

Audited Financial Statements and  
Other Financial Information

Town of Poland, Maine

June 30, 2014



*Proven Expertise and Integrity*

TOWN OF POLAND, MAINE

CONTENTS

JUNE 30, 2014

	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
<u>FUND FINANCIAL STATEMENTS</u>	
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 - 37
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	38
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND	39
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	40

SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS	41 - 43
SCHEDULE B - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND ACTUAL – GENERAL FUND REVENUES	44
SCHEDULE C - COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	45
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	46
SPECIAL REVENUE FUNDS DESCRIPTION	47
SCHEDULE E - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	48
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	49
CAPITAL PROJECTS DESCRIPTION	50
SCHEDULE G - COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS	51 - 52
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS	53 - 54
PERMANENT FUNDS DESCRIPTION	55
SCHEDULE I - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	56 - 57
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	58 - 59
GENERAL CAPITAL ASSETS DESCRIPTION	60
SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	61
SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	62



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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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Town of Poland, Maine as of June 30, 2014, 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 on pages 4 through 11 and 39 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 non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements \as a whole.

*RHR Smith & Company*

Buxton, Maine  
October 27, 2014

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

**(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, 2014. 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 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 and liabilities 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, buildings, 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.

### **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 \$2,511,469 from \$7,177,413 to \$9,688,882.

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 \$974,453 at the end of this year.

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

	<b>2014</b>	<b>2013 (RESTATED)</b>
<b>Assets:</b>		
Current and Other Assets	\$ 8,240,829	\$ 8,553,320
Capital Assets	17,390,973	16,622,365
Total Assets	25,631,802	25,175,685
<b>Liabilities:</b>		
Current Liabilities	2,065,603	2,164,375
Long-term Debt Outstanding	13,877,029	15,833,598
Total Liabilities	15,942,632	17,997,973
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	288	299
Total Deferred Inflows of Resources	288	299
<b>Net Position:</b>		
Net Investment in Capital Assets	5,597,455	3,023,366
Restricted for: Special revenue funds	1,019,867	887,193
Permanent funds	2,097,107	1,879,811
Unrestricted (deficit)	974,453	1,387,043
Total Net Position	\$ 9,688,882	\$ 7,177,413

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

	<u>2014</u>	<u>2013 (RESTATED)</u>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1,678,232	\$ 446,932
Operating grants and contributions	407,974	367,773
<i>General revenues:</i>		
Taxes	11,043,148	10,923,383
Grants and contributions not restricted to specific programs	364,722	505,194
Investment income	329,930	238,553
Miscellaneous	172,199	210,013
Total Revenues	<u>13,996,205</u>	<u>12,691,848</u>
<b>Expenses</b>		
General government	1,039,513	1,087,631
Public safety	1,154,025	1,082,694
Public works	684,394	657,232
Recreation and culture	421,637	424,429
Health and sanitation	177,955	189,784
TIF	490,813	94,780
Education	6,218,618	5,876,106
County tax	677,058	670,082
Overlay	60,599	45,381
Capital outlay	28,050	70,830
Unallocated depreciation	27,719	24,065
Interest	504,355	400,489
Total Expenses	<u>11,484,736</u>	<u>10,623,503</u>
Change in Net Position	2,511,469	2,068,345
Net Position - July 1	<u>7,177,413</u>	<u>5,109,068</u>
Net Position - June 30	<u>\$ 9,688,882</u>	<u>\$ 7,177,413</u>

## Revenues and Expenses

Revenues increased 10.28% from the prior year, an increase of \$1,304,357, primarily due to increases in property taxes, TIF income and investment income. Expenses increased 8.11% or \$861,233 from the prior year, primarily due to TIF expenditures, interest 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,**

	2014	2013
Major Funds:		
General Fund:		
Nonspendable	\$ 36,983	\$ 33,435
Committed	779	50,807
Assigned	101,048	345,061
Unassigned	2,744,321	2,548,821
Total Major Funds	\$ 2,883,131	\$ 2,978,124
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 1,019,867	\$ 887,193
Assigned	56,945	62,072
Capital Project Funds:		
Assigned	1,672,008	2,128,765
Permanent Funds:		
Restricted	2,097,107	1,879,811
Unassigned	(19)	(18)
Total Nonmajor Funds	\$ 4,845,908	\$ 4,957,823

The general fund total fund balance incurred a small decrease of \$94,993 when compared to the prior fiscal year. The non-major fund balances decreased by \$111,915 from the prior fiscal year. The decrease in the non-major funds was from expenditures in excess of revenues and net transfers.

### Budgetary Highlights

There was one significant difference between the original and final budget for the general fund in debt service and a property purchase, an increase of \$223,635, representing the use of fund balance from the previous year.

General fund actual revenues exceeded the budget by \$210,611. All line items exceeded the budget while other revenues were under budget.

The general fund actual expenditures were over budget by \$54,004. The following expenditures accounted for most of the balance:

Interest	\$ 18,718
Transfers to other funds	81,032

### Capital Asset and Debt Administration

#### Capital Assets

As of June 30, 2014, the net book value of capital assets recorded by the Town increased by \$768,608 over the prior year. This increase is the result of capital additions of \$1,197,928 less current year depreciation expense of \$429,320. 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,**

	2014	2013
Land and improvements	\$ 543,768	\$ 543,768
Construction in progress	1,357,789	1,357,789
Buildings and improvements	2,976,566	2,297,268
Machinery and equipment	214,892	233,830
Furniture and fixtures	5,280	5,940
Vehicles	1,246,288	1,366,952
Infrastructure	4,699,587	4,470,015
Total	\$ 11,044,170	\$ 10,275,562

## **Debt**

At June 30, 2014, the Town had \$15.71 million in bonds outstanding versus \$17.65 million last year, an decrease of \$1,938,247 or 10.98%, as shown in Note 5 of Notes to Financial Statements.

