Rumford Falls Entryway, and the Puiia Business Park. The Gateway Area is the Route 2 area on Lincoln Avenue and includes parts of Hancock and Waldo Streets. The Rumford Falls Entryway is the Route 2 area that includes parcels bordering the Virginia section of town up to Royal Avenue. The Puiia Business Park is a designated area adjacent to Route 108 towards the end of the Smithcrossing neighborhood just prior to the Wyman Hill Road entrance. The plan was approved by the State of Maine's Department of Economic Development on March 30, 2012. The Districts expire after a thirty-year period. On April 19, 2012, the Board of Selectpersons voted to adopt a Credit Enhancement Agreement with

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 17 - TAX INCREMENT FINANCING AGREEMENT (CONTINUED)

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 2015-2016 valuation of the property to \$342,529. 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 18 - 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, 2016, payments to this vendor for legal services totaled \$20,256.

NOTE 19 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2016:

	Excess
Public Safety (Article 11)	\$ 7,186
Fire Department (Article 13)	1,210
	<u>\$ 8,396</u>

NOTE 20 - RESTATEMENTS

The governmental activities beginning net position balance as of July 1, 2015 has been restated for the effects of GASB No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. This restatement was done to include pension amounts for the Rumford Fire and Police, which was previously not included. The beginning balance has been restated by (\$1,142,829).

The beginning net position for the governmental activities has been restated as of July 1, 2015. This balance was restated to correct the capital asset and accumulated depreciation balances. The governmental activities were restated by \$1,434,585.

The net restatement to the governmental activities was \$291,756.

TOWN OF RUMFORD, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 21 - 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
- Notes to Required Supplementary Information
- 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, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 6,886,250	\$ 6,886,250	\$ 6,886,250	\$ -
Resources (Inflows):				
Property taxes	14,766,605	14,766,605	14,740,850	(25,755)
Excise taxes	400,000	400,000	826,131	426,131
Intergovernmental	1,323,780	1,419,192	1,496,613	77,421
Charges for services	-	452,676	578,118	125,442
Miscellaneous revenues	-	35,629	174,418	138,789
Transfers from other funds	-	88,348	98,348	10,000
Amounts Available for Appropriation	<u>23,376,635</u>	<u>24,048,700</u>	<u>24,800,728</u>	<u>752,028</u>
Charges to Appropriations (Outflows):				
General government	839,194	986,509	739,175	247,334
Public safety	2,136,484	2,138,287	2,120,175	18,112
Public works	1,715,565	4,034,136	1,786,257	2,247,879
Health and sanitation	661,542	749,890	747,768	2,122
Welfare	78,097	81,442	81,442	-
Public services	450,374	516,913	462,503	54,410
Social services	173,953	173,953	173,953	-
Education	6,672,284	6,672,284	6,672,284	-
County tax	415,082	415,082	415,082	-
Tax increment financing agreement	2,378,971	2,378,971	2,378,971	-
Debt service:				
Principal	90,000	90,000	90,000	-
Interest	37,058	37,058	17,083	19,975
Unclassified	1,584,688	1,769,537	1,121,338	648,199
Transfers to other funds	515,251	558,680	558,680	-
Total Charges to Appropriations	<u>17,748,543</u>	<u>20,602,742</u>	<u>17,364,711</u>	<u>3,238,031</u>
Budgetary Fund Balance, June 30	<u>\$ 5,628,092</u>	<u>\$ 3,445,958</u>	<u>\$ 7,436,017</u>	<u>\$ 3,990,059</u>
Utilization of Restricted Fund Balance	\$ -	\$ 305,618	\$ -	\$ (305,618)
Utilization of Committed Fund Balance	-	1,874,459	-	(1,874,459)
Utilization of Assigned Fund Balance	-	2,057	-	(2,057)
Utilization of Unassigned Fund Balance	<u>1,258,158</u>	<u>1,258,158</u>	<u>-</u>	<u>(1,258,158)</u>
	<u>\$ 1,258,158</u>	<u>\$ 3,440,292</u>	<u>\$ -</u>	<u>\$ (3,440,292)</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>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.53%	0.55%	0.63%
Proportionate share of the net pension liability	\$ 1,702,280	\$ 848,592	\$ 1,929,006
Covered-employee payroll	\$ 2,447,451	\$ 2,398,582	\$ 2,414,736
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.55%	35.38%	79.88%
Plan fiduciary net position as a percentage of the total pension liability	88.27%	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\*

