

Audited Financial Statements and  
Other Financial Information

Town of Poland, Maine

June 30, 2015



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TOWN OF POLAND, MAINE

CONTENTS

JUNE 30, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	15
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
NOTES TO FINANCIAL STATEMENTS	19 - 44
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	45
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND	46
SCHEDULE 2 – SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	47
SCHEDULE 3 – SCHEDULE OF CONTRIBUTIONS	48

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	49
SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS- GENERAL FUND	50 - 52
SCHEDULE B - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND REVENUES	53
SCHEDULE C - COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	54
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	55
SPECIAL REVENUE FUNDS DESCRIPTION	56
SCHEDULE E - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	57
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	58
CAPITAL PROJECTS DESCRIPTION	59
SCHEDULE G - COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS	60 - 61
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS	62 - 63
PERMANENT FUNDS DESCRIPTION	64
SCHEDULE I - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	65 - 66
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	67 - 68
GENERAL CAPITAL ASSETS DESCRIPTION	69

SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	70
SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	71



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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Poland  
Poland, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Town of Poland, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

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

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension information on pages 4 through 11 and 46 through 48 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 Poland, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*R.H.R. Smith & Company*

Buxton, Maine  
December 18, 2015

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

**(UNAUDITED)**

The following management's discussion and analysis of Town of Poland, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Poland'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 schedules, 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 a separate column for the type of Town's activity. The type of activity presented for the Town of Poland is:

- *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, education, TIF, health and sanitation and recreation and culture.

### **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 Poland, 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 Poland can be categorized as governmental funds.

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

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

The Town of Poland presents only two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Nonmajor Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, a Schedule of Proportionate Share of the Net Pension Liability and a Schedule of Contributions.

### **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 and business-type activities. The Town's total net position for governmental activities increased by \$1,428,235 from \$9,099,376 to \$10,527,611.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$4,752,449 at the end of this year.

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

	<b>2015</b>	<b>2014 (Restated)</b>
<b>Assets:</b>		
Current and Other Assets	\$ 8,353,485	\$ 8,240,829
Noncurrent Assets	16,495,726	17,094,412
Total Assets	24,849,211	25,335,241
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pensions	71,222	38,466
Total Deferred Outflows of Resources	71,222	38,466
<b>Liabilities:</b>		
Current Liabilities	2,011,229	2,065,603
Long-term Debt Outstanding	12,199,808	14,208,440
Total Liabilities	14,211,037	16,274,043
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	441	288
Deferred Inflows Related to Pensions	181,344	-
Total Deferred Inflows of Resources	181,785	288
<b>Net Position:</b>		
Net Investment in Capital Assets	2,605,302	675,618
Restricted for: Special revenue funds	1,043,375	1,019,867
Permanent funds	2,126,485	2,097,107
Unrestricted	4,752,449	5,306,784
Total Net Position	\$ 10,527,611	\$ 9,099,376

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

	<u>2015</u>	<u>2014</u>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1,697,021	\$ 1,678,232
Operating grants and contributions	432,762	407,974
<i>General revenues:</i>		
Taxes	11,349,177	11,043,148
Grants and contributions not restricted to specific programs	388,308	364,722
Investment income	133,344	329,930
Miscellaneous	144,989	172,199
Total Revenues	<u>14,145,601</u>	<u>13,996,205</u>
<b>Expenses</b>		
General government	1,033,570	1,039,513
Public safety	1,148,563	443,271
Public works	746,776	684,394
Recreation and culture	513,682	421,637
Health and sanitation	195,503	177,955
TIF	1,888,935	1,859,689
Education	6,360,174	6,218,618
County tax	692,318	677,058
Overlay	15,737	60,599
Capital outlay	43,926	28,050
Unallocated depreciation	-	27,719
Interest on long-term debt	78,182	142,795
Total Expenses	<u>12,717,366</u>	<u>11,781,298</u>
Change in Net Position	1,428,235	2,214,907
Net Position - July 1 (Restated)	<u>9,099,376</u>	<u>6,884,469</u>
Net Position - June 30	<u>\$ 10,527,611</u>	<u>\$ 9,099,376</u>

**Revenues and Expenses**

Revenues increased 1.07% from the prior year, an increase of \$149,396, primarily due to increases in property taxes and TIF income. Expenses increased 7.95% or \$936,068 from the prior year, primarily due to public safety and education expense. Most other expenses were consistent with the previous year.

## 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 Poland, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	2015	2014
Major Funds:		
General Fund:		
Nonspendable	\$ 63,521	\$ 36,983
Committed	8,651	779
Assigned	635,602	101,048
Unassigned	2,296,545	2,744,321
Total Major Funds	\$ 3,004,319	\$ 2,883,131
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 1,043,375	\$ 1,019,867
Assigned	66,418	56,945
Capital Projects Funds:		
Assigned	1,633,987	1,672,008
Permanent Funds:		
Restricted	2,126,485	2,097,107
Unassigned	(19)	(19)
Total Nonmajor Funds	\$ 4,870,246	\$ 4,845,908

The general fund total fund balance recognized an increase of \$121,188 when compared to the prior fiscal year. The nonmajor fund balances increased by \$24,338 from the prior fiscal year.

### Budgetary Highlights

General fund actual revenues exceeded the budget by \$266,304. All line items exceeded the budget while investment income was under budget.

The general fund actual expenditures were under budget by \$158,542. The following expenditures accounted for most of the balance:

Overlay	\$ 51,930
General government	28,960
Recreation and culture	27,806

### Capital Asset and Debt Administration

#### Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town increased by \$408,630 over the prior year. This increase is the result of capital additions of \$898,542, net disposals of \$10,421 less net current year depreciation expense of \$479,491. For additional information on capital assets, refer to Note 4 of Notes to Financial Statements.

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

	<b>2015</b>	<b>2014 (Restated)</b>
Land and improvements	\$ 576,568	\$ 543,768
Construction in progress	2,090,560	2,068,543
Buildings and improvements	2,876,940	2,976,566
Machinery and equipment	260,108	214,892
Furniture and fixtures	4,620	5,280
Vehicles	1,512,495	1,246,288
Infrastructure	4,842,263	4,699,587
Total	<u>\$ 12,163,554</u>	<u>\$ 11,754,924</u>

#### Debt

At June 30, 2015, the Town had \$13.78 million in bonds outstanding versus \$15.71 million last year, a decrease of \$1,929,558 or 12.3%. Other obligations are net pension liability and accrued compensated absences. Refer to Note 5 of Notes to Financial Statements for more detailed information.