## **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 ASSETS  
JUNE 30, 2014

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,568,888
Investments	1,919,770
Accounts receivable (net of allowance for uncollectibles):	
Taxes	431,825
Other	132,930
Prepaid expenses	14,642
Inventory	24,360
Total current assets	<u>8,240,829</u>
Noncurrent assets:	
Receivable for long-term debt obligations from RSU No. 16	6,346,803
Capital assets:	
Land, infrastructure, and other assets not being depreciated	1,901,557
Buildings and vehicles net of accumulated depreciation	9,142,613
Total noncurrent assets	<u>17,390,973</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 25,631,802</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 72,958
Accrued Expenses	31,921
Due to other governments	30,387
Escrow accounts	779
Current portion of long-term obligations	1,929,558
Total current liabilities	<u>2,065,603</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	13,778,481
Accrued compensated absences	98,548
Total noncurrent liabilities	<u>13,877,029</u>
<b>TOTAL LIABILITIES</b>	<u><u>15,942,632</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	288
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><u>288</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	5,597,455
Restricted for: Special Revenues	1,019,867
Permanent funds	2,097,107
Unrestricted	974,453
<b>TOTAL NET POSITION</b>	<u><u>9,688,882</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 25,631,802</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, 2014

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	\$ 1,039,513	\$ 29,186	\$ -	\$ -	\$ (1,010,327)
Public safety	1,154,025	259,999	-	-	(894,026)
Public works	684,394	-	77,896	-	(606,498)
Recreation and culture	421,637	1,354,695	-	-	933,058
Health and sanitation	177,955	34,352	-	-	(143,603)
TIF	490,813	-	330,078	-	(160,735)
Education	6,218,618	-	-	-	(6,218,618)
County tax	677,058	-	-	-	(677,058)
Overlay	60,599	-	-	-	(60,599)
Capital outlay	28,050	-	-	-	(28,050)
Unallocated depreciation (Note 4)	27,719	-	-	-	(27,719)
Interest on long-term debt	504,355	-	-	-	(504,355)
Total government	<u>\$ 11,484,736</u>	<u>\$ 1,678,232</u>	<u>\$ 407,974</u>	<u>\$ -</u>	<u>(9,398,530)</u>



STATEMENT B (CONTINUED)  
TOWN OF POLAND, MAINE

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

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(9,398,530)</u>
General revenues:	
Taxes	
Property taxes, levied for general purposes	10,008,471
Excise taxes	1,034,677
Grants and contributions not restricted to specific programs	364,722
Investment income, net of unrealized gains/(losses)	329,930
Miscellaneous	<u>172,199</u>
Total revenues	<u>11,909,999</u>
Change in net position	2,511,469
NET POSITION - JULY 1 (RESTATED)	<u>7,177,413</u>
NET POSITION - JUNE 30	<u><u>\$ 9,688,882</u></u>

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

## STATEMENT C

## TOWN OF POLAND, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,428,411	\$ 1,140,477	\$ 5,568,888
Investments	-	1,919,770	1,919,770
Receivables (net of allowance for uncollectibles):			
Taxes	431,825	-	431,825
Liens	148,414	-	148,414
Other	132,930	-	132,930
Inventory	24,360	-	24,360
Prepaid expenses	12,623	2,019	14,642
Due from other funds	164,985	1,977,991	2,142,976
<b>TOTAL ASSETS</b>	<b>\$ 5,343,548</b>	<b>\$ 5,040,257</b>	<b>\$ 10,383,805</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 43,594	\$ 29,364	\$ 72,958
Accrued expenses	31,921	-	31,921
Due to other governments	30,387	-	30,387
Due to other funds	1,977,991	164,985	2,142,976
Escrow accounts	779	-	779
<b>TOTAL LIABILITIES</b>	<b>2,084,672</b>	<b>194,349</b>	<b>2,279,021</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Prepaid taxes	288	-	288
Deferred tax revenues	375,457	-	375,457
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>375,745</b>	<b>-</b>	<b>375,745</b>
<b>FUND BALANCES:</b>			
Nonspendable	36,983	-	36,983
Restricted	-	3,116,974	3,116,974
Committed	779	-	779
Assigned	101,048	1,728,953	1,830,001
Unassigned	2,744,321	(19)	2,744,302
<b>TOTAL FUND BALANCES</b>	<b>2,883,131</b>	<b>4,845,908</b>	<b>7,729,039</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,343,548</b>	<b>\$ 5,040,257</b>	<b>\$ 10,383,805</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, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 7,729,039
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	11,044,170
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	6,346,803
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	375,457
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Bonds payable Accrued compensated absences	(15,708,039) <u>(98,548)</u>
Net position of governmental activities	<u><u>\$ 9,688,882</u></u>

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, 2014

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>			
General tax revenue	\$ 11,026,539	\$ -	\$ 11,026,539
Intergovernmental revenue	772,696	-	772,696
Charges for services	323,537	1,354,695	1,678,232
Investment income, net of unrealized gains/(losses)	10,615	319,315	329,930
Other revenue	135,527	36,672	172,199
<b>TOTAL REVENUES</b>	<b>12,268,914</b>	<b>1,710,682</b>	<b>13,979,596</b>
<b>EXPENDITURES</b>			
Current:			
General government	999,800	34,626	1,034,426
Public safety	999,874	710,754	1,710,628
Public works	519,755	-	519,755
Recreation and culture	92,079	327,531	419,610
Health and sanitation	167,563	-	167,563
TIF	1,205,663	1,152,990	2,358,653
Education	6,216,668	1,950	6,218,618
County tax	677,058	-	677,058
Overlay	60,599	-	60,599
Debt service:			
Interest	504,355	-	504,355
Capital outlay	-	515,239	515,239
<b>TOTAL EXPENDITURES</b>	<b>11,443,414</b>	<b>2,743,090</b>	<b>14,186,504</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>825,500</b>	<b>(1,032,408)</b>	<b>(206,908)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	2,282,027	2,282,027
Operating transfers (out)	(920,493)	(1,361,534)	(2,282,027)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(920,493)</b>	<b>920,493</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(94,993)</b>	<b>(111,915)</b>	<b>(206,908)</b>
<b>FUND BALANCES - JULY 1</b>	<b>2,978,124</b>	<b>4,957,823</b>	<b>7,935,947</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 2,883,131</b>	<b>\$ 4,845,908</b>	<b>\$ 7,729,039</b>

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, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (206,908)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,197,928
Depreciation expense	<u>(429,320)</u>
	<u>768,608</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>16,609</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>1,938,247</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(5,087)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 2,511,469</u></u>

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

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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 Statement No. 39.