	2016	2015	2014
<u>PLD Plan:</u>			
Contractually required contribution	\$ 278,881	\$ 249,740	\$ 224,128
Contributions in relation to the contractually required contribution	<u>(278,881)</u>	<u>(249,740)</u>	<u>(224,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,447,451	\$ 2,398,582	\$ 2,414,736
Contributions as a percentage of covered- employee payroll	11.39%	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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016

**Changes of Assumptions**

There was a change in the investment rate of return assumption this year from 7.25% to 7.125%. This change was made in the other MainePERS Programs with the 2014 valuation, but is first being recognized in the PLD Consolidated Plan in 2015. In addition to this change, the cost of living benefit increase assumption was changed from 3.12% to 2.55%. Further, those PLDs who had an IUUAL Surplus account received a refund of that account. As a result, there will be no more IUUAL surplus payments reflected beginning with the 2015 valuation. Finally, the amortization methodology for the Pooled Unfunded Actuarial Liability (PUAL) was changed from a fifteen-year open level dollar method to a method where a separate twenty-year closed period is established annually for the gain or loss in that year with these amortizations being developed as a level percentage of payroll and amortizing the existing PUAL at the time of this change, July 1, 2015, over a closed fifteen-year period beginning on this date.

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, 2016

REVENUES	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Taxes:				
Property taxes	\$ 14,766,605	\$ 14,766,605	\$ 14,740,850	\$ (25,755)
Excise taxes	400,000	400,000	826,131	426,131
Intergovernmental revenues:				
State revenue sharing	444,603	444,603	445,676	1,073
Homestead exemption	158,631	158,631	158,516	(115)
Local road assistance	-	95,412	95,412	-
Tree growth reimbursement	-	-	69,217	69,217
Veterans' reimbursement	-	-	7,246	7,246
BETE reimbursement	720,546	720,546	720,546	-
Charges for services:				
Licenses and permits	-	-	27,744	27,744
Charges for services	-	-	17,416	17,416
Fire revenue	-	-	13,225	13,225
Police revenue	-	-	3,170	3,170
Animal control fees	-	-	3,218	3,218
Solid waste	-	-	28	28
Sewer	-	-	713	713
Public works	-	626	2,736	2,110
Equipment maintenance	-	303,043	303,043	-
N.O.R.S.W.B. Trucking	-	101,755	101,755	-
Parks and recreation committee	-	33,887	33,887	-
Welfare office	-	3,345	61,163	57,818
Library	-	10,020	10,020	-
Interest income	-	-	9,993	9,993
Interest on taxes/lien costs	-	-	46,454	46,454
Other income:				
MSRS bond reimbursement	-	-	29,976	29,976
Insurances/Social Security	-	-	39,374	39,374
Cable TV franchise	-	34,849	38,023	3,174
Other income	-	780	10,598	9,818
Transfers from other funds	-	88,348	98,348	10,000
<b>TOTAL REVENUES</b>	<b>\$ 16,490,385</b>	<b>\$ 17,162,450</b>	<b>\$ 17,914,478</b>	<b>\$ 752,028</b>

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, 2016

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General government:					
Selectmen	\$ 5,350	\$ -	\$ 5,350	\$ 5,227	\$ 123
Town manager	173,244	-	173,244	141,989	31,255
Town clerk	90,980	3,500	94,480	84,631	9,849
Tax collector	83,127	-	83,127	81,590	1,537
Tax assessor	111,656	-	111,656	118,139	(6,483)
Town solicitor	24,000	-	24,000	19,005	4,995
Town audit	14,000	-	14,000	9,200	4,800
Dog officer	23,182	-	23,182	23,844	(662)
Economic development	50,000	143,498	193,498	29,729	163,769
Elections	30,199	-	30,199	23,821	6,378
Municipal building	95,150	-	95,150	72,506	22,644
Computer	17,150	-	17,150	19,019	(1,869)
Information booth	8,900	-	8,900	7,143	1,757
MSRS - town employees	112,256	-	112,256	103,332	8,924
Sealer of weights and measures	-	317	317	-	317
	<u>839,194</u>	<u>147,315</u>	<u>986,509</u>	<u>739,175</u>	<u>247,334</u>
Public safety:					
Police	778,776	186	778,962	752,454	26,508
Fire	672,776	1,617	674,393	675,603	(1,210)
Code enforcement	25,651	-	25,651	29,225	(3,574)
Emergency management	6,947	-	6,947	6,716	231
Utilities	478,000	-	478,000	476,616	1,384
MSRS - police and fire	174,334	-	174,334	179,561	(5,227)
	<u>2,136,484</u>	<u>1,803</u>	<u>2,138,287</u>	<u>2,120,175</u>	<u>18,112</u>