#### Economic Factors and Next Year's Budgets and Rates

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

## **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Dept. at 1231 Maine Street, Poland, Maine 04274.

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

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,821,933
Investments	1,906,456
Accounts receivable (net of allowance for uncollectibles):	
Taxes	314,992
Liens	94,118
Other	68,993
Due from other governments	83,472
Tax acquired property	42,062
Inventory	21,459
Total current assets	<u>8,353,485</u>
Noncurrent assets:	
Receivable for long-term debt obligations from RSU No. 16	4,332,172
Capital assets:	
Land, infrastructure, and other assets not being depreciated	2,667,128
Buildings and vehicles net of accumulated depreciation	9,496,426
Total noncurrent assets	<u>16,495,726</u>
<b>TOTAL ASSETS</b>	<u><u>24,849,211</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	71,222
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>71,222</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 24,920,433</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 104,145
Accrued expenses	11,495
Due to other governments	25,575
Escrow accounts	8,651
Current portion of long-term obligations	1,861,363
Total current liabilities	<u>2,011,229</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	12,029,061
Net pension liability	170,747
Total noncurrent liabilities	<u>12,199,808</u>
<b>TOTAL LIABILITIES</b>	<u>14,211,037</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	441
Deferred inflows related to pensions	181,344
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>181,785</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,605,302
Restricted for: Special Revenues	1,043,375
Permanent funds	2,126,485
Unrestricted	4,752,449
<b>TOTAL NET POSITION</b>	<u>10,527,611</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 24,920,433</u></u>

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



## TOWN OF POLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities:					
General government	\$ 1,033,570	\$ 34,133	\$ -	\$ -	\$ (999,437)
Public safety	1,148,563	287,257	-	-	(861,306)
Public works	746,776	-	71,364	-	(675,412)
Recreation and culture	513,682	1,347,096	-	-	833,414
Health and sanitation	195,503	28,535	-	-	(166,968)
TIF	1,888,935	-	361,398	-	(1,527,537)
Education	6,360,174	-	-	-	(6,360,174)
County tax	692,318	-	-	-	(692,318)
Overlay	15,737	-	-	-	(15,737)
Capital outlay	43,926	-	-	-	(43,926)
Interest on long-term debt	78,182	-	-	-	(78,182)
Total government	<u>\$ 12,717,366</u>	<u>\$ 1,697,021</u>	<u>\$ 432,762</u>	<u>\$ -</u>	<u>(10,587,583)</u>

STATEMENT B (CONTINUED)  
TOWN OF POLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(10,587,583)
General revenues:	
Taxes	
Property taxes, levied for general purposes	10,269,511
Excise taxes	1,079,666
Grants and contributions not restricted to specific programs	388,308
Investment income, net of unrealized gains/(losses)	133,344
Miscellaneous	144,989
Total revenues	12,015,818
Change in net position	1,428,235
NET POSITION - JULY 1 (RESTATED)	9,099,376
NET POSITION - JUNE 30	\$ 10,527,611

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

## STATEMENT C

## TOWN OF POLAND, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,556,929	\$ 1,265,004	\$ 5,821,933
Investments	-	1,906,456	1,906,456
Accounts receivable (net of allowance for uncollectibles):			
Taxes	314,992	-	314,992
Liens	94,118	-	94,118
Other	68,993	-	68,993
Due from other governments	83,472	-	83,472
Tax acquired property	42,062	-	42,062
Inventory	21,459	-	21,459
Due from other funds	319,908	2,045,943	2,365,851
<b>TOTAL ASSETS</b>	<b>\$ 5,501,933</b>	<b>\$ 5,217,403</b>	<b>\$ 10,719,336</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 76,896	\$ 27,249	\$ 104,145
Accrued expenses	11,495	-	11,495
Due to other governments	25,575	-	25,575
Due to other funds	2,045,943	319,908	2,365,851
Escrow accounts	8,651	-	8,651
<b>TOTAL LIABILITIES</b>	<b>2,168,560</b>	<b>347,157</b>	<b>2,515,717</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Prepaid taxes	441	-	441
Deferred tax revenues	328,613	-	328,613
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>329,054</b>	<b>-</b>	<b>329,054</b>
<b>FUND BALANCES:</b>			
Nonspendable	63,521	-	63,521
Restricted	-	3,169,860	3,169,860
Committed	8,651	-	8,651
Assigned	635,602	1,700,405	2,336,007
Unassigned	2,296,545	(19)	2,296,526
<b>TOTAL FUND BALANCES</b>	<b>3,004,319</b>	<b>4,870,246</b>	<b>7,874,565</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,501,933</b>	<b>\$ 5,217,403</b>	<b>\$ 10,719,336</b>

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

## TOWN OF POLAND, MAINE

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

	Total Governmental Funds
Total Fund Balances	\$ 7,874,565
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	12,163,554
Long-term assets are not available in the current period and therefore are not reported as assets in the funds:	
Receivable for long-term debt obligations from RSU No. 16	4,332,172
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	328,613
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	71,222
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(13,778,481)
Net pension liability	(170,747)
Accrued compensated absences	(111,943)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(181,344)
Net position of governmental activities	\$ 10,527,611

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

## TOWN OF POLAND, MAINE

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

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>			
General tax revenue	\$ 11,396,021	\$ -	\$ 11,396,021
Intergovernmental revenue	821,070	-	821,070
Charges for services	349,925	1,347,096	1,697,021
Investment income, net of unrealized gains/(losses)	9,376	123,968	133,344
Other revenue	125,829	29,581	155,410
<b>TOTAL REVENUES</b>	<u>12,702,221</u>	<u>1,500,645</u>	<u>14,202,866</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,001,173	-	1,001,173
Public safety	969,394	-	969,394
Public works	560,357	-	560,357
Recreation and culture	188,006	323,649	511,655
Health and sanitation	185,111	-	185,111
TIF	1,200,000	1,179,211	2,379,211
Education	6,360,174	-	6,360,174
County tax	692,318	-	692,318
Overlay	15,737	-	15,737
Debt service:			
Interest	439,742	-	439,742
Capital outlay	-	942,468	942,468
<b>TOTAL EXPENDITURES</b>	<u>11,612,012</u>	<u>2,445,328</u>	<u>14,057,340</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,090,209</u>	<u>(944,683)</u>	<u>145,526</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	969,641	969,641
Transfers (out)	(969,021)	(620)	(969,641)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(969,021)</u>	<u>969,021</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	121,188	24,338	145,526
<b>FUND BALANCES - JULY 1</b>	<u>2,883,131</u>	<u>4,845,908</u>	<u>7,729,039</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 3,004,319</u>	<u>\$ 4,870,246</u>	<u>\$ 7,874,565</u>