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

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, 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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town 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, 2014

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

The Town of Poland has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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**

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

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$28,165 as of June 30, 2014 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, 2014

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.

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, 2014

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.

**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.

**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.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied September 3, 2013 on the assessed value listed as of April 1, 2013, for all real and personal property located in the Town. Taxes were due on in two installments on October 1, 2013 and April 1, 2014. Interest on unpaid taxes commenced on November 1, 2013 and May 1, 2014, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$80,113 for the year ended June 30, 2014.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Program Revenues**

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

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

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - 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.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Deposits:**

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

At June 30, 2014, the Town's cash balance of \$5,568,888 was comprised of deposits amounting to \$5,676,272. All of this amount was insured by federal depository insurance or fully insured or collateralized with securities held in the entity's name and thus not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 85,219
Savings accounts	318,667
Repurchase agreement accounts	5,186,302
Money market accounts	86,083
	<u>\$ 5,676,272</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, 2014, 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	\$ 297,701	\$ -	\$ -	\$ -	\$ 297,701
Certificates of deposit	202,188	202,188	-	-	-
Equities - U. S.	1,419,881	-	-	-	1,419,881
	<u>\$ 1,919,770</u>	<u>\$ 202,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,717,582</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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 \$1,919,770 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.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General fund	\$ 164,985	\$ 1,977,991
Special revenue fund	215,948	164,966
Capital project fund	1,675,243	-
Permanent fund	86,800	19
	<u>\$ 2,142,976</u>	<u>\$ 2,142,976</u>



TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	Balance, 7/1/13	Additions	Disposals	Balance, 6/30/14
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 543,768	\$ -	\$ -	\$ 543,768
Construction in progress	1,357,789	-	-	1,357,789
	<u>1,901,557</u>	<u>-</u>	<u>-</u>	<u>1,901,557</u>
Depreciated assets:				
Buildings and improvements	3,265,387	765,676	-	4,031,063
Machinery and equipment	559,770	19,085	-	578,855
Furniture and fixtures	6,600	-	-	6,600
Vehicles	2,509,324	64,231	(44,831)	2,528,724
Infrastructure	4,793,681	348,936	-	5,142,617
	11,134,762	1,197,928	(44,831)	12,287,859
Less: accumulated depreciation	<u>(2,760,757)</u>	<u>(429,320)</u>	<u>44,831</u>	<u>(3,145,246)</u>
	8,374,005	768,608	-	9,142,613
Net capital assets	<u>\$ 10,275,562</u>	<u>\$ 768,608</u>	<u>\$ -</u>	<u>\$ 11,044,170</u>
Current year depreciation:				
Fire				\$ 139,518
Public Safety				14,618
Public Works				164,639
Library				2,027
Transfer Station				10,392
TIF				70,407
Town-wide				27,719
Total depreciation expense				<u>\$ 429,320</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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, 7/1/13	Additions	Deletions	Balance, 6/30/14	Due Within One Year
Governmental Activities					
Bonds payable	\$ 17,646,286	\$ -	\$ (1,938,247)	\$ 15,708,039	\$ 1,929,558
Accrued compensated absences	93,461	5,087	-	98,548	-
Total Governmental Activities	<u>\$ 17,110,157</u>	<u>\$ 5,087</u>	<u>\$ (1,938,247)</u>	<u>\$ 15,806,587</u>	<u>\$ 1,929,558</u>

The following is a summary of bonds outstanding as of June 30, 2014:

Bonds Payable:

\$2,582,835, 1994 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2014. Interest is charged at a rate from 4.013% to 6.313% per annum.	\$ 162,474
\$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.	853,336
\$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.	1,310,059
\$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.	4,315,894
\$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.	257,749
\$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.	75,845

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

\$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.	664,999
\$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.	1,045,000
\$250,000, 2004 General Obligation Bond due in annual principal installments and semi-annual interest installments through November 2014. Interest is charged at a rate from 3.019% to 3.644% per annum.	25,000
\$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.	276,900
\$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.	597,493
\$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.	3,914,521
\$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.	2,208,769
Total Bonds Payable	<u><u>\$ 15,708,039</u></u>

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

	Principal	Interest	Total Debt Service
2015	\$ 1,929,558	\$ 470,080	\$ 2,399,638
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
2020-2024	3,681,521	690,302	4,371,823
2025-2029	2,041,979	334,262	2,376,241
2030-2034	1,190,775	61,742	1,252,517
	<u><u>\$ 15,708,039</u></u>	<u><u>\$ 2,727,144</u></u>	<u><u>\$ 18,435,183</u></u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

NOTE 6 - NONSPENDABLE FUND BALANCES

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

General fund:	
Inventory	\$ 24,360
Prepaid expenses	12,623
	<u>\$ 36,983</u>

NOTE 7 - RESTRICTED FUND BALANCES

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

Special revenue funds (Schedule D)	\$ 1,019,867
Permanent funds (Schedule H)	2,097,107
	<u>\$ 3,116,974</u>