SCHEDULE B (CONTINUED)

TOWN OF RUMFORD, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public works:					
Summer roads	381,343	626	381,969	381,969	-
Winter roads	701,271	-	701,271	593,057	108,214
Bituminous	60,500	299,008	359,508	138,126	221,382
Permanent roads	400,000	746,474	1,146,474	96,258	1,050,216
State aid construction	25,000	401,030	426,030	42,345	383,685
Sidewalks	15,000	113,246	128,246	39,248	88,998
Bridges	20,000	175,862	195,862	5,111	190,751
Building demolition	25,000	69,196	94,196	41,772	52,424
PUJIA Business Park	31,500	66,802	98,302	445	97,857
Town garage	55,951	446,327	502,278	447,926	54,352
	<u>1,715,565</u>	<u>2,318,571</u>	<u>4,034,136</u>	<u>1,786,257</u>	<u>2,247,879</u>
Health and sanitation:					
Health	139,568	-	139,568	137,979	1,589
Sewer maintenance	-	88,348	88,348	88,348	-
Solid waste	521,974	-	521,974	521,441	533
	<u>661,542</u>	<u>88,348</u>	<u>749,890</u>	<u>747,768</u>	<u>2,122</u>
Welfare:					
Welfare office	78,097	3,345	81,442	81,442	-
	<u>78,097</u>	<u>3,345</u>	<u>81,442</u>	<u>81,442</u>	<u>-</u>
Public service:					
Library	226,091	12,077	238,168	231,371	6,797
Municipal planning	23,750	7,254	31,004	19,680	11,324
Park and rec - parks	187,753	27,066	214,819	191,381	23,438
Park and rec - cemeteries	12,780	-	12,780	17,101	(4,321)
Park and rec - 4th of July	-	20,142	20,142	2,970	17,172
	<u>450,374</u>	<u>66,539</u>	<u>516,913</u>	<u>462,503</u>	<u>54,410</u>

TOWN OF RUMFORD, MAINE

SCHEDULE B (CONTINUED)

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Debt service:					
Principal	90,000	-	90,000	90,000	-
Interest	37,058	-	37,058	17,083	19,975
	<u>127,058</u>	<u>-</u>	<u>127,058</u>	<u>107,083</u>	<u>19,975</u>
Social services	173,953	-	173,953	173,953	-
Education	6,672,284	-	6,672,284	6,672,284	-
County tax	415,082	-	415,082	415,082	-
TIF	2,378,971	-	2,378,971	2,378,971	-
Unclassified:					
Insurances/social security	1,169,688	150,000	1,319,688	1,059,245	260,443
Contingency	15,000	-	15,000	548	14,452
Cable tv franchise	-	34,849	34,849	34,849	-
Overlay	400,000	-	400,000	26,996	373,304
	<u>1,584,688</u>	<u>184,849</u>	<u>1,769,537</u>	<u>1,121,338</u>	<u>648,199</u>
Transfers out:					
Capital projects funds	515,251	43,429	558,680	558,680	-
	<u>515,251</u>	<u>43,429</u>	<u>558,680</u>	<u>558,680</u>	<u>-</u>
Total Expenditures	<u>\$ 17,748,543</u>	<u>\$ 2,854,199</u>	<u>\$ 20,602,742</u>	<u>\$ 17,364,711</u>	<u>\$ 3,238,031</u>