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

## TOWN OF POLAND, MAINE

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

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 145,526</u>
<p>Amounts reported for governmental activities in the Statement of Activities        (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental        activities report depreciation expense to allocated those expenditures over the        life of the assets:</p>	
Capital asset purchases capitalized	898,542
Capital asset dispositions	(10,421)
Depreciation expense	<u>(479,491)</u>
	<u>408,630</u>
<p>Deferred outflows of resources are consumption of net position by the        government that are applicable to a future reporting period and therefore are        not reported in the funds</p>	
	32,756
<p>Revenues in the Statement of Activities that do not provide current financial        resources are not reported.</p>	
Taxes and liens receivable	<u>(46,844)</u>
<p>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</p>	
	<u>922,243</u>
<p>Deferred inflows of resources are consumption of net position by the        government that are applicable to a future reporting period and therefore are        not reported in the funds</p>	
	(181,344)
<p>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:</p>	
Net pension liability	160,663
Accrued compensated absences	<u>(13,395)</u>
	<u>147,268</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 1,428,235</u></u>

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Poland 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 services, public safety, public works, health and sanitation, education, and recreation.

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 61.

***Government-Wide and Fund Financial Statements***

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

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

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

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

The following fund types are used by the Town:

1. Governmental Funds:

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

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



TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

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

**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 POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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. 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 POLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The general fund inventory consists of gas and diesel fuel. The inventory is valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

**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 \$28,457 as of June 30, 2015 for rescue department receivables.

**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 is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

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

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

The Town has long-term debt in its name that was incurred for school purposes. Although the assets were transferred to the new RSU, the Town still maintains this debt in its name. According to the new RSU agreement, the RSU will take over the payments of this debt.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Compensated Absences**

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation up to their yearly allotment and sick leave up to 480 hours. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**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 assets and liabilities. Net position invested in capital assets, net of related debt 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 their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balances**

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

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions 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 August 25, 2014 on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Taxes were due on in two installments on October 1, 2014 and April 1, 2015. Interest on unpaid taxes commenced on November 1, 2014 and May 1, 2015, at 7% per annum.

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

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 \$67,667 for the year ended June 30, 2015.

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

**Program Revenues**

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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 maintains a cash pool which is available for use by all funds. In addition cash and investments may be held by other funds within the government.

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2015, the Town's cash balance of \$5,821,933 was comprised of deposits amounting to \$5,848,019. Of this amount, \$365,768 was fully insured by federal depository insurance and thus not exposed to custodial credit risk. The remaining balance of \$5,482,251 was either fully insured or collateralized with securities held in the entity's name



TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 71,163
Savings accounts	317,513
Repurchase agreement accounts	5,261,185
Money market accounts	198,158
	<u>\$ 5,848,019</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.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>	<u>N/A</u>
Mutual funds - fixed income	\$ 180,424	\$ -	\$ -	\$ -	\$ 180,424
Certificates of deposit	279,912	69,761	210,151	-	-
Equities - U. S.	1,446,120	-	-	-	1,446,120
	<u>\$ 1,906,456</u>	<u>\$ 69,761</u>	<u>\$ 210,151</u>	<u>\$ -</u>	<u>\$ 1,626,544</u>

In accordance with state statutes, the Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and broker/dealers. As such, the Town's investments of \$1,906,456 were insured by federal depository insurance or fully covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk.

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.

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General fund	\$ 319,908	\$ 2,045,943
Special revenue fund	384,079	319,889
Capital project fund	1,639,989	-
Permanent fund	21,875	19
	<u>\$ 2,365,851</u>	<u>\$ 2,365,851</u>

NOTE 4 - CAPITAL ASSETS

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

	Balance, 7/1/2014 (Restated)	Additions	Disposals	Balance, 6/30/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 543,768	\$ 32,800	\$ -	\$ 576,568
Construction in progress	2,068,543	22,017	-	2,090,560
	<u>2,612,311</u>	<u>54,817</u>	<u>-</u>	<u>2,667,128</u>
Depreciated assets:				
Buildings and improvements	4,031,063	19,263	-	4,050,326
Machinery and equipment	578,855	81,993	-	660,848
Furniture and fixtures	6,600	-	-	6,600
Vehicles	2,528,724	466,469	(37,782)	2,957,411
Infrastructure	5,142,617	276,000	-	5,418,617
	<u>12,287,859</u>	<u>843,725</u>	<u>(37,782)</u>	<u>13,093,802</u>
Less: accumulated depreciation	<u>(3,145,246)</u>	<u>(479,491)</u>	<u>27,361</u>	<u>(3,597,376)</u>
	<u>9,142,613</u>	<u>364,234</u>	<u>(10,421)</u>	<u>9,496,426</u>
Net capital assets	<u>\$ 11,754,924</u>	<u>\$ 419,051</u>	<u>\$ (10,421)</u>	<u>\$ 12,163,554</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

<u>Current year depreciation</u>	
Fire	\$ 166,010
Public Safety	13,159
Public Works	186,419
Library	2,027
Transfer Station	10,392
TIF	70,407
Town-wide	31,077
Total depreciation expense	<u>\$ 479,491</u>

NOTE 5 - LONG-TERM DEBT

The General Fund of the Town is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 7/1/2014 (Restated)	Additions	Deletions	Balance, 6/30/15	Due Within One Year
Governmental Activities					
Bonds payable	\$ 15,708,039	\$ -	\$ (1,929,558)	\$ 13,778,481	\$ 1,749,420
Net pension liability	331,410	1,996	(162,659)	170,747	-
Accrued compensated absences	98,548	13,395	-	111,943	111,943
Total Governmental Activities	<u>\$ 16,137,997</u>	<u>\$ 15,391</u>	<u>\$ (2,092,217)</u>	<u>\$ 14,061,171</u>	<u>\$ 1,861,363</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

Bonds Payable:

\$1,600,000, 2006C General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2021. Interest is charged at a rate from 1.8% to 6.25% per annum.	\$ 746,669
\$2,600,000, 2003 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2022. Interest is charged at a rate of 1.80% per annum.	1,176,804
\$17,263,578, 1998 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2018. Interest is charged at a rate from 4.528% to 5.378% per annum.	3,452,716
\$736,422, 2000 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2020. Interest is charged at a rate from 5.028% to 5.903% per annum.	220,928
\$669,259, 2003 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2020. Interest is charged at a rate from 2.078% to 5.078% per annum.	56,264
\$894,741, 2003 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2022. Interest is charged at a rate from 2.078% to 5.078% per annum.	602,264
\$2,090,000, 2003 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2023. Interest is charged at a rate from 2.085% to 5.085% per annum.	940,500
\$923,000, 2006B General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2016. Interest is charged at a rate from 2.00% to 5.35% per annum.	184,600
\$692,835, 2010 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2031. Interest is charged at a rate from 1% per annum.	565,073
\$4,498,200, 2011 General Obligation Water and Sewer Bond due in annual principal installments and semi-annual interest installments through November 2030. Interest is charged at a rate from .831% to 5.094% per annum.	3,717,028
\$2,300,000, 2012 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2032. Interest is charged at a rate from 1.480% to 3.706% per annum.	2,115,635
Total Bonds Payable	<u>\$ 13,778,481</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ 1,749,420	\$ 407,205	\$ 2,156,625
2017	1,757,400	308,229	2,065,629
2018	1,673,877	249,582	1,923,459
2019	1,683,509	205,742	1,889,251
2020	829,368	182,466	1,011,834
2021-2025	3,240,349	595,605	3,835,954
2026-2030	2,096,245	278,383	2,374,628
2031-2035	748,313	29,852	778,165
	<u>\$ 13,778,481</u>	<u>\$ 2,257,064</u>	<u>\$ 16,035,545</u>

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

NOTE 6 - NONSPENDABLE FUND BALANCES

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

General fund:	
Tax acquired property	\$ 42,062
Inventory	21,459
	<u>\$ 63,521</u>

NOTE 7 - RESTRICTED FUND BALANCES

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

Special revenue funds (Schedule E)	\$ 1,043,375
Permanent funds (Schedule I)	2,126,485
	<u>\$ 3,169,860</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 8 - COMMITTED FUND BALANCES

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

General fund:	
Escrows	<u>\$ 8,651</u>

NOTE 9 - ASSIGNED FUND BALANCES

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

General fund:	
Accrued compensated absences	\$ 111,943
Credit enhancement agreement payment	523,659
Capital projects funds (Schedule F)	1,633,987
Special revenue funds (Schedule D)	66,418
Total	<u>\$ 2,336,007</u>

NOTE 10 - 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 company’s 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 is also a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to \$26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - 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. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**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 public safety employees are part of the PLD's special plan "1N" and are required to contribute 7.0% of their annual salary, while all other employees are part of the PLD's plan "AN" and are also required to contribute 7.0% of their annual salary. The Town is required to contribute 4.1% for "AN" plan and 7.5% for "1N" plans of the plan members' covered payroll annually to the system. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$41,805.

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

At June 30, 2015, the Town reported a liability of \$170,747 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2014, the Town's proportion was 0.110960%, which was an increase of 0.003450% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized total pension expense of \$12,075. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,441	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	181,344
Changes in proportion and differences between contributions and proportionate share of contributions	7,976	-
Contributions subsequent to the measurement date	41,805	-
<b>Total</b>	<b>\$ 71,222</b>	<b>\$ 181,344</b>

\$41,805 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Year ended June 30:	
2016	\$ 35,530
2017	35,530
2018	35,531
2019	45,336
2020	-
Thereafter	-

**Actuarial Methods and Assumptions**

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*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.

*Amortization*

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

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

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

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

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

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

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

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Discount Rate*

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

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
<u>PLD Plan:</u>			
Discount rate	6.25%	7.25%	8.25%
Town's proportionate share of the net pension liability	\$ 532,679	\$ 170,747	\$ (131,784)

**Changes in Net Pension Liability**

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

*Differences between Expected and Actual Experience*

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability (Continued)**

*Differences between Projected and Actual Investment Earnings*

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

*Changes in Assumptions*

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

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

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

**Pension Plan Fiduciary Net Position**

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 12 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

**Plan Description**

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all full time Town employees not subject to a collective bargaining agreement (should one arise), permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

**Funding Policy**

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. The Town will contribute a maximum of 4% of annualized income on behalf of employees that participate in the Town's deferred compensation plan and 8% on behalf of the Town Manager. A minimum employee contribution of 4.00% is required to receive the maximum employer match. The maximum employee contribution to the ICMA-RC plan is 10.00%. Employee overtime is exempt from employer matching funds. The Town's contributions to the plan for 2015, 2014, and 2013 were \$7,502, \$9,106, and \$9,152, respectively.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

NOTE 13 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Town of Poland's landfill is at 100% capacity to date. Therefore, the estimated remaining landfill life is zero years. Federal and state laws require that certain post closure care be met. The Town estimates that on an annual basis, some immaterial costs will be incurred for post closure care. The annual amount will be paid for within the Town's annual operating budget.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 14 - INTERLOCAL AGREEMENT

As of June 15, 2004, the Town entered into an agreement with the Town of Mechanic Falls and Minot for ownership and operations of a new building to house office space for the functions of now organized and known as RSU 16. Ownership of the land will remain with the Town. Ownership of spaces within the building designated to be shared by the bus dispatch function of the Town and the RSU 16 offices will be shared 50% to the Town and 50% to the three School Administrative Units of RSU 16 according to the cost-sharing formula in place for the 2004-2005 school year. The agreement provides for the sharing of operation cost, compensation upon withdrawal, potential changes in RUS 16 structure and dissolution of RSU 16.

NOTE 15 - COMMITMENTS

On August 30, 2011, the Town of Poland and Nestle Waters North America, Inc. entered into agreements with the Auburn Sewer District and the Auburn Water District for the construction of certain infrastructure. The nature of the agreements allows the construction of sewer and water mains within the Town at the Town's cost. The infrastructure will not be owned by the Town, but will be owned by the respective Districts. As of June 30, 2011, the Town was obligated for \$4,498,200 worth of general obligation bonds for this project. The project was completed in December 2011. The debt service on these bonds will ultimately be paid from the Tax Increment Financing District with the Nestle Waters North America, Inc. The current principal balance on the bond is \$3,717,028.

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.

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 17 - DEFICIT FUND BALANCES

At June 30, 2015, the Town had the following fund(s) with a deficit fund balance:

Historical Society fund	\$	<u>19</u>
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NOTE 18 - RESTATEMENT

The governmental activities beginning net position balance as of July 1, 2014 has been restated for the effects of GASB No. 68 and restatement of debt and fixed assets. The beginning balance has been restated by \$589,506 to a balance of \$9,099,376.

NOTE 19 – SUBSEQUENT EVENTS

It was discovered by management after year end that there were errors in the assessment of real property located within one of the Town's tax increment financing districts. The result of the valuation errors approximated \$524,000. It is the expectation of the Town to transfer this amount from its general fund, fund balance to the TIF fund in order to make payment under the credit enhancement agreement in fiscal year 2016.