NOTE 8 - COMMITTED FUND BALANCES

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

General fund:	
Escrows	<u>\$ 779</u>

NOTE 9 - ASSIGNED FUND BALANCES

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

General fund:	
Accrued compensated absences	\$ 98,548
CEO	2,500
	<u>101,048</u>
Capital project funds (Schedule F)	1,672,008
Special revenue funds (Schedule D)	56,945
Total	<u>\$ 1,830,001</u>

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

On July 1 2010, Town employees were eligible to contribute to the Participating Local Districts (PLDs) Consolidated Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System. The PLDs Consolidated Plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. Fire department employees are eligible for normal retirement after completing twenty years of service. All other employees are eligible for normal retirement upon reaching the age of sixty, and early retirement after completing twenty-five or more years of credited service. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the PLD’s Consolidated Plan Board of Trustees. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PLDs Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333 or by calling (800) 451-9800.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the PLD's Consolidated Board of Trustees. The Town's all employees are part of the PLD's special plan "1N" and are required to contribute 6.5% of their annual salary, while all other employees are part of the PLD's plan "AN" and are also required to contribute 6.5% of their annual salary. The Town is required to contribute 4.1% for "IN" plan and 7.5% for "AN" plans of the plan members' covered payroll annually to the system. The Town's required contributions to the PLDs Consolidated Plan for the years ended June 30, 2014, 2013 and 2012 were \$37,140, \$38,827 and \$41,440, respectively.

**Unfunded Actuarial Accrued Liability**

The Town has no actuarial accrued liability.

NOTE 12 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

A. 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.

B. 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 2014, 2013, and 2012 were \$3,235, \$3,280, and \$3,845, 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,

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

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.

NOTE 14 - OVERSPENT APPROPRIATIONS

The Town had the following appropriations that were exceeded by actual expenditures.

	<u>Excess</u>
General government	\$ 11,246
Public safety	2,555
Public works	7,041
Debt service	18,718
Transfers to other funds	81,032
	<u>\$ 120,592</u>

NOTE 15 - 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.

TOWN OF POLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 16 - 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 \$3,914,521.

NOTE 17 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

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

NOTE 18 - DEFICIT FUND BALANCES

At June 30, 2014, the Town had the following fund balance showing a deficit balance:

Historical Society fund	<u>\$ 19</u>
	<u><u>\$ 19</u></u>

NOTE 19 - RESTATEMENT

The Governmental Wide Financial Statements beginning net position was restated by \$629,590 for a bond that had not been recorded in past years.



### Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

## TOWN OF POLAND, MAINE

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

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,978,124	\$ 2,978,124	\$ 2,978,124	\$ -
Resources (Inflows):				
General tax revenue	10,819,493	10,819,493	11,026,539	207,046
Intergovernmental revenue	771,310	771,310	772,696	1,386
Charges for services	292,450	292,450	323,537	31,087
Investment income	9,000	9,000	10,615	1,615
Other revenue	166,050	166,050	135,527	(30,523)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>15,036,427</u>	<u>15,036,427</u>	<u>15,247,038</u>	<u>210,611</u>
Charges to Appropriations (Outflows):				
General government	988,554	988,554	999,800	(11,246)
Public safety	997,319	997,319	999,874	(2,555)
Public works	512,714	512,714	519,755	(7,041)
Recreation and culture	121,302	121,302	92,079	29,223
Health and sanitation	185,404	185,404	167,563	17,841
Education	6,216,668	6,216,668	6,216,668	-
County tax	677,068	677,068	677,058	10
Overlay	80,113	80,113	60,599	19,514
Debt service:				
Interest	485,637	485,637	504,355	(18,718)
Capital outlay	1,205,663	1,205,663	1,205,663	-
Transfers to other funds	839,461	839,461	920,493	(81,032)
Total Charges to Appropriations	<u>12,309,903</u>	<u>12,309,903</u>	<u>12,363,907</u>	<u>(54,004)</u>
Budgetary Fund Balance, June 30	<u>\$ 2,726,524</u>	<u>\$ 2,726,524</u>	<u>\$ 2,883,131</u>	<u>\$ 156,607</u>
Utilization of unassigned fund balance	\$ -	\$ -	\$ -	\$ -
Utilization of assigned fund balance	<u>251,600</u>	<u>251,600</u>	<u>-</u>	<u>(251,600)</u>
	<u>\$ 251,600</u>	<u>\$ 251,600</u>	<u>\$ -</u>	<u>\$ (251,600)</u>

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  
FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General government</b>					
Administration	\$ 379,404	\$ -	\$ 379,404	\$ 399,226	\$ (19,822)
Benefits	465,116	-	465,116	438,506	26,610
Contracted services	84,606	-	84,606	99,147	(14,541)
Buildings and grounds	48,093	-	48,093	51,749	(3,656)
Cable TV	11,335	-	11,335	11,172	163
	<u>988,554</u>	<u>-</u>	<u>988,554</u>	<u>999,800</u>	<u>(11,246)</u>
<b>Public safety</b>					
Fire/rescue	584,597		584,597	588,279	(3,682)
Police	219,171		219,171	212,022	7,149
Code enforcement	78,575		78,575	75,247	3,328
Insurance	42,600	-	42,600	40,125	2,475
Dispatch contract	33,951	-	33,951	42,026	(8,075)
Street lights	12,000	-	12,000	13,471	(1,471)
Emergency management	5,450	-	5,450	5,619	(169)
Animal control	9,300	-	9,300	10,652	(1,352)
Hydrants	11,675	-	11,675	12,433	(758)
	<u>997,319</u>	<u>-</u>	<u>997,319</u>	<u>999,874</u>	<u>(2,555)</u>
<b>Public works:</b>					
Highways	512,714	-	512,714	519,755	(7,041)
	<u>512,714</u>	<u>-</u>	<u>512,714</u>	<u>519,755</u>	<u>(7,041)</u>