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

## TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 135,576	\$ 1,929,733	\$ 69,047	\$ 2,134,356
Investments	-	-	3,355	3,355
Accounts receivable (net of allowance for uncollectibles)	52	-	-	52
Loans receivable	324,109	-	-	324,109
Due from other governments	18,243	11,000	-	29,243
Due from other funds	12,920	152,064	4	164,988
<b>TOTAL ASSETS</b>	<u>\$ 490,900</u>	<u>\$ 2,092,797</u>	<u>\$ 72,406</u>	<u>\$ 2,656,103</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 9,235	\$ 4,053	\$ -	\$ 13,288
Due to other funds	17,145	240,412	-	257,557
<b>TOTAL LIABILITIES</b>	<u>26,380</u>	<u>244,465</u>	<u>-</u>	<u>270,845</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	464,520	-	72,406	536,926
Committed	-	1,896,561	-	1,896,561
Assigned	-	-	-	-
Unassigned	-	(48,229)	-	(48,229)
<b>TOTAL FUND BALANCES</b>	<u>464,520</u>	<u>1,848,332</u>	<u>72,406</u>	<u>2,385,258</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 490,900</u>	<u>\$ 2,092,797</u>	<u>\$ 72,406</u>	<u>\$ 2,656,103</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, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 178,850	\$ 7,813	\$ -	\$ 186,663
Investment Income, Net of Unrealized Gains/(Losses)	11,366	4,345	175	15,886
Other	6,504	43,094	400	49,998
TOTAL REVENUES	<u>196,720</u>	<u>55,252</u>	<u>575</u>	<u>252,547</u>
EXPENDITURES				
General Government	424	-	-	424
Public Safety	151,046	-	-	151,046
Public Works	2,480	-	-	2,480
Public Service	28,300	-	-	28,300
Cemeteries	-	-	30	30
Capital Outlay	-	321,135	-	321,135
TOTAL EXPENDITURES	<u>182,250</u>	<u>321,135</u>	<u>30</u>	<u>503,415</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,470</u>	<u>(265,883)</u>	<u>545</u>	<u>(250,868)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	637,169	-	637,169
Transfers (Out)	-	(111,562)	-	(111,562)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>525,607</u>	<u>-</u>	<u>525,607</u>
NET CHANGE IN FUND BALANCES	14,470	259,724	545	274,739
FUND BALANCES - JULY 1	<u>450,050</u>	<u>1,588,608</u>	<u>71,861</u>	<u>2,110,519</u>
FUND BALANCES - JUNE 30	<u>\$ 464,520</u>	<u>\$ 1,848,332</u>	<u>\$ 72,406</u>	<u>\$ 2,385,258</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, 2016

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG 2014 Grant	JAG 2015 Grant	MDEA Grant
<b>ASSETS</b>							
Cash and cash equivalents	\$ 45,312	\$ 41,422	\$ 40,588	\$ 3,816	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Loans receivable	324,109	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	824	13,755
Due from other funds	-	-	-	-	-	7,945	-
<b>TOTAL ASSETS</b>	<b>\$ 369,421</b>	<b>\$ 41,422</b>	<b>\$ 40,588</b>	<b>\$ 3,816</b>	<b>\$ -</b>	<b>\$ 8,769</b>	<b>\$ 13,755</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,769	\$ 326
Due to other funds	-	-	-	-	-	-	13,429
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,769</b>	<b>13,755</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	369,421	41,422	40,588	3,816	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>369,421</b>	<b>41,422</b>	<b>40,588</b>	<b>3,816</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 369,421</b>	<b>\$ 41,422</b>	<b>\$ 40,588</b>	<b>\$ 3,816</b>	<b>\$ -</b>	<b>\$ 8,769</b>	<b>\$ 13,755</b>



SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	Underage Drinking Grants	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	Bullet Proof Vest Grant	DOC Snowmobile Muni Grant
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 1,425	\$ -	\$ -	\$ 3,013	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	1,080	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,425</b>	<b>\$ 1,080</b>	<b>\$ -</b>	<b>\$ 3,013</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,080	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,080</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,425	-	-	3,013	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>1,425</b>	<b>-</b>	<b>-</b>	<b>3,013</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 1,425</b>	<b>\$ 1,080</b>	<b>\$ -</b>	<b>\$ 3,013</b>	<b>\$ -</b>	<b>\$ -</b>

SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	Maine Snowmobile Reg. Refund	RVHCC Underage Drinking Grant	Underage Drinking Task Force	BHS Speed Grant	Drive Sober Maine Grant	Walmart Grant	GG Reimb.
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-
Due from other governments	-	-	1,080	630	-	-	-
Due from other funds	-	140	-	-	-	4,080	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 1,080</b>	<b>\$ 630</b>	<b>\$ -</b>	<b>\$ 4,080</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,080	630	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>140</b>	<b>1,080</b>	<b>630</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	4,080	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,080</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 140</b>	<b>\$ 1,080</b>	<b>\$ 630</b>	<b>\$ -</b>	<b>\$ 4,080</b>	<b>\$ -</b>

SCHEDULE E (CONTINUED)

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	Police Reimb.	Fire Reimb.	Public Works Reimb.	General Assistance Fuel Donations	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 135,576
Accounts receivable (net of allowance for uncollectibles)	-	-	52	-	52
Loans receivable	-	-	-	-	324,109
Due from other governments	454	420	-	-	18,243
Due from other funds	-	-	-	755	12,920
<b>TOTAL ASSETS</b>	<u>\$ 454</u>	<u>\$ 420</u>	<u>\$ 52</u>	<u>\$ 755</u>	<u>\$ 490,900</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,235
Due to other funds	454	420	52	-	17,145
<b>TOTAL LIABILITIES</b>	<u>454</u>	<u>420</u>	<u>52</u>	<u>-</u>	<u>26,380</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	755	464,520
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755</u>	<u>464,520</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 454</u>	<u>\$ 420</u>	<u>\$ 52</u>	<u>\$ 755</u>	<u>\$ 490,900</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, 2016

	UDAG Funds	CDBG Funds	EDA Escrow Fund	Gateway Plaza-DPF Escrow	JAG 2014 Grant	JAG 2015 Grant	MDEA Grant
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,688	\$ 11,433	\$ 89,699
Investment Income, Net of Unrealized							
Gains/(Losses)	11,167	91	89	9	-	-	-
Other	-	-	-	940	-	-	-
TOTAL REVENUES	11,167	91	89	949	2,688	11,433	89,699
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	2,688	11,433	89,699
Public Works	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	2,688	11,433	89,699
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,167	91	89	949	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	11,167	91	89	949	-	-	-
FUND BALANCES - JULY 1	358,254	41,331	40,499	2,867	-	-	-
FUND BALANCES - JUNE 30	\$ 369,421	\$ 41,422	\$ 40,588	\$ 3,816	\$ -	\$ -	\$ -

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, 2016

	Underage Drinking Grants	DARE	HVE Seatbelt Campaign	MMA Safety Enhancement Grant	Seizure Disbursement	Bullet Proof Vest Grant	DOC Snowmobile Muni Grant
REVENUES							
Intergovernmental	\$ 2,020	\$ -	\$ 1,260	\$ 3,270	\$ -	\$ 372	\$ 26,009
Investment Income, Net of Unrealized							
Gains/(Losses)	-	4	-	-	6	-	-
Other	-	1,707	-	-	857	-	-
TOTAL REVENUES	<u>2,020</u>	<u>1,711</u>	<u>1,260</u>	<u>3,270</u>	<u>863</u>	<u>372</u>	<u>26,009</u>
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Public Safety	2,020	1,202	1,260	3,270	659	372	-
Public Works	-	-	-	-	-	-	-
Public Service	-	-	-	-	-	-	26,009
TOTAL EXPENDITURES	<u>2,020</u>	<u>1,202</u>	<u>1,260</u>	<u>3,270</u>	<u>659</u>	<u>372</u>	<u>26,009</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	509	-	-	204	-	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	509	-	-	204	-	-
FUND BALANCES - JULY 1	-	916	-	-	2,809	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 1,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,013</u>	<u>\$ -</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, 2016