### 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

## TOWN OF POLAND, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,883,131	\$ 2,883,131	\$ 2,883,131	\$ -
Resources (Inflows):				
General tax revenue	11,203,761	11,203,761	11,396,021	192,260
Intergovernmental revenue	794,006	794,006	821,070	27,064
Charges for services	325,050	325,050	349,925	24,875
Investment income	10,000	10,000	9,376	(624)
Other revenue	103,100	103,100	125,829	22,729
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>15,319,048</u>	<u>15,319,048</u>	<u>15,585,352</u>	<u>266,304</u>
Charges to Appropriations (Outflows):				
General government	1,030,133	1,030,133	1,001,173	28,960
Public safety	970,380	970,380	969,394	986
Public works	577,360	577,360	560,357	17,003
Recreation and culture	215,812	215,812	188,006	27,806
Health and sanitation	195,210	195,210	185,111	10,099
Education	6,360,174	6,360,174	6,360,174	-
County tax	692,318	692,318	692,318	-
Overlay	67,667	67,667	15,737	51,930
Debt service:				
Interest	461,500	461,500	439,742	21,758
Capital outlay	1,200,000	1,200,000	1,200,000	-
Transfers to other funds	969,021	969,021	969,021	-
Total Charges to Appropriations	<u>12,739,575</u>	<u>12,739,575</u>	<u>12,581,033</u>	<u>158,542</u>
Budgetary Fund Balance, June 30	<u>\$ 2,579,473</u>	<u>\$ 2,579,473</u>	<u>\$ 3,004,319</u>	<u>\$ 424,846</u>
Utilization of unassigned fund balance	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Utilization of assigned fund balance	153,658	153,658	-	(153,658)
	<u>\$ 303,658</u>	<u>\$ 303,658</u>	<u>\$ -</u>	<u>\$ (303,658)</u>

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

## TOWN OF POLAND, MAINE

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

<u>PLD Plan:</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.11%	0.11%
Proportionate share of the net pension liability (asset)	\$ 170,747	\$ 331,410
Covered-employee payroll	\$ 859,883	\$ 908,208
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.86%	36.49%
Plan fiduciary net position as a percentage of the total pension liability	94.10%	87.50%

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

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

## TOWN OF POLAND, MAINE

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 41,805	\$ 37,140
Contributions in relation to the contractually required contribution	<u>(41,805)</u>	<u>(37,140)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 859,883	\$ 908,208
Contributions as a percentage of covered- employee payroll	4.86%	4.09%

\* 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.

## Other Supplementary Information

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

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

TOWN OF POLAND, MAINE

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

	Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General government</b>					
Administration	\$ 414,503	\$ -	\$ 414,503	\$ 412,694	\$ 1,809
Benefits	462,100	-	462,100	436,781	25,319
Contracted services	88,013	-	88,013	91,722	(3,709)
Buildings and grounds	54,182	-	54,182	49,110	5,072
Cable TV	11,335	-	11,335	10,866	469
	<u>1,030,133</u>	<u>-</u>	<u>1,030,133</u>	<u>1,001,173</u>	<u>28,960</u>
<b>Public safety</b>					
Fire/rescue	622,770	-	622,770	627,393	(4,623)
Police	226,991	-	226,991	220,036	6,955
Insurance	43,875	-	43,875	43,569	306
Dispatch contract	34,608	-	34,608	37,149	(2,541)
Street lights	12,000	-	12,000	13,723	(1,723)
Emergency management	6,690	-	6,690	6,394	296
Animal control	9,600	-	9,600	9,746	(146)
Hydrants	13,846	-	13,846	11,384	2,462
	<u>970,380</u>	<u>-</u>	<u>970,380</u>	<u>969,394</u>	<u>986</u>
<b>Public works</b>					
Highways	577,360	-	577,360	560,357	17,003
	<u>577,360</u>	<u>-</u>	<u>577,360</u>	<u>560,357</u>	<u>17,003</u>

TOWN OF POLAND, MAINE

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

	Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Health and sanitation</b>					
Solid waste	195,210	-	195,210	185,111	10,099
	<u>195,210</u>	<u>-</u>	<u>195,210</u>	<u>185,111</u>	<u>10,099</u>
<b>Community services</b>					
Planning & Community Development	95,445	-	95,445	89,403	6,042
Recreation	70,767	-	70,767	72,406	(1,639)
General assistance	30,000	-	30,000	2,715	27,285
Social service agencies	4,000	-	4,000	4,000	-
Other	15,600	-	15,600	19,482	(3,882)
	<u>215,812</u>	<u>-</u>	<u>215,812</u>	<u>188,006</u>	<u>27,806</u>
<b>Education</b>	<u>6,360,174</u>	<u>-</u>	<u>6,360,174</u>	<u>6,360,174</u>	<u>-</u>
<b>County tax</b>	<u>692,318</u>	<u>-</u>	<u>692,318</u>	<u>692,318</u>	<u>-</u>
<b>Debt service</b>					
Interest	461,500	-	461,500	439,742	21,758
	<u>461,500</u>	<u>-</u>	<u>461,500</u>	<u>439,742</u>	<u>21,758</u>

TOWN OF POLAND, MAINE

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

	Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>TIF</b>					
TIF to PS	1,113,243	-	1,113,243	1,113,243	-
TIF to VILLA	86,757	-	86,757	86,757	-
	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>
<b>Overlay/Emergency Article</b>	<u>67,667</u>	<u>-</u>	<u>67,667</u>	<u>15,737</u>	<u>51,930</u>
<b>Transfers</b>					
Permanent funds	77,000	-	77,000	77,000	-
Capital projects funds	892,021	-	892,021	892,021	-
	<u>969,021</u>	<u>-</u>	<u>969,021</u>	<u>969,021</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 12,739,575</u>	<u>\$ -</u>	<u>\$ 12,739,575</u>	<u>\$ 12,581,033</u>	<u>\$ 158,542</u>