TOWN OF POLAND, MAINE  
 SHCEDULE OF DEPARTMENTAL OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>Health and sanitation:</b>					
Solid waste	185,404	-	185,404	167,563	17,841
	<u>185,404</u>	<u>-</u>	<u>185,404</u>	<u>167,563</u>	<u>17,841</u>
<b>Community services</b>					
Recreation	66,852	-	66,852	67,346	(494)
General assistance	40,000	-	40,000	11,295	28,705
Social service agencies	4,000	-	4,000	4,000	-
Other	10,450	-	10,450	9,438	1,012
	<u>121,302</u>	<u>-</u>	<u>121,302</u>	<u>92,079</u>	<u>29,223</u>
<b>Education</b>	<u>6,216,668</u>	<u>-</u>	<u>6,216,668</u>	<u>6,216,668</u>	<u>-</u>
<b>County tax</b>	<u>677,068</u>	<u>-</u>	<u>677,068</u>	<u>677,058</u>	<u>10</u>
<b>Debt service</b>					
Interest	485,637	-	485,637	504,355	(18,718)
	<u>485,637</u>	<u>-</u>	<u>485,637</u>	<u>504,355</u>	<u>(18,718)</u>

TOWN OF POLAND, MAINE  
 SCHEDULE OF DEPARTMENTAL OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>TIF</b>					
TIF to PS	1,106,535	-	1,106,535	1,106,535	-
TIF to VILLA	99,128	-	99,128	99,128	-
	<u>1,205,663</u>	<u>-</u>	<u>1,205,663</u>	<u>1,205,663</u>	<u>-</u>
<b>Overlay/Emergency Article</b>	<u>80,113</u>	<u>-</u>	<u>80,113</u>	<u>60,599</u>	<u>19,514</u>
<b>Transfers</b>					
Special revenue funds	-	-	-	81,032	(81,032)
Permanent funds	66,042	-	66,042	66,042	-
Capital projects funds	773,419	-	773,419	773,419	-
	<u>839,461</u>	<u>-</u>	<u>839,461</u>	<u>920,493</u>	<u>(81,032)</u>
<b>Total Expenditures</b>	<u>\$ 12,309,903</u>	<u>\$ -</u>	<u>\$ 12,309,903</u>	<u>\$ 12,363,907</u>	<u>\$ (54,004)</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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
General tax revenues:				
Property taxes	\$ 9,997,495	\$ 9,997,495	\$ 9,991,862	\$ (5,633)
Vehicle excise taxes	809,998	809,998	1,022,318	212,320
Boat excise taxes	12,000	12,000	12,359	359
Intergovernmental revenues:				
State revenue sharing	220,452	220,452	224,956	4,504
BETE Reimbursement	330,056	330,056	330,078	22
Homestead exemption	117,802	117,802	117,802	-
Local road assistance	77,000	77,000	77,896	896
Tree growth	-	-	17,564	17,564
General assistance	20,000	20,000	734	(19,266)
Veteran's exemption	6,000	6,000	3,666	(2,334)
Other intergovernmental	-	-	-	-
Charges for services:				
Ambulance fees	155,000	155,000	205,665	50,665
Code enforcement fees	45,000	45,000	32,286	(12,714)
Motor vehicle fees	20,000	20,000	21,381	1,381
Solid waste revenues/fees	39,000	39,000	34,352	(4,648)
Plumbing permits	12,000	12,000	11,724	(276)
Inland fisheries agent fees	2,600	2,600	2,625	25
Animal control fees	3,000	3,000	2,753	(247)
Electrical permit fees	9,000	9,000	6,588	(2,412)
Customer service fees	1,200	1,200	983	(217)
Other	5,650	5,650	5,180	(470)
Investment income	9,000	9,000	10,615	1,615
Other revenue:				
Garage bay rental	9,600	9,600	9,600	-
Tax acquired property	25,000	25,000	-	(25,000)
Interest/fees on liens	38,800	38,800	48,401	9,601
Payment in lieu of taxes	750	750	-	(750)
Cable franchise fees	47,000	47,000	47,233	233
Town hall rental	500	500	1,635	1,135
Other miscellaneous income	44,400	44,400	28,658	(15,742)
Transfers in from other funds	-	-	-	-
Use of fund balance	251,600	251,600	-	(251,600)
<b>Total revenues</b>	<b>\$ 12,309,903</b>	<b>\$ 12,309,903</b>	<b>\$ 12,268,914</b>	<b>\$ (40,989)</b>

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

## TOWN OF POLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,040,306	\$ -	\$ 100,171	\$ 1,140,477
Investments	-	-	1,919,770	1,919,770
Prepaid expense	2,019	-	-	2,019
Due from other governments	-	-	-	-
Due from other funds	215,948	1,675,243	86,800	1,977,991
<b>TOTAL ASSETS</b>	<u>\$ 1,258,273</u>	<u>\$ 1,675,243</u>	<u>\$ 2,106,741</u>	<u>\$ 5,040,257</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,495	\$ 3,235	\$ 9,634	\$ 29,364
Accrued expenses	-	-	-	-
Due to other funds	164,966	-	19	164,985
<b>TOTAL LIABILITIES</b>	<u>181,461</u>	<u>3,235</u>	<u>9,653</u>	<u>194,349</u>
<b>FUND BALANCES</b>				
Restricted	1,019,867	-	2,097,107	3,116,974
Committed	-	-	-	-
Assigned	56,945	1,672,008	-	1,728,953
Unassigned	-	-	(19)	(19)
<b>TOTAL FUND BALANCES</b>	<u>1,076,812</u>	<u>1,672,008</u>	<u>2,097,088</u>	<u>4,845,908</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,258,273</u>	<u>\$ 1,675,243</u>	<u>\$ 2,106,741</u>	<u>\$ 5,040,257</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, 2014