	REVENUES	Maine Snowmobile Reg. Refund	RVHCC Underage Drinking Grant	Underage Drinking Task Force	BHS Speed Grant	Drive Sober Maine Grant	Walmart Grant	GG Reimb.
Intergovernmental		\$ 2,291	\$ -	\$ 1,080	\$ 630	\$ 8,010	\$ -	\$ 305
Investment Income, Net of Unrealized		-	-	-	-	-	-	-
Gains/(Losses)		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
TOTAL REVENUES		2,291	-	1,080	630	8,010	3,000	305
EXPENDITURES								
General Government		-	-	-	-	-	-	305
Public Safety		-	-	1,080	630	8,010	1,920	-
Public Works		-	-	-	-	-	-	-
Public Service		2,291	-	-	-	-	-	-
TOTAL EXPENDITURES		2,291	-	1,080	630	8,010	1,920	305
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-	-	-	1,080	-
OTHER FINANCING SOURCES (USES)								
Transfers In		-	-	-	-	-	-	-
Transfers (Out)		-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES		-	-	-	-	-	1,080	-
FUND BALANCES - JULY 1		-	-	-	-	-	3,000	-
FUND BALANCES - JUNE 30		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,080	\$ -

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, 2016

	Police Reimb.	Fire Reimb.	Public Works Reimb.	General Assistance Fuel Donations	Total
REVENUES					
Intergovernmental	\$ 7,484	\$ 19,319	\$ 2,480	\$ 500	\$ 178,850
Investment Income, Net of Unrealized					
Gains/(Losses)	-	-	-	-	11,366
Other	-	-	-	-	6,504
TOTAL REVENUES	<u>7,484</u>	<u>19,319</u>	<u>2,480</u>	<u>500</u>	<u>196,720</u>
EXPENDITURES					
General Government					
Public Safety	-	-	-	119	424
Public Works	7,484	19,319	-	-	151,046
Public Service	-	-	2,480	-	2,480
TOTAL EXPENDITURES	<u>7,484</u>	<u>19,319</u>	<u>2,480</u>	<u>119</u>	<u>28,300</u>
					<u>182,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	381	14,470
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	381	14,470
FUND BALANCES - JULY 1	-	-	-	374	450,050
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 755</u>	<u>\$ 464,520</u>

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.

## TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2016

	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 281,226	\$ 80,621	\$ 67,146	\$ 556	\$ 337,636	\$ 339,756	\$ 2,276	\$ 266,775
Due from other governments	-	-	-	-	11,000	-	-	-
Due from other funds	128,850	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 410,076</b>	<b>\$ 80,621</b>	<b>\$ 67,146</b>	<b>\$ 556</b>	<b>\$ 348,636</b>	<b>\$ 339,756</b>	<b>\$ 2,276</b>	<b>\$ 266,775</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,053
Due to other funds	-	128,850	-	-	-	23,214	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>128,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,214</b>	<b>-</b>	<b>4,053</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	410,076	-	67,146	556	348,636	316,542	2,276	262,722
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(48,229)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>410,076</b>	<b>(48,229)</b>	<b>67,146</b>	<b>556</b>	<b>348,636</b>	<b>316,542</b>	<b>2,276</b>	<b>262,722</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<b>\$ 410,076</b>	<b>\$ 80,621</b>	<b>\$ 67,146</b>	<b>\$ 556</b>	<b>\$ 348,636</b>	<b>\$ 339,756</b>	<b>\$ 2,276</b>	<b>\$ 266,775</b>

SCHEDULE G (CONTINUED)

TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2016

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Assessment Valuation	Total
ASSETS									
Cash and cash equivalents	\$ 116,647	\$ 39,831	\$ 6,058	\$ 18,635	\$ 15,433	\$ 130,991	\$ 95,837	\$ 130,309	\$ 1,929,733
Due from other governments	-	-	-	-	-	-	-	-	11,000
Due from other funds	-	-	-	-	-	-	23,214	-	152,064
TOTAL ASSETS	<u>\$ 116,647</u>	<u>\$ 39,831</u>	<u>\$ 6,058</u>	<u>\$ 18,635</u>	<u>\$ 15,433</u>	<u>\$ 130,991</u>	<u>\$ 119,051</u>	<u>\$ 130,309</u>	<u>\$ 2,092,797</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,053
Due to other funds	-	-	-	-	-	88,348	-	-	240,412
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,348</u>	<u>-</u>	<u>-</u>	<u>244,465</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	116,647	39,831	6,058	18,635	15,433	42,643	119,051	130,309	1,896,561
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(48,229)
TOTAL FUND BALANCES (DEFICITS)	<u>116,647</u>	<u>39,831</u>	<u>6,058</u>	<u>18,635</u>	<u>15,433</u>	<u>42,643</u>	<u>119,051</u>	<u>130,309</u>	<u>1,848,332</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 116,647</u>	<u>\$ 39,831</u>	<u>\$ 6,058</u>	<u>\$ 18,635</u>	<u>\$ 15,433</u>	<u>\$ 130,991</u>	<u>\$ 119,051</u>	<u>\$ 130,309</u>	<u>\$ 2,092,797</u>

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, 2016

	Highway Department Fund	NORSWB Trucking Fund	Building Renovations Fund	Town Hall Administration Fund	Town Hall Maintenance Fund	Fire Department Fund	Police Department Fund	Parks Department Fund
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income, Net of Unrealized								
Gains/(Losses)	797	171	148	1	747	675	29	598
Other	-	-	-	-	22,000	-	-	21,094
TOTAL REVENUES	<u>797</u>	<u>171</u>	<u>148</u>	<u>1</u>	<u>22,747</u>	<u>675</u>	<u>29</u>	<u>21,692</u>
EXPENDITURES								
Capital Outlay	10,995	128,850	-	-	30,574	7,911	50,762	69,915
TOTAL EXPENDITURES	<u>10,995</u>	<u>128,850</u>	<u>-</u>	<u>-</u>	<u>30,574</u>	<u>7,911</u>	<u>50,762</u>	<u>69,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,198)</u>	<u>(128,679)</u>	<u>148</u>	<u>1</u>	<u>(7,827)</u>	<u>(7,236)</u>	<u>(50,733)</u>	<u>(48,223)</u>
OTHER FINANCING SOURCES (USES)								
Transfers In	150,000	11,962	-	-	37,400	138,000	30,000	84,067
Transfers (Out)	-	-	-	-	-	(23,214)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>150,000</u>	<u>11,962</u>	<u>-</u>	<u>-</u>	<u>37,400</u>	<u>114,786</u>	<u>30,000</u>	<u>84,067</u>
NET CHANGE IN FUND BALANCES	139,802	(116,717)	148	1	29,573	107,550	(20,733)	35,844
FUND BALANCES (DEFICITS) - JULY 1	270,274	68,488	66,998	555	319,063	208,992	23,009	226,878
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 410,076</u>	<u>\$ (48,229)</u>	<u>\$ 67,146</u>	<u>\$ 556</u>	<u>\$ 348,636</u>	<u>\$ 316,542</u>	<u>\$ 2,276</u>	<u>\$ 262,722</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, 2016

	Public Library Fund	Other Town Properties	Code Enforcement Fund	Computer Fund	Voting Machine Fund	Sewer Capital	Joint Ladder Truck	Assessment Valuation	Total
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,813	\$ -	\$ 7,813
Investment Income, Net of Unrealized									
Gains/(Losses)	281	85	13	41	34	271	195	259	4,345
Other	-	-	-	-	-	-	-	-	43,094
TOTAL REVENUES	<u>281</u>	<u>85</u>	<u>13</u>	<u>41</u>	<u>34</u>	<u>271</u>	<u>8,008</u>	<u>259</u>	<u>55,252</u>
EXPENDITURES									
Capital Outlay	21,208	-	-	920	-	-	-	-	321,135
TOTAL EXPENDITURES	<u>21,208</u>	<u>-</u>	<u>-</u>	<u>920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(20,927)</u>	<u>85</u>	<u>13</u>	<u>(879)</u>	<u>34</u>	<u>271</u>	<u>8,008</u>	<u>259</u>	<u>(265,883)</u>
OTHER FINANCING SOURCES (USES)									
Transfers In	26,251	5,000	1,000	-	-	80,275	23,214	50,000	637,169
Transfers (Out)	-	-	-	-	-	(88,348)	-	-	(111,562)
TOTAL OTHER FINANCING SOURCES (USES)	<u>26,251</u>	<u>5,000</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>(8,073)</u>	<u>23,214</u>	<u>50,000</u>	<u>525,607</u>
NET CHANGE IN FUND BALANCES	5,324	5,085	1,013	(879)	34	(7,802)	31,222	50,259	259,724
FUND BALANCES (DEFICITS) - JULY 1	111,323	34,746	5,045	19,514	15,399	50,445	87,829	80,050	1,588,608
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 116,647</u>	<u>\$ 39,831</u>	<u>\$ 6,058</u>	<u>\$ 18,635</u>	<u>\$ 15,433</u>	<u>\$ 42,643</u>	<u>\$ 119,051</u>	<u>\$ 130,309</u>	<u>\$ 1,848,332</u>