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



TOWN OF POLAND, MAINE

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 10,266,761	\$ 10,266,761	\$ 10,316,355	\$ 49,594
Vehicle excise taxes	925,000	925,000	1,066,987	141,987
Boat excise taxes	12,000	12,000	12,679	679
Intergovernmental revenues:				
State revenue sharing	203,496	203,496	215,508	12,012
BETE Reimbursement	361,398	361,398	361,398	-
Homestead exemption	117,148	117,148	117,148	-
Local road assistance	71,364	71,364	71,364	-
Tree growth	17,000	17,000	16,885	(115)
General assistance	15,000	15,000	6,051	(8,949)
Veteran's exemption	3,600	3,600	3,858	258
Other intergovernmental	5,000	5,000	28,858	23,858
Charges for services:				
Ambulance fees	185,000	185,000	205,315	20,315
Code enforcement fees	45,000	45,000	58,879	13,879
Motor vehicle fees	21,000	21,000	21,695	695
Solid waste revenues/fees	39,000	39,000	28,535	(10,465)
Plumbing permits	12,000	12,000	11,347	(653)
Inland fisheries agent fees	2,500	2,500	2,650	150
Animal control fees	3,000	3,000	3,456	456
Electrical permit fees	9,000	9,000	7,476	(1,524)
Customer service fees	1,450	1,450	784	(666)
Other	7,100	7,100	9,788	2,688
Investment income	10,000	10,000	9,376	(624)
Other revenue:				
Garage bay rental	9,600	9,600	8,800	(800)
Interest/fees on liens	39,000	39,000	50,282	11,282
Cable franchise fees	47,000	47,000	49,135	2,135
Town hall rental	1,500	1,500	910	(590)
Other miscellaneous income	6,000	6,000	16,702	10,702
Use of fund balance	153,658	153,658	-	(153,658)
<b>Total revenues</b>	<b>\$ 12,589,575</b>	<b>\$ 12,589,575</b>	<b>\$ 12,702,221</b>	<b>\$ 112,646</b>

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

## TOWN OF POLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,057,233	\$ -	\$ 207,771	\$ 1,265,004
Investments	-	-	1,906,456	1,906,456
Due from other funds	384,079	1,639,989	21,875	2,045,943
<b>TOTAL ASSETS</b>	<u>\$ 1,441,312</u>	<u>\$ 1,639,989</u>	<u>\$ 2,136,102</u>	<u>\$ 5,217,403</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,630	\$ 6,002	\$ 9,617	\$ 27,249
Due to other funds	319,889	-	19	319,908
<b>TOTAL LIABILITIES</b>	<u>331,519</u>	<u>6,002</u>	<u>9,636</u>	<u>347,157</u>
<b>FUND BALANCES</b>				
Restricted	1,043,375	-	2,126,485	3,169,860
Assigned	66,418	1,633,987	-	1,700,405
Unassigned	-	-	(19)	(19)
<b>TOTAL FUND BALANCES</b>	<u>1,109,793</u>	<u>1,633,987</u>	<u>2,126,466</u>	<u>4,870,246</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,441,312</u>	<u>\$ 1,639,989</u>	<u>\$ 2,136,102</u>	<u>\$ 5,217,403</u>

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

## TOWN OF POLAND, MAINE

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	1,347,096	-	-	1,347,096
Investment income, net of unrealized gains/(losses)	2,719	-	121,249	123,968
Other income	6,478	-	23,103	29,581
<b>Total revenues</b>	<b>1,356,293</b>	<b>-</b>	<b>144,352</b>	<b>1,500,645</b>
<b>EXPENDITURES</b>				
Current:				
Cemetery	-	-	-	-
Library	-	-	179,548	179,548
Education	-	-	-	-
General government	-	-	-	-
Public Safety	-	-	-	-
Debt service/TIF	1,179,211	-	-	1,179,211
Recreation	144,101	-	-	144,101
Capital outlay	-	930,042	12,426	942,468
<b>Total expenditures</b>	<b>1,323,312</b>	<b>930,042</b>	<b>191,974</b>	<b>2,445,328</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>32,981</b>	<b>(930,042)</b>	<b>(47,622)</b>	<b>(944,683)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	892,021	77,620	969,641
Transfers (out)	-	-	(620)	(620)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>892,021</b>	<b>77,000</b>	<b>969,021</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>32,981</b>	<b>(38,021)</b>	<b>29,378</b>	<b>24,338</b>
<b>FUND BALANCES - JULY 1</b>	<b>1,076,812</b>	<b>1,672,008</b>	<b>2,097,088</b>	<b>4,845,908</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,109,793</b>	<b>\$ 1,633,987</b>	<b>\$ 2,126,466</b>	<b>\$ 4,870,246</b>

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 fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF POLAND, MAINE

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

	Recreation Fees Reserve	TAP Economic Development	PSD TIF I	PSD TIF II	Downtown TIF	Auburn Water Escrow	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 42	\$ -	\$ 272,337	\$ 467,349	\$ 272,908	\$ 44,597	\$ 1,057,233
Due from other funds	68,553	3,728	-	311,798	-	-	384,079
<b>TOTAL ASSETS</b>	<u>\$ 68,595</u>	<u>\$ 3,728</u>	<u>\$ 272,337</u>	<u>\$ 779,147</u>	<u>\$ 272,908</u>	<u>\$ 44,597</u>	<u>\$ 1,441,312</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 2,177	\$ -	\$ -	\$ 8,710	\$ 743	\$ -	\$ 11,630
Due to other funds	-	-	190,254	-	129,635	-	319,889
<b>TOTAL LIABILITIES</b>	<u>2,177</u>	<u>-</u>	<u>190,254</u>	<u>8,710</u>	<u>130,378</u>	<u>-</u>	<u>331,519</u>
<b>FUND BALANCES</b>							
Restricted	-	3,728	82,083	770,437	142,530	44,597	1,043,375
Committed	-	-	-	-	-	-	-
Assigned	66,418	-	-	-	-	-	66,418
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>66,418</u>	<u>3,728</u>	<u>82,083</u>	<u>770,437</u>	<u>142,530</u>	<u>44,597</u>	<u>1,109,793</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 68,595</u>	<u>\$ 3,728</u>	<u>\$ 272,337</u>	<u>\$ 779,147</u>	<u>\$ 272,908</u>	<u>\$ 44,597</u>	<u>\$ 1,441,312</u>