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	1,354,695	-	-	1,354,695
Investment income, net of unrealized gains/(losses)	-	-	319,315	319,315
Other income	1,910	20,000	14,762	36,672
<b>Total revenues</b>	<b>1,356,605</b>	<b>20,000</b>	<b>334,077</b>	<b>1,710,682</b>
<b>EXPENDITURES</b>				
Current:				
Cemetery	-	-	2,019	2,019
Library	-	-	175,081	175,081
Education	-	-	1,950	1,950
General government	6,669	27,957	-	34,626
Public Safety	-	710,754	-	710,754
Debt service/TIF	1,152,990	-	-	1,152,990
Recreation	150,431	-	-	150,431
Capital outlay	-	511,465	3,774	515,239
<b>Total expenditures</b>	<b>1,310,090</b>	<b>1,250,176</b>	<b>182,824</b>	<b>2,743,090</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>46,515</b>	<b>(1,230,176)</b>	<b>151,253</b>	<b>(1,032,408)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds From Debt	-	-	-	-
Operating transfers in	1,442,566	773,419	66,042	2,282,027
Operating transfers (out)	(1,361,534)	-	-	(1,361,534)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>81,032</b>	<b>773,419</b>	<b>66,042</b>	<b>920,493</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>127,547</b>	<b>(456,757)</b>	<b>217,295</b>	<b>(111,915)</b>
<b>FUND BALANCES - JULY 1</b>	<b>949,265</b>	<b>2,128,765</b>	<b>1,879,793</b>	<b>4,957,823</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,076,812</b>	<b>\$ 1,672,008</b>	<b>\$ 2,097,088</b>	<b>\$ 4,845,908</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, 2014

	Recreation Fees Reserve	TIF	TAP Economic Development	PSD TIF I	PSD TIF II	Downtown TIF	Auburn Water Escrow	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 400	\$ -	\$ -	\$ -	\$ 737,443	\$ 257,890	\$ 44,573	\$ 1,040,306
Prepaid expense	2,019	-	-	-	-	-	-	2,019
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	54,666	-	3,728	-	157,554	-	-	215,948
<b>TOTAL ASSETS</b>	<b>\$ 57,085</b>	<b>\$ -</b>	<b>\$ 3,728</b>	<b>\$ -</b>	<b>\$ 894,997</b>	<b>\$ 257,890</b>	<b>\$ 44,573</b>	<b>\$ 1,258,273</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 140	\$ -	\$ -	\$ -	\$ 15,447	\$ 908	\$ -	\$ 16,495
Accrued expenses	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	35,022	-	129,944	-	164,966
<b>TOTAL LIABILITIES</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>35,022</b>	<b>15,447</b>	<b>130,852</b>	<b>-</b>	<b>181,461</b>
<b>FUND BALANCES</b>								
Restricted	-	-	3,728	(35,022)	879,550	127,038	44,573	1,019,867
Committed	-	-	-	-	-	-	-	-
Assigned	56,945	-	-	-	-	-	-	56,945
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>56,945</b>	<b>-</b>	<b>3,728</b>	<b>(35,022)</b>	<b>879,550</b>	<b>127,038</b>	<b>44,573</b>	<b>1,076,812</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 57,085</b>	<b>\$ -</b>	<b>\$ 3,728</b>	<b>\$ -</b>	<b>\$ 894,997</b>	<b>\$ 257,890</b>	<b>\$ 44,573</b>	<b>\$ 1,258,273</b>

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, 2014

	Recreation Fees Reserve	TIF	TAP Economic Development	PSD TIF I	PSD TIF II	Downtown TIF	Auburn Water Escrow	Totals
REVENUES								
Charges for services	\$ 145,304	\$ -	\$ 3,728	\$ 721,509	\$ 385,026	\$ 99,128	\$ -	\$ 1,354,695
Investment income, net of unrealized gains/(losses)	-	-	-	-	1,354	504	52	1,910
Total revenues	<u>145,304</u>	<u>-</u>	<u>3,728</u>	<u>721,509</u>	<u>386,380</u>	<u>99,632</u>	<u>52</u>	<u>1,356,605</u>
EXPENDITURES								
General government	-	-	-	-	-	-	6,669	6,669
Recreation	150,431	-	-	-	-	-	-	150,431
Public safety	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Debt service / TIF	-	-	-	547,677	524,882	80,431	-	1,152,990
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>150,431</u>	<u>-</u>	<u>-</u>	<u>547,677</u>	<u>524,882</u>	<u>80,431</u>	<u>6,669</u>	<u>1,310,090</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,127)</u>	<u>-</u>	<u>3,728</u>	<u>173,832</u>	<u>(138,502)</u>	<u>19,201</u>	<u>(6,617)</u>	<u>46,515</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	-	-	265,487	1,018,052	107,837	51,190	1,442,566
Operating transfers (out)	-	(887,193)	-	(474,341)	-	-	-	(1,361,534)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(887,193)</u>	<u>-</u>	<u>(208,854)</u>	<u>1,018,052</u>	<u>107,837</u>	<u>51,190</u>	<u>81,032</u>
NET CHANGE IN FUND BALANCES	(5,127)	(887,193)	3,728	(35,022)	879,550	127,038	44,573	127,547
FUND BALANCES - JULY 1	<u>62,072</u>	<u>887,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>949,265</u>
FUND BALANCES - JUNE 30	<u>\$ 56,945</u>	<u>\$ -</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>

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 PROJECT FUNDS  
 JUNE 30, 2014

	Public Works Vehicle	Fire/ Rescue Vehicle	Town Roads	Solid Waste	Recreation Facility Reserve
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	297,598	908,369	69,955	16,318	13,003
<b>TOTAL ASSETS</b>	<u>\$ 297,598</u>	<u>\$ 908,369</u>	<u>\$ 69,955</u>	<u>\$ 16,318</u>	<u>\$ 13,003</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	297,598	908,369	69,955	16,318	13,003
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>297,598</u>	<u>908,369</u>	<u>69,955</u>	<u>16,318</u>	<u>13,003</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 297,598</u>	<u>\$ 908,369</u>	<u>\$ 69,955</u>	<u>\$ 16,318</u>	<u>\$ 13,003</u>