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

### Permanent Funds

Permanent funds are used to account for assets held by the Town of Rumford, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

## TOWN OF RUMFORD, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2016

	Cemetery Trust Fund	Library Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 46,312	\$ 22,735	\$ 69,047
Investments	3,355	-	3,355
Due from other funds	2	2	4
TOTAL ASSETS	<u>\$ 49,669</u>	<u>\$ 22,737</u>	<u>\$ 72,406</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	49,669	22,737	72,406
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>49,669</u>	<u>22,737</u>	<u>72,406</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 49,669</u>	<u>\$ 22,737</u>	<u>\$ 72,406</u>

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



## TOWN OF RUMFORD, MAINE

## SCHEDULE J

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Cemetery Trust Fund	Library Trust Fund	Total
REVENUES			
Investment Income, Net of Unrealized Gains/(Losses)	\$ 123	\$ 52	\$ 175
Other	400	-	400
TOTAL REVENUES	<u>523</u>	<u>52</u>	<u>575</u>
EXPENDITURES			
Other	30	-	30
TOTAL EXPENDITURES	<u>30</u>	<u>-</u>	<u>30</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>493</u>	<u>52</u>	<u>545</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	493	52	545
FUND BALANCES - JULY 1	<u>49,176</u>	<u>22,685</u>	<u>71,861</u>
FUND BALANCES - JUNE 30	<u>\$ 49,669</u>	<u>\$ 22,737</u>	<u>\$ 72,406</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, 2016

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ -	\$ -	\$ 186,513	\$ -	\$ 186,513
Public safety	296	85,514	2,557,679	-	2,643,489
Public works	6,381	247,737	3,176,063	15,335,303	18,765,484
Recreation	121,557	1,832,038	407,330	-	2,360,925
Library	1,087,289	29,734	117,497	-	1,234,520
Cemeteries	4,987	-	-	-	4,987
Town-wide	290,752	1,479,985	44,741	-	1,815,478
Total General Capital Assets	1,511,262	3,675,008	6,489,823	15,335,303	27,011,396
Less: Accumulated Depreciation	-	(2,526,567)	(4,193,322)	(12,897,105)	(19,616,994)
Net General Capital Assets	\$ 1,511,262	\$ 1,148,441	\$ 2,296,501	\$ 2,438,198	\$ 7,394,402

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, 2016

	General Capital Assets 7/1/15 (Restated)	Additions	Deletions	General Capital Assets 6/30/16
General government	\$ 186,513	\$ -	\$ -	\$ 186,513
Public safety	2,611,834	88,007	(56,352)	2,643,489
Public works	18,512,516	252,968	-	18,765,484
Recreation	2,374,773	19,847	(33,695)	2,360,925
Library	1,234,520	-	-	1,234,520
Cemeteries	4,987	-	-	4,987
Town-wide	1,815,478	-	-	1,815,478
Total General Capital Assets	26,740,621	360,822	(90,047)	27,011,396
Less: Accumulated Depreciation	(19,163,685)	(525,565)	72,256	(19,616,994)
Net General Capital Assets	\$ 7,576,936	\$ (164,743)	\$ (17,791)	\$ 7,394,402

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



*Proven Expertise and Integrity*

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Selectmen  
Town of Rumford  
Rumford, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Rumford, Maine's basic financial statements, and have issued our report thereon dated January 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Rumford, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Rumford, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Rumford, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Rumford, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
January 26, 2017