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

TOWN OF POLAND, MAINE

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

	Recreation Fees Reserve	TAP Economic Dev.	PSD TIF I	PSD TIF II	Downtown TIF	Auburn Water Escrow	Totals
REVENUES							
Charges for services	\$ 147,096	\$ -	\$ 714,118	\$ 399,125	\$ 86,757	\$ -	\$ 1,347,096
Investment income, net of unrealized gains/(losses)	-	-	531	1,221	943	24	2,719
Other	6,478	-	-	-	-	-	6,478
Total revenues	<u>153,574</u>	<u>-</u>	<u>714,649</u>	<u>400,346</u>	<u>87,700</u>	<u>24</u>	<u>1,356,293</u>
EXPENDITURES							
General government	-	-	-	-	-	-	-
Recreation	144,101	-	-	-	-	-	144,101
Public safety	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt service / TIF	-	-	597,544	509,459	72,208	-	1,179,211
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>144,101</u>	<u>-</u>	<u>597,544</u>	<u>509,459</u>	<u>72,208</u>	<u>-</u>	<u>1,323,312</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,473</u>	<u>-</u>	<u>117,105</u>	<u>(109,113)</u>	<u>15,492</u>	<u>24</u>	<u>32,981</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	9,473	-	117,105	(109,113)	15,492	24	32,981
FUND BALANCES - JULY 1	<u>56,945</u>	<u>3,728</u>	<u>(35,022)</u>	<u>879,550</u>	<u>127,038</u>	<u>44,573</u>	<u>1,076,812</u>
FUND BALANCES - JUNE 30	<u>\$ 66,418</u>	<u>\$ 3,728</u>	<u>\$ 82,083</u>	<u>\$ 770,437</u>	<u>\$ 142,530</u>	<u>\$ 44,597</u>	<u>\$ 1,109,793</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 fund.

TOWN OF POLAND, MAINE

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

	Public Works Vehicle	Fire/ Rescue Vehicle	Town Roads	Solid Waste	Recreation Facility Reserve
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	503,961	737,411	37,870	13,018	3,009
<b>TOTAL ASSETS</b>	<u>\$ 503,961</u>	<u>\$ 737,411</u>	<u>\$ 37,870</u>	<u>\$ 13,018</u>	<u>\$ 3,009</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Committed	-	-	-	-	-
Assigned	503,961	737,411	37,870	13,018	3,009
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>503,961</u>	<u>737,411</u>	<u>37,870</u>	<u>13,018</u>	<u>3,009</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 503,961</u>	<u>\$ 737,411</u>	<u>\$ 37,870</u>	<u>\$ 13,018</u>	<u>\$ 3,009</u>



TOWN OF POLAND, MAINE

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

	Building Improvements	Contingency Reserve	Police Vehicle	Revaluation Reserve	Fire Station Reserve	CEO Reserve	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	105,003	691	2,086	25,000	209,440	2,500	1,639,989
<b>TOTAL ASSETS</b>	<u>\$ 105,003</u>	<u>\$ 691</u>	<u>\$ 2,086</u>	<u>\$ 25,000</u>	<u>\$ 209,440</u>	<u>\$ 2,500</u>	<u>\$ 1,639,989</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 6,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,002
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>6,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,002</u>
<b>FUND BALANCES</b>							
Committed	-	-	-	-	-	-	-
Assigned	99,001	691	2,086	25,000	209,440	2,500	1,633,987
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>99,001</u>	<u>691</u>	<u>2,086</u>	<u>25,000</u>	<u>209,440</u>	<u>2,500</u>	<u>1,633,987</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 105,003</u>	<u>\$ 691</u>	<u>\$ 2,086</u>	<u>\$ 25,000</u>	<u>\$ 209,440</u>	<u>\$ 2,500</u>	<u>\$ 1,639,989</u>

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

TOWN OF POLAND, MAINE

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

	Public Works Vehicle	Fire/ Rescue Vehicle	Town Roads	Solid Waste	Recreation Facility Reserve
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	1,327	496,958	286,035	10,800	16,794
Total expenditures	<u>1,327</u>	<u>496,958</u>	<u>286,035</u>	<u>10,800</u>	<u>16,794</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,327)</u>	<u>(496,958)</u>	<u>(286,035)</u>	<u>(10,800)</u>	<u>(16,794)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	207,690	326,000	253,950	7,500	6,800
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>207,690</u>	<u>326,000</u>	<u>253,950</u>	<u>7,500</u>	<u>6,800</u>
NET CHANGE IN FUND BALANCES	206,363	(170,958)	(32,085)	(3,300)	(9,994)
FUND BALANCES - JULY 1	<u>297,598</u>	<u>908,369</u>	<u>69,955</u>	<u>16,318</u>	<u>13,003</u>
FUND BALANCES - JUNE 30	<u>\$ 503,961</u>	<u>\$ 737,411</u>	<u>\$ 37,870</u>	<u>\$ 13,018</u>	<u>\$ 3,009</u>

TOWN OF POLAND, MAINE

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

	Building Improvements	Contingency Reserve	Police Vehicle	Revaluation Reserve	Fire Station Reserve	CEO Reserve	Totals
REVENUES							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-
EXPENDITURES							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	57,197	-	38,914	-	22,017	-	930,042
Total expenditures	57,197	-	38,914	-	22,017	-	930,042
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(57,197)	-	(38,914)	-	(22,017)	-	(930,042)
OTHER FINANCING SOURCES (USES)							
Transfers in	64,300	681	22,600	-	-	2,500	892,021
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	64,300	681	22,600	-	-	2,500	892,021
NET CHANGE IN FUND BALANCES	7,103	681	(16,314)	-	(22,017)	2,500	(38,021)
FUND BALANCES - JULY 1	91,898	10	18,400	25,000	231,457	-	1,672,008
FUND BALANCES - JUNE 30	\$ 99,001	\$ 691	\$ 2,086	\$ 25,000	\$ 209,440	\$ 2,500	\$ 1,633,987

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 Poland, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF POLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	<u>Hackett Trust</u>	<u>Hackett Relief Fund</u>	<u>Empire Cemetery</u>	<u>White Oak Hill Cemetery</u>	<u>Highland Cemetery</u>	<u>AB Ricker</u>	<u>Lane Cemetery</u>	<u>Ricker Cemetery</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,720	\$ -	\$ -	\$ -
Investments	11,027	-	6,535	8,500	87,618	11,592	1,297	2,075
Due from other funds	-	14,114	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 11,027</u>	<u>\$ 14,114</u>	<u>\$ 6,535</u>	<u>\$ 8,500</u>	<u>\$ 90,338</u>	<u>\$ 11,592</u>	<u>\$ 1,297</u>	<u>\$ 2,075</u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ 316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Restricted	11,027	13,798	6,535	8,500	90,338	11,592	1,297	2,075
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>11,027</u>	<u>13,798</u>	<u>6,535</u>	<u>8,500</u>	<u>90,338</u>	<u>11,592</u>	<u>1,297</u>	<u>2,075</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 11,027</u>	<u>\$ 14,114</u>	<u>\$ 6,535</u>	<u>\$ 8,500</u>	<u>\$ 90,338</u>	<u>\$ 11,592</u>	<u>\$ 1,297</u>	<u>\$ 2,075</u>