TOWN OF POLAND, MAINE

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

	Building Improvements	Contingency Reserve	Police Vehicle	Revaluation Reserve	Fire Station Reserve	Totals
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	95,118	10	18,400	25,000	231,472	1,675,243
<b>TOTAL ASSETS</b>	<u>\$ 95,118</u>	<u>\$ 10</u>	<u>\$ 18,400</u>	<u>\$ 25,000</u>	<u>\$ 231,472</u>	<u>\$ 1,675,243</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,220	\$ -	\$ -	\$ -	\$ 15	\$ 3,235
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>3,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>3,235</u>
<b>FUND BALANCES</b>						
Committed	-	-	-	-	-	-
Assigned	91,898	10	18,400	25,000	231,457	1,672,008
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>91,898</u>	<u>10</u>	<u>18,400</u>	<u>25,000</u>	<u>231,457</u>	<u>1,672,008</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 95,118</u>	<u>\$ 10</u>	<u>\$ 18,400</u>	<u>\$ 25,000</u>	<u>\$ 231,472</u>	<u>\$ 1,675,243</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 PROJECT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	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	-	-	-	-	20,000
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
EXPENDITURES					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	44,559	15,647	348,936	-	29,160
Total expenditures	<u>44,559</u>	<u>15,647</u>	<u>348,936</u>	<u>-</u>	<u>29,160</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,559)</u>	<u>(15,647)</u>	<u>(348,936)</u>	<u>-</u>	<u>(9,160)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from bond issuance	-	-	-	-	-
Operating transfers in	-	324,944	258,001	6,000	18,640
Operating transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>324,944</u>	<u>258,001</u>	<u>6,000</u>	<u>18,640</u>
NET CHANGE IN FUND BALANCES	(44,559)	309,297	(90,935)	6,000	9,480
FUND BALANCES - JULY 1	<u>342,157</u>	<u>599,072</u>	<u>160,890</u>	<u>10,318</u>	<u>3,523</u>
FUND BALANCES - JUNE 30	<u>\$ 297,598</u>	<u>\$ 908,369</u>	<u>\$ 69,955</u>	<u>\$ 16,318</u>	<u>\$ 13,003</u>



TOWN OF POLAND, MAINE

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

	<u>Building Improvements</u>	<u>Contingency Reserve</u>	<u>Police Vehicle</u>	<u>Revaluation Reserve</u>	<u>Fire Station Reserve</u>	<u>Totals</u>
<b>REVENUES</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income, net of unrealized gains/(losses)	-	-	-	-	-	-
Other income	-	-	-	-	-	20,000
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<b>EXPENDITURES</b>						
General government	-	27,957	-	-	-	27,957
Public safety	-	-	-	-	710,754	710,754
Education	-	-	-	-	-	-
Capital outlay	69,138	-	4,025	-	-	511,465
<b>Total expenditures</b>	<u>69,138</u>	<u>27,957</u>	<u>4,025</u>	<u>-</u>	<u>710,754</u>	<u>1,250,176</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(69,138)</u>	<u>(27,957)</u>	<u>(4,025)</u>	<u>-</u>	<u>(710,754)</u>	<u>(1,230,176)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from bond issuance	-	-	-	-	-	-
Operating transfers in	155,834	5,000	5,000	-	-	773,419
Operating transfers (out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>155,834</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>773,419</u>
<b>NET CHANGE IN FUND BALANCES</b>	86,696	(22,957)	975	-	(710,754)	(456,757)
<b>FUND BALANCES - JULY 1</b>	<u>5,202</u>	<u>22,967</u>	<u>17,425</u>	<u>25,000</u>	<u>942,211</u>	<u>2,128,765</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 91,898</u>	<u>\$ 10</u>	<u>\$ 18,400</u>	<u>\$ 25,000</u>	<u>\$ 231,457</u>	<u>\$ 1,672,008</u>

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

## Permanent Funds

Permanent funds are used to account for assets held by the Town of 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, 2014

	<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	\$ -	\$ -	\$ -	\$ -	\$ 2,469	\$ -	\$ -	\$ -
Investments	-	-	-	-	87,819	-	-	-
Due from other funds	10,963	9,385	6,497	8,451	-	11,525	1,289	2,063
<b>TOTAL ASSETS</b>	<u><u>\$ 10,963</u></u>	<u><u>\$ 9,385</u></u>	<u><u>\$ 6,497</u></u>	<u><u>\$ 8,451</u></u>	<u><u>\$ 90,288</u></u>	<u><u>\$ 11,525</u></u>	<u><u>\$ 1,289</u></u>	<u><u>\$ 2,063</u></u>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>FUND BALANCES</b>								
Restricted	10,963	9,385	6,497	8,451	90,288	11,525	1,289	2,063
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u><u>10,963</u></u>	<u><u>9,385</u></u>	<u><u>6,497</u></u>	<u><u>8,451</u></u>	<u><u>90,288</u></u>	<u><u>11,525</u></u>	<u><u>1,289</u></u>	<u><u>2,063</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>								
	<u><u>\$ 10,963</u></u>	<u><u>\$ 9,385</u></u>	<u><u>\$ 6,497</u></u>	<u><u>\$ 8,451</u></u>	<u><u>\$ 90,288</u></u>	<u><u>\$ 11,525</u></u>	<u><u>\$ 1,289</u></u>	<u><u>\$ 2,063</u></u>

TOWN OF POLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2014

	Scholarship Funds	Operations Ricker Library	Endowment Ricker Library	Ministerial	Historical Society	Poland Relief	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,405	\$ 19,466	\$ 73,831	\$ -	\$ -	\$ -	\$ 100,171
Investments	202,189	414,860	1,214,902	-	-	-	1,919,770
Accounts receivable (net of allowance)	-	-	-	-	-	-	-
Due from other funds	-	7,441	-	28,566	-	620	86,800
<b>TOTAL ASSETS</b>	<u>\$ 206,594</u>	<u>\$ 441,767</u>	<u>\$ 1,288,733</u>	<u>\$ 28,566</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ 2,106,741</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 9,634	\$ -	\$ -	\$ -	\$ -	\$ 9,634
Due to other funds	-	-	-	-	19	-	19
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>9,634</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>9,653</u>
<b>FUND BALANCES</b>							
Restricted	206,594	432,133	1,288,733	28,566	-	620	2,097,107
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(19)	-	(19)
<b>TOTAL FUND BALANCES</b>	<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>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 206,594</u>	<u>\$ 441,767</u>	<u>\$ 1,288,733</u>	<u>\$ 28,566</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ 2,106,741</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, 2014

	Hackett Trust	Hackett Relief Fund	Empire Cemetery	White Oak Hill Cemetery	Highland Cemetery	AB Ricker	Lane Cemetery
<b>REVENUES</b>							
Investment income, net of unrealized gains/(losses)	\$ 2	\$ -	\$ 1	\$ 2	\$ 14,606	\$ 3	\$ -
Other income	-	1,800	-	-	2,506	-	-
Total revenues	<u>2</u>	<u>1,800</u>	<u>1</u>	<u>2</u>	<u>17,112</u>	<u>3</u>	<u>-</u>
<b>EXPENDITURES</b>							
Cemetery	-	-	3	4	2,005	6	-
Library	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Other	5	1,615	-	-	-	-	-
Total expenditures	<u>5</u>	<u>1,615</u>	<u>3</u>	<u>4</u>	<u>2,005</u>	<u>6</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>							
	<u>(3)</u>	<u>185</u>	<u>(2)</u>	<u>(2)</u>	<u>15,107</u>	<u>(3)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>							
	(3)	185	(2)	(2)	15,107	(3)	-
<b>FUND BALANCES - JULY 1</b>							
	<u>10,966</u>	<u>9,200</u>	<u>6,499</u>	<u>8,453</u>	<u>75,181</u>	<u>11,528</u>	<u>1,289</u>
<b>FUND BALANCES - JUNE 30</b>							
	<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>

TOWN OF POLAND, MAINE

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

	Scholarship Funds	Operations Ricker Library	Endowment Ricker Library	Ministerial	Historical Society	Poland Relief	Totals
<b>REVENUES</b>							
Investment income, net of unrealized gains/(losses)	\$ 2,150	\$ 94,672	\$ 207,873	\$ 6	\$ -	\$ -	\$ 319,315
Other income	2,000	5,697	-	-	2,139	620	14,762
Total revenues	<u>4,150</u>	<u>100,369</u>	<u>207,873</u>	<u>6</u>	<u>2,139</u>	<u>620</u>	<u>334,077</u>
<b>EXPENDITURES</b>							
Cemetery	-	-	-	-	-	-	2,019
Library	-	129,774	45,307	-	-	-	175,081
Education	1,950	-	-	-	-	-	1,950
Other	-	-	-	14	2,140	-	3,774
Total expenditures	<u>1,950</u>	<u>129,774</u>	<u>45,307</u>	<u>14</u>	<u>2,140</u>	<u>-</u>	<u>182,824</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>							
	<u>2,200</u>	<u>(29,405)</u>	<u>162,566</u>	<u>(8)</u>	<u>(1)</u>	<u>620</u>	<u>135,971</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	66,042	-	-	-	-	66,042
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>66,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,042</u>
<b>NET CHANGE IN FUND BALANCES</b>							
	2,200	36,637	162,566	(8)	(1)	620	217,295
<b>FUND BALANCES - JULY 1</b>							
	<u>204,394</u>	<u>395,496</u>	<u>1,126,167</u>	<u>28,574</u>	<u>(18)</u>	<u>-</u>	<u>1,879,793</u>
<b>FUND BALANCES - JUNE 30</b>							
	<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>

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, 2014

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Fire department	\$ 1,364,089	\$ 1,095,719	\$ 1,789,536	\$ -	\$ 4,249,344
Public safety	-	275,087	71,825	-	346,912
Public works department	216,928	1,844,011	1,060,629	2,341,601	5,463,169
Transfer station	120,000	310,000	29,682	-	459,682
TIF	-	-	9,528	2,801,016	2,810,544
Library	-	-	13,435	-	13,435
Town-wide	<u>242,891</u>	<u>463,895</u>	<u>139,544</u>	<u>-</u>	<u>846,330</u>
Total General Capital Assets	1,943,908	3,988,712	3,114,179	5,142,617	14,189,416
Less: Accumulated Depreciation	<u>-</u>	<u>(1,054,497)</u>	<u>(1,647,719)</u>	<u>(443,030)</u>	<u>(3,145,246)</u>
Net General Capital Assets	<u>\$ 1,943,908</u>	<u>\$ 2,934,215</u>	<u>\$ 1,466,460</u>	<u>\$ 4,699,587</u>	<u>\$ 11,044,170</u>

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, 2014

	General Capital Assets 7/1/13	Additions	Deletions	General Capital Assets 6/30/14
Fire department	\$ 3,522,958	\$ 726,386	\$ -	\$ 4,249,344
Public safety	387,718	4,025	(44,831)	346,912
Public works department	5,069,674	393,495	-	5,463,169
Transfer station	459,682	-	-	459,682
TIF	2,810,544	-	-	2,810,544
Library	13,435	-	-	13,435
Town-wide	772,308	74,022	-	846,330
Total General Capital Assets	13,036,319	1,197,928	(44,831)	14,189,416
Less: Accumulated Depreciation	(2,760,757)	(429,320)	44,831	(3,145,246)
Net General Capital Assets	<u>\$ 10,275,562</u>	<u>\$ 768,608</u>	<u>\$ -</u>	<u>\$ 11,044,170</u>

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