TOWN OF POLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	Scholarship Funds	Operations Ricker Library	Endowment Ricker Library	Ministerial	Historical Society	Poland Relief	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,758	\$ 9,855	\$ 193,438	\$ -	\$ -	\$ -	\$ 207,771
Investments	210,152	431,248	1,107,679	28,733	-	-	1,906,456
Due from other funds	-	7,761	-	-	-	-	21,875
<b>TOTAL ASSETS</b>	<u>\$ 211,910</u>	<u>\$ 448,864</u>	<u>\$ 1,301,117</u>	<u>\$ 28,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,136,102</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 9,301	\$ -	\$ -	\$ -	\$ -	\$ 9,617
Due to other funds	-	-	-	-	19	-	19
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>9,301</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>9,636</u>
<b>FUND BALANCES</b>							
Restricted	211,910	439,563	1,301,117	28,733	-	-	2,126,485
Unassigned	-	-	-	-	(19)	-	(19)
<b>TOTAL FUND BALANCES</b>	<u>211,910</u>	<u>439,563</u>	<u>1,301,117</u>	<u>28,733</u>	<u>(19)</u>	<u>-</u>	<u>2,126,466</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 211,910</u>	<u>\$ 448,864</u>	<u>\$ 1,301,117</u>	<u>\$ 28,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,136,102</u>

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

## TOWN OF POLAND, MAINE

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

	<u>Hackett Trust</u>	<u>Hackett Relief Fund</u>	<u>Empire Cemetery</u>	<u>White Oak Hill Cemetery</u>	<u>Highland Cemetery</u>	<u>AB Ricker</u>	<u>Lane Cemetery</u>	<u>Ricker Cemetery</u>
<b>REVENUES</b>								
Investment income, net of unrealized gains/(losses)	\$ 64	\$ -	\$ 38	\$ 49	\$ 2,519	\$ 67	\$ 8	\$ 12
Other income	-	6,050	-	-	-	-	-	-
Total revenues	<u>64</u>	<u>6,050</u>	<u>38</u>	<u>49</u>	<u>2,519</u>	<u>67</u>	<u>8</u>	<u>12</u>
<b>EXPENDITURES</b>								
Cemetery	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Other	-	2,257	-	-	2,469	-	-	-
Total expenditures	<u>-</u>	<u>2,257</u>	<u>-</u>	<u>-</u>	<u>2,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>64</u>	<u>3,793</u>	<u>38</u>	<u>49</u>	<u>50</u>	<u>67</u>	<u>8</u>	<u>12</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	620	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	64	4,413	38	49	50	67	8	12
FUND BALANCES - JULY 1	<u>10,963</u>	<u>9,385</u>	<u>6,497</u>	<u>8,451</u>	<u>90,288</u>	<u>11,525</u>	<u>1,289</u>	<u>2,063</u>
FUND BALANCES - JUNE 30	<u>\$ 11,027</u>	<u>\$ 13,798</u>	<u>\$ 6,535</u>	<u>\$ 8,500</u>	<u>\$ 90,338</u>	<u>\$ 11,592</u>	<u>\$ 1,297</u>	<u>\$ 2,075</u>

TOWN OF POLAND, MAINE

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

	Scholarship Funds	Operations Ricker Library	Endowment Ricker Library	Ministerial	Historical Society	Poland Relief	Totals
<b>REVENUES</b>							
Investment income, net of unrealized gains/(losses)	\$ 1,966	\$ 58,563	\$ 57,796	\$ 167	\$ -	\$ -	\$ 121,249
Other income	11,050	6,003	-	-	-	-	23,103
Total revenues	<u>13,016</u>	<u>64,566</u>	<u>57,796</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>144,352</u>
<b>EXPENDITURES</b>							
Cemetery	-	-	-	-	-	-	-
Library	-	134,136	45,412	-	-	-	179,548
Education	-	-	-	-	-	-	-
Other	7,700	-	-	-	-	-	12,426
Total expenditures	<u>7,700</u>	<u>134,136</u>	<u>45,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,974</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,316</u>	<u>(69,570)</u>	<u>12,384</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>(47,622)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	77,000	-	-	-	-	77,620
Transfers (out)	-	-	-	-	-	(620)	(620)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>77,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(620)</u>	<u>77,000</u>
NET CHANGE IN FUND BALANCES	5,316	7,430	12,384	167	-	(620)	29,378
FUND BALANCES - JULY 1	<u>206,594</u>	<u>432,133</u>	<u>1,288,733</u>	<u>28,566</u>	<u>(19)</u>	<u>620</u>	<u>2,097,088</u>
FUND BALANCES - JUNE 30	<u>\$ 211,910</u>	<u>\$ 439,563</u>	<u>\$ 1,301,117</u>	<u>\$ 28,733</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ 2,126,466</u>

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



## General Capital Assets

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

## TOWN OF POLAND, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Fire department	\$ 2,096,860	\$ 1,114,982	\$ 2,282,745	\$ -	\$ 5,494,587
Public safety	-	275,087	68,788	-	343,875
Public works department	216,928	1,844,011	1,060,629	2,617,601	5,739,169
Transfer station	120,000	310,000	40,482	-	470,482
TIF	-	-	9,528	2,801,016	2,810,544
Library	-	-	13,435	-	13,435
Town-wide	233,340	506,246	149,252	-	888,838
Total General Capital Assets	2,667,128	4,050,326	3,624,859	5,418,617	15,760,930
Less: Accumulated Depreciation	-	(1,173,386)	(1,847,636)	(576,354)	(3,597,376)
Net General Capital Assets	\$ 2,667,128	\$ 2,876,940	\$ 1,777,223	\$ 4,842,263	\$ 12,163,554

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

TOWN OF POLAND, MAINE

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

	General Capital Assets 7/1/2014 (Restated)	Additions	Deletions	General Capital Assets 6/30/15
Fire department	\$ 4,960,098	\$ 534,489	\$ -	\$ 5,494,587
Public safety	346,912	34,745	(37,782)	343,875
Public works department	5,463,169	276,000	-	5,739,169
Transfer station	459,682	10,800	-	470,482
TIF	2,810,544	-	-	2,810,544
Library	13,435	-	-	13,435
Town-wide	846,330	42,508	-	888,838
Total General Capital Assets	14,900,170	898,542	(37,782)	15,760,930
Less: Accumulated Depreciation	(3,145,246)	(479,491)	27,361	(3,597,376)
Net General Capital Assets	<u>\$ 11,754,924</u>	<u>\$ 419,051</u>	<u>\$ (10,421)</u>	<u>\$ 12,163,554</u>

